UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2026

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-38113

BOSTON OMAHA CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or other jurisdiction of incorporation or organization)	**27-0788438** (I.R.S. Employer Identification No.)

1601 Dodge Street, Suite 3300, Omaha, Nebraska 68102
(Address of principal executive offices, Zip Code)

(857) 256-0079
(Registrant’s telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Class	Trading Symbol	Name of Exchange on Which Registered
Class A common stock, $0.001 par value per share	BOC	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 29,546,008 shares of Class A common stock and 580,558 shares of Class B common stock as of August 12, 2026.

BOSTON OMAHA CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2026
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References in this Quarterly Report on Form 10-Q to "the Company," "our Company," "we," "us," "our," and "Boston Omaha" refer to Boston Omaha Corporation and its consolidated subsidiaries, unless otherwise noted.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Condensed Consolidated Financial Statements
Unaudited

For the Six Months Ended June 30, 2026 and 2025

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Condensed Consolidated Balance Sheets
Unaudited
(in thousands, except share data)

ASSETS

	June 30, 2026	December 31, 2025
Current Assets:		
Cash and cash equivalents	$ 15,103	$ 16,056
Cash held by BOAM funds and other	1,098	2,999
Accounts receivable, net	5,478	9,582
Short-term investments	3,551	4,988
Marketable equity securities	206	-
U. S. Treasury securities	16,441	20,670
Prepaid expense and other current assets	3,142	3,175
Assets held for sale	79,965	84,828
Total Current Assets	124,984	142,298
Property and Equipment, net	174,521	172,275
Other Assets:		
Goodwill	171,055	171,055
Intangible assets, net	47,144	50,142
Investments	40,935	46,316
Investments in unconsolidated affiliates	70,561	74,817
Right of use assets	53,725	56,051
Other	127	119
Total Other Assets	383,547	398,500
Total Assets	$ 683,052	$ 713,073

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Condensed Consolidated Balance Sheets (Continued)
Unaudited
(in thousands, except share data)

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2026	December 31, 2025
Current Liabilities:		
Accounts payable and accrued expenses	$ 8,315	$ 8,083
Short-term payables for business acquisitions	1,346	1,361
Lease liabilities	4,668	5,110
Current maturities of long-term debt	2,405	2,387
Deferred revenue	3,120	3,058
Liabilities held for sale	41,130	45,259
Total Current Liabilities	60,984	65,258
Long-term Liabilities:		
Asset retirement obligations	4,339	4,231
Lease liabilities	49,268	51,975
Long-term debt, less current maturities	45,177	46,385
Other long-term liabilities	57	88
Deferred tax liability	7,946	9,063
Total Liabilities	167,771	177,000
Stockholders' Equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized, 0 shares issued and outstanding	-	-
Class A common stock, $.001 par value, 38,838,884 shares authorized, 31,023,416 and 31,019,355 shares issued, respectively	31	31
Class B common stock, $.001 par value, 1,161,116 shares authorized, 580,558 shares issued and outstanding	1	1
Additional paid-in capital	540,760	540,710
Treasury stock, at cost, 1,389,177 and 561,868 shares, respectively	(18,003)	(7,429)
Accumulated deficit	(20,937)	(17,176)
Total Boston Omaha Stockholders' Equity	501,852	516,137
Noncontrolling interests	13,429	19,936
Total Equity	515,281	536,073
Total Liabilities and Stockholders' Equity	$ 683,052	$ 713,073

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Condensed Consolidated Statements of Operations
Unaudited
(in thousands, except share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Billboard rentals, net	$ 11,723	$ 11,441	$ 22,696	$ 22,205
Broadband services	10,477	10,234	21,227	20,554
Investment and other income	-	4	1	17
Total Revenues	22,200	21,679	43,924	42,776
Costs and Expenses:				
Cost of billboard revenues (exclusive of depreciation and amortization)	3,533	3,703	7,023	7,547
Cost of broadband revenues (exclusive of depreciation and amortization)	2,664	2,316	5,229	4,689
Employee costs	6,132	6,377	12,037	12,680
Professional fees	850	596	1,775	1,239
General and administrative	3,328	3,205	6,439	6,128
Amortization	1,859	1,915	3,696	3,786
Depreciation	4,523	4,101	8,939	8,085
(Gain) loss on disposition of assets	(139)	(76)	(163)	48
Accretion	53	54	108	108
Total Costs and Expenses	22,803	22,191	45,083	44,310
Net Loss from Operations	(603)	(512)	(1,159)	(1,534)
Other Income (Expense):				
Interest and dividend income	258	242	529	545
Equity in (loss) income of unconsolidated affiliates	(404)	6,147	(2,095)	3,833
Other investment loss	(1,747)	(10,347)	(1,711)	(9,894)
Interest expense	(607)	(573)	(1,216)	(1,115)
Net Loss from Continuing Operations Before Income Taxes	(3,103)	(5,043)	(5,652)	(8,165)
Income tax benefit on continuing operations	448	803	1,117	990
Net Loss from Continuing Operations, net of tax	(2,655)	(4,240)	(4,535)	(7,175)
Noncontrolling interest in subsidiary loss	553	2,250	960	4,008
Net Loss from Continuing Operations Attributable to Common Stockholders	(2,102)	(1,990)	(3,575)	(3,167)
Income (Loss) from Discontinued Operations, net of income taxes	490	(329)	(185)	178
Net Loss Attributable to Common Stockholders	$ (1,612)	$ (2,319)	$ (3,760)	$ (2,989)
Basic Net Loss per Share - Continuing Operations	$ (0.07)	$ (0.06)	$ (0.12)	$ (0.10)
Basic Net Income (Loss) per Share - Discontinued Operations	$ 0.02	$ (0.01)	$ (0.00)	$ 0.00
Basic Net Loss per Share	$ (0.05)	$ (0.07)	$ (0.12)	$ (0.10)
Diluted Net Loss per Share - Continuing Operations	$ (0.07)	$ (0.06)	$ (0.12)	$ (0.10)
Diluted Net Income (Loss) per Share - Discontinued Operations	$ 0.02	$ (0.01)	$ (0.00)	$ 0.00
Diluted Net Loss per Share	$ (0.05)	$ (0.07)	$ (0.12)	$ (0.10)
Basic Weighted Average Class A and Class B Common Shares Outstanding	30,422,794	31,453,434	30,612,655	31,440,934
Diluted Weighted Average Class A and Class B Common Shares Outstanding	30,422,794	31,453,434	30,612,655	31,440,934

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Condensed Consolidated Statements of Changes in Stockholders' Equity
Unaudited
(in thousands, except share data)

	No. of shares								
	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Non-controlling Interest	Retained Earnings	Total
Beginning Balance, December 31, 2024	30,943,349	527,780	$ 31	$ 1	$ 539,126	$ (1,589)	$ 29,900	$ (4,749)	$ 562,720
Stock issued for cash	-	52,778	-	-	525	-	-	-	525
Stock issued as compensation	46,642	-	-	-	702	(87)	-	-	615
Distributions to noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	-	(1,120)	-	(1,120)
Distributions to noncontrolling interests, 24th Street Asset Management	-	-	-	-	-	-	(549)	-	(549)
Net loss attributable to noncontrolling interests	-	-	-	-	-	-	(1,758)	-	(1,758)
Net loss attributable to common stockholders, March 31, 2025	-	-	-	-	-	-	-	(669)	(669)
Ending Balance, March 31, 2025	30,989,991	580,558	$ 31	$ 1	$ 540,353	$ (1,676)	$ 26,473	$ (5,418)	$ 559,764
Offering costs	-	-	-	-	(3)	-	-	-	$ (3)
Contributions from noncontrolling interest	-	-	-	-	-	-	88	-	88
Net loss attributable to noncontrolling interest	-	-	-	-	-	-	(2,249)	-	(2,249)
Net loss attributable to common stockholders, June 30, 2025	-	-	-	-	-	-	-	(2,320)	(2,320)
Ending Balance, June 30, 2025	30,989,991	580,558	$ 31	$ 1	$ 540,350	$ (1,676)	$ 24,312	$ (7,738)	$ 555,280

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
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Condensed Consolidated Statements of Changes in Stockholders' Equity (Continued)
Unaudited
(in thousands, except share data)

	No. of shares								
	Class A Common Stock	Class B Common Stock	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital	Treasury Stock	Non-controlling Interest	Retained Earnings (Accumulated Deficit)	Total
Beginning Balance, December 31, 2025	31,019,355	580,558	$ 31	$ 1	$ 540,710	$ (7,429)	$ 19,936	$ (17,176)	$ 536,073
Treasury stock purchased	-	-	-	-	-	(4,808)	-	-	(4,808)
Stock issued as compensation	4,061	-	-	-	50	(9)	-	-	41
Distributions to noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	-	(1,909)	-	(1,909)
Distributions to noncontrolling interests, 24th Street Asset Management	-	-	-	-	-	-	(3,672)	-	(3,672)
Distributions to minority owners	-	-	-	-	-	-	(1)	-	(1)
Net loss attributable to noncontrolling interests	-	-	-	-	-	-	(407)	-	(407)
Net loss attributable to common stockholders, March 31, 2026	-	-	-	-	-	-	-	(2,149)	(2,149)
Ending Balance, March 31, 2026	31,023,416	580,558	$ 31	$ 1	$ 540,760	$ (12,246)	$ 13,947	$ (19,325)	$ 523,168
Contributions from noncontrolling interests, Build for Rent subsidiary	-	-	-	-	-	-	40	-	40
Distributions to minority owners	-	-	-	-	-	-	(4)	-	(4)
Treasury stock purchased	-	-	-	-	-	(5,757)	-	-	(5,757)
Net loss attributable to noncontrolling interest	-	-	-	-	-	-	(554)	-	(554)
Net loss attributable to common stockholders, June 30, 2026	-	-	-	-	-	-	-	(1,612)	(1,612)
Ending Balance, June 30, 2026	31,023,416	580,558	$ 31	$ 1	$ 540,760	$ (18,003)	$ 13,429	$ (20,937)	$ 515,281

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
Unaudited
(in thousands, except share data)

	For the Six Months Ended June 30, 2026	2025
Cash Flows from Operating Activities from Continuing Operations:		
Net Loss from Continuing Operations, net of tax	$ (4,535)	$ (7,175)
Adjustments to reconcile net loss to cash provided by operating activities:		
Amortization of right of use assets	2,785	2,688
Depreciation, amortization, and accretion	12,743	11,979
Income taxes	(1,176)	(990)
(Gain) loss on disposition of assets	(163)	48
Bad debt expense	96	110
Equity in loss (income) of unconsolidated affiliates	2,095	(3,833)
Other investment loss	1,711	9,894
Compensation paid in stock	50	702
Other	123	-
Changes in operating assets and liabilities:		
Accounts receivable	(397)	(250)
Prepaid expenses	(493)	(321)
Other assets	(9)	-
Other liabilities, exclusive of debt	(31)	(39)
Accounts payable and accrued expenses	289	(1,853)
Lease liabilities	(3,021)	(2,983)
Deferred revenue	63	203
Net Cash Provided by Operating Activities from Continuing Operations	10,130	8,180
Cash Flows from Investing Activities from Continuing Operations:		
Capital expenditures	(11,779)	(14,158)
Payments on short-term payables for business acquisitions	(16)	(15)
Proceeds from sales of investments	92,159	85,976
Purchases of investments	(76,586)	(82,221)
Capital contributions to discontinued operations	-	(200)
Capital distributions from discontinued operations	550	-
Net Cash Provided by (Used in) Investing Activities from Continuing Operations	4,328	(10,618)

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
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Condensed Consolidated Statements of Cash Flows (Continued)
Unaudited
(in thousands, except share data)

	For the Six Months Ended June 30,	
	2026	**2025**
Cash Flows from Financing Activities from Continuing Operations:		
Proceeds from the issuance of stock	$ -	$ 525
Stock repurchased	(10,574)	(87)
Proceeds from long term credit facility	-	7,500
Principal payments of long-term debt	(1,190)	(1,298)
Distributions to noncontrolling interests	(5,587)	(1,670)
Contributions from noncontrolling interests	40	87
Offering costs	-	(3)
Net Cash (Used in) Provided by Financing Activities from Continuing Operations	(17,311)	5,054
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash from Continuing Operations	(2,853)	2,616
Cash Flows from Discontinued Operations:		
Net (Loss) Income from Discontinued Operations	(185)	178
Adjustments to reconcile net (loss) income to cash provided by operating activities:		
Net cash used in operating activities from discontinued operations	(2,388)	(1,241)
Net cash provided by (used in) investing activities from discontinued operations	3,304	(965)
Net cash (used in) provided by financing activities from discontinued operations	(3,335)	5,055
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash from Discontinued Operations	(2,604)	3,027
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	46,714	41,197
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 41,257	$ 46,840
Interest Paid in Cash	$ 1,121	$ 1,116
Income Taxes Paid in Cash	$ 59	$ 21

See accompanying notes to the unaudited condensed consolidated financial statements.

BOSTON OMAHA CORPORATION
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Notes to Condensed Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025
(in thousands, except share data)

NOTE 1. ORGANIZATION AND BACKGROUND

Boston Omaha Corporation ("Boston Omaha," the "Company," "we," "us," and "our") was organized on August 11, 2009 with present management taking over operations in February 2015. Our operations include (i) our outdoor advertising business with multiple billboards across Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin; (ii) our insurance business that specializes in surety bond underwriting and brokerage; (iii) our broadband business that provides high-speed broadband services to its customers; (iv) our asset management business; and (v) our minority investments primarily in real estate, real estate services, private aviation infrastructure, and banking. Our billboard operations are conducted through our subsidiary, Link Media Holdings, LLC, our insurance operations are conducted through our subsidiary, General Indemnity Group, LLC, our broadband operations are conducted through our subsidiary, Boston Omaha Broadband, LLC, and our asset management operations are conducted through our subsidiary, Boston Omaha Asset Management, LLC.

We completed an acquisition of an outdoor advertising business and entered the outdoor advertising industry on June 19, 2015. From 2015 through 2025, we have completed more than twenty additional acquisitions of outdoor advertising businesses.

In September 2015, we established an insurance subsidiary, General Indemnity Group, LLC, which we refer to as “GIG.” On April 20, 2016, we completed an acquisition of a surety bond brokerage business. On December 7, 2016, we acquired a fidelity and surety bond insurance company. From 2017 through 2025, we completed four additional acquisitions of surety brokerage businesses. On May 18, 2026, Boston Omaha and CopperPoint Insurance Company, an Arizona insurance company (“CopperPoint”), entered into a Securities Purchase Agreement (the “Securities Purchase Agreement”), pursuant to which, among other matters, and subject to the satisfaction or waiver of the conditions set forth in the Securities Purchase Agreement, CopperPoint will acquire 100% of the equity interests in GIG. The transaction is structured as an all-cash transaction with a purchase price of approximately $84.3 million. Approximately 93% of the net sale proceeds will be distributed to Boston Omaha, with the remaining net sale proceeds payable to GIG’s senior management. The purchase price is payable at the closing of the transaction, less expenses of the transaction, including investment banking fees, professional fees, and other costs of the transaction. A portion of the purchase price will be held in escrow for a period of two years from the closing of the transaction in accordance with the terms of an escrow agreement to be signed at closing (the "Escrow Agreement"). CopperPoint's recourse against the sellers for post-closing indemnification claims is capped under the Securities Purchase Agreement at $5,250,000, subject to customary exceptions. There is no financing contingency.

On March 10, 2020, we completed the acquisition of a rural broadband internet provider located in Arizona. On December 29, 2020, we completed the acquisition of a second broadband internet provider located in Utah. On April 1, 2022, we completed the acquisition of our third broadband internet provider located in Utah.

On September 25, 2020, we filed a Registration Statement on Form S-1 with the Securities and Exchange Commission for a proposed initial public offering of units of a special purpose acquisition company, which we refer to as the “SPAC,” named Yellowstone Acquisition Company, which we refer to as “Yellowstone.” Yellowstone completed its initial public offering on October 26, 2020, and on January 25, 2022 completed a business combination with Sky Harbour Group, and Yellowstone changed its name to Sky Harbour Group Corporation (see Note 7 for further discussion).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The information included in the foregoing interim condensed consolidated financial statements is unaudited. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the Company’s financial position and results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year. These interim condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements and the notes thereto included in the 2025 Form 10-K. Subsequent events, if any, are evaluated through the date on which the financial statements are issued.

Consolidation Policy

The financial statements of Boston Omaha Corporation include the accounts of the Company and our consolidated subsidiaries, which are comprised of voting interest entities in which we have a controlling financial interest and variable interest entities for which we have determined that we are the primary beneficiary. All intercompany profits, losses, transactions, and balances have been eliminated in consolidation.

Variable Interest Entities (VIEs)

We determine whether an entity is a VIE and, if so, whether it should be consolidated by utilizing judgments and estimates that are inherently subjective. Our determination of whether an entity in which we hold a direct or indirect variable interest is a VIE is based on several factors, including whether the entity’s total equity investment at risk upon inception is sufficient to finance the entity’s activities without additional subordinated financial support. We make judgments regarding the sufficiency of the equity at risk based first on a qualitative analysis, and then a quantitative analysis, if necessary.

We analyze any investments in VIEs to determine if we are the primary beneficiary. In evaluating whether we are the primary beneficiary, we evaluate our direct and indirect economic interests in the entity. A reporting entity is determined to be the primary beneficiary if it holds a controlling financial interest in the VIE. Determining which reporting entity, if any, has a controlling financial interest in a VIE is primarily a qualitative approach focused on identifying which reporting entity has both: (i) the power to direct the activities of a VIE that most significantly impact such entity's economic performance; and (ii) the obligation to absorb losses or the right to receive benefits from such entity that could potentially be significant to such entity. Performance of that analysis requires the exercise of judgment.

BOSTON OMAHA CORPORATION
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Notes to Condensed Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

We consider a variety of factors in identifying the entity that holds the power to direct matters that most significantly impact the VIE's economic performance including, but not limited to, the ability to direct operating decisions and activities. In addition, we consider the rights of other investors to participate in those decisions. We determine whether we are the primary beneficiary of a VIE at the time we become involved with a variable interest entity and reconsider that conclusion continually. We consolidate any VIE of which we are the primary beneficiary. Such VIEs consist of 24th Street Fund I and 24th Street Fund II, collectively "the 24th Street Funds," and Fund One Boston Omaha Build for Rent LP, which we refer to as "BFR".

Total assets of the consolidated VIEs included within our Condensed Consolidated Balance Sheets were approximately $20 million and $32 million as of June 30, 2026 and December 31, 2025, respectively. Total liabilities of the consolidated VIEs included within our Condensed Consolidated Balance Sheets were approximately $37 thousand and $2 thousand as of June 30, 2026 and December 31, 2025, respectively. As of June 30, 2026 and December 31, 2025, the aggregate fair value of the 24th Street Funds' and BFR's investments in special purpose entities was approximately $19 million and $24.3 million, respectively. During the first two quarters of 2026, the 24th Street Funds' and BFR's investments in special purpose entities recognized other investment loss of approximately $1.2 million and made distributions to the funds of approximately $4.2 million. The assets of the consolidated VIEs may only be used to settle obligations of the same VIE.

Our consolidated subsidiaries at June 30, 2026 include:

Link Media Holdings, LLC which we refer to as "LMH" and "Link"
Link Media Alabama, LLC which we refer to as "LMA"
Link Media Florida, LLC which we refer to as "LMF"
Link Media Wisconsin, LLC which we refer to as "LMW"
Link Media Georgia, LLC which we refer to as "LMG"
Link Media Midwest, LLC which we refer to as "LMM"
Link Media Omaha, LLC which we refer to as "LMO"
Link Media Properties, LLC which we refer to as "LMP"
Link Media Southeast, LLC which we refer to as "LMSE"
Link Media Services, LLC which we refer to as "LMS"
Link Billboards Oklahoma, LLC which we refer to as "LBO"
General Indemnity Group, LLC which we refer to as "GIG"
United Casualty and Surety Insurance Company which we refer to as "UCS"
BOSS Bonds Insurance Agency, LLC, which we refer to as "BOSS Bonds", formerly known as South Coast Surety Insurance Services, LLC, which we refer to as "SCS"
Boston Omaha Investments, LLC which we refer to as "BOIC"
Boston Omaha Asset Management, LLC which we refer to as "BOAM"
Fund One Boston Omaha Build for Rent LP which we refer to as "BFR"
BOAM BFR, LLC which we refer to as "BOAM BFR"
BOC Business Services, LLC which we refer to as "BBS"
BOC Yellowstone, LLC which we refer to as "BOC Yellowstone"
BOC Yellowstone II, LLC which we refer to as "BOC Yellowstone II"
24th Street Asset Management LLC which we refer to as "24th Street"
24th Street Fund I, LLC which we refer to as "24th Street Fund I"
24th Street Fund II, LLC which we refer to as "24th Street Fund II"
Boston Omaha Broadband, LLC which we refer to as "BOB"
FIF AireBeam, LLC which we refer to as "AireBeam"
Fiber Fast Homes, LLC which we refer to as "FFH"
FIF Utah, LLC which we refer to as "FIF Utah"
FIF St George, LLC which we refer to as "FIF St George" or "InfoWest"

BOSTON OMAHA CORPORATION
and SUBSIDIARIES

Notes to Condensed Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discontinued Operations

During the second quarter of 2026, the Company entered into a Securities Purchase Agreement to sell our insurance subsidiary, GIG, and met the requirements to report GIG as held for sale on the condensed consolidated balance sheets, and as discontinued operations on the condensed consolidated statements of operations. Accordingly, the consolidated financial statements for all periods presented reflect the results of the insurance operation as a discontinued operation. Upon classification as held for sale, the disposal group is measured at the lower of its carrying amount or fair value less cost to sell. Unless otherwise noted, amounts and disclosures throughout these Notes to Condensed Unaudited Consolidated Financial Statements relate to the Company's continuing operations. Refer to Note 14. Discontinued Operations for further details.

Revenues

The majority of our advertising revenues are derived from contracts for advertising space on billboard structures and broadband internet services and are accounted for under Financial Accounting Standards Board, which we refer to as the “FASB,” Accounting Standards Codification, which we refer to as “ASC,” 606*, Revenue from Contracts with Customers,* and under ASC 842, *Leases.*

Revenue Recognition

Billboard Rentals

We generate revenue from outdoor advertising through the leasing of advertising space on billboards. The terms of the contracts range from less than one month to three years and are generally billed monthly. Revenue for advertising space rental is recognized on a straight-line basis over the term of the contract. Advertising revenue is reported net of agency commissions. Agency commissions are calculated based on a stated percentage applied to gross billing revenue for operations. Payments received in advance of being earned are recorded as deferred revenue.

Another component of billboard rentals consists of production services which include creating and printing advertising copy. Contract revenues for production services are accounted for under ASC 606, *Revenue from Contracts with Customers*. Revenues are recognized at a point in time upon satisfaction of the contract, which is typically less than one week.

Practical expedients and exemptions: The Company is utilizing the following practical expedients and exemptions from ASC 606. We generally expense sales commissions when incurred because the amortization period is one year or less. These costs are recorded within costs of billboard revenues exclusive of depreciation and amortization. We do not disclose the value of unsatisfied performance obligations as the majority of our contracts with customers have an original expected length of less than one year. For contracts with customers which exceed one year, the future amount to be invoiced to the customer corresponds directly with the value to be received by the customer.

Deferred Revenues

We record deferred revenues when cash payments are received in advance of being earned or when we have an unconditional right to consideration before satisfying our performance obligation. The term between invoicing and when a payment is due is not significant. For certain services we require payment before the product or services are delivered to the customer. The balance of deferred revenue is considered short-term and will be recognized in revenue within twelve months.

Broadband Revenues

Broadband revenue is derived principally from internet services and is recognized on a straight-line basis over the term of the contract in the period the services are rendered. Revenue received or receivable in advance of the delivery of services is included in deferred revenue.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which requires disclosures about specific types of expenses included in expense captions presented on the face of the Condensed Consolidated Statement of Operations. This guidance is effective for public entities for fiscal years beginning after December 15, 2026. We are currently reviewing this guidance and its impact on our condensed consolidated financial statements.

In November 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies certain aspects of interim reporting guidance, including the application of existing recognition and disclosure requirements in interim periods. The amendments are intended to improve the consistency and clarity of interim reporting practices. The amendments in ASU 2025-11 are effective for fiscal years beginning after December 15, 2026. We are currently reviewing this guidance and its impact on our condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*, which amends various sections of the Accounting Standards Codification to correct errors, clarify guidance, and make other incremental improvements to GAAP. The amendments address a wide range of topics including earnings per share, beneficial interests, transfers of receivables, treasury stock accounting, and certain disclosure requirements. The amendments are effective for fiscal years beginning after December 15, 2026. We are currently reviewing this guidance and its impact on our consolidated financial statements.

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Notes to Condensed Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

NOTE 3. CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table sets forth a reconciliation of cash, cash equivalents, and restricted cash reported in the Condensed Consolidated Balance Sheets that agrees to the total of those amounts as presented in the Condensed Consolidated Statements of Cash Flows.

	June 30, 2026	December 31, 2025
Cash and cash equivalents	$ 15,103	$ 16,056
Cash held by BOAM funds and other	1,098	2,999
Cash and cash equivalents held by Discontinued Operations	13,930	13,749
Funds held as collateral assets held by Discontinued Operations	11,126	13,910
Total Cash, Cash Equivalents, and Restricted Cash as Presented in the Condensed Consolidated Statements of Cash Flows	$ 41,257	$ 46,714

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	June 30, 2026	December 31, 2025
Trade accounts	$ 5,121	$ 5,320
Other	456	4,405
Allowance for credit losses	(99)	(143)
Total Accounts Receivable, net	$ 5,478	$ 9,582

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30, 2026	December 31, 2025
Structures and displays	$ 69,765	$ 68,996
Fiber, towers, and broadband equipment	162,013	151,933
Land	599	599
Vehicles and equipment	11,715	11,493
Office furniture and equipment	4,906	4,857
Accumulated depreciation	(74,477)	(65,603)
Total Property and Equipment, net	$ 174,521	$ 172,275

Depreciation expense for the six months ended June 30, 2026 and 2025 was $8.9 million and $8.1 million, respectively.

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Notes to Condensed Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

NOTE 6. INTANGIBLE ASSETS

Intangible assets consist of the following:

	June 30, 2026			December 31, 2025		
	Cost	Accumulated Amortization	Balance	Cost	Accumulated Amortization	Balance
Customer relationships	$ 68,153	$ (43,568)	$ 24,585	$ 68,153	$ (40,899)	$ 27,254
Permits, licenses, and lease acquisition costs	11,277	(7,980)	3,297	11,226	(7,467)	3,759
Site location	849	(505)	344	849	(477)	372
Technology	990	(618)	372	990	(569)	421
Trade names and trademarks	10,180	(2,378)	7,802	10,180	(2,125)	8,055
Nonsolicitation agreement	325	(325)	-	325	(313)	12
Capitalized contract costs	3,435	(1,103)	2,332	3,408	(931)	2,477
Indefinite lived intangibles	8,412	-	8,412	7,792	-	7,792
Total	$ 103,621	$ (56,477)	$ 47,144	$ 102,923	$ (52,781)	$ 50,142

Future Amortization

The future amortization associated with the intangible assets is as follows:

	June 30,						
	2027	2028	2029	2030	2031	Thereafter	Total
Customer relationships	$ 5,371	$ 5,339	$ 3,710	$ 3,158	$ 2,735	$ 4,272	$ 24,585
Permits, licenses, and lease acquisition costs	1,034	999	380	189	135	560	3,297
Site location	57	57	57	57	57	59	344
Technology	99	99	99	75	-	-	372
Trade names and trademarks	509	509	509	509	509	5,257	7,802
Nonsolicitation agreement	-	-	-	-	-	-	-
Capitalized contract costs	343	343	343	343	343	617	2,332
Total	$ 7,413	$ 7,346	$ 5,098	$ 4,331	$ 3,779	$ 10,765	$ 38,732

Amortization expense for the six months ended June 30, 2026 and 2025 was $3.7 million and $3.8 million, respectively.

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Notes to Condensed Unaudited Consolidated Financial Statements

For the Six Months Ended June 30, 2026 and 2025

NOTE 6. INTANGIBLE ASSETS (Continued)

As of June 30, 2026, the weighted average amortization period, in months, for intangible assets is as follows:

Customer relationships	55
Permits, licenses, and lease acquisition costs	38
Site location	73
Technology	45
Trade names and trademarks	184
Capitalized contract costs	81

NOTE 7. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Short-term Investments

Short-term investments consist of common stock warrants. Our common stock warrants of Sky Harbour Group Corporation are measured at fair value, with any unrealized holding gains and losses during the period included in "Other investment income (loss)" within our Condensed Consolidated Statements of Operations.

	June 30, 2026	December 31, 2025
Common stock warrants of Sky Harbour Group Corporation	$ 3,551	$ 4,988
Total	$ 3,551	$ 4,988

Our marketable equity securities are publicly traded stocks measured at fair value using quoted prices for identical assets in active markets and classified as Level 1 within the fair value hierarchy. Marketable equity securities as of June 30, 2026 and December 31, 2025 are as follows:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
Marketable equity securities, June 30, 2026	$ 209	$ (3)	$ 206
Marketable equity securities, December 31, 2025	$ -	$ -	$ -

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Notes to Condensed Unaudited Consolidated Financial Statements

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NOTE 7. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

U.S. Treasury Trading Securities

We classify our investments in debt securities that are bought and held principally for the purpose of selling them in the near term as trading securities. Our debt securities classified as trading are carried at fair value in the Condensed Consolidated Balance Sheets, with the change in fair value during the period included in earnings. Interest income is recognized at the coupon rate.

Debt securities classified as trading as of June 30, 2026 and December 31, 2025 are as follows:

	Cost	Gross Unrealized Gain (Loss)	Fair Value
U.S. Treasury trading securities, June 30, 2026	$ 16,397	$ 44	$ 16,441
U.S. Treasury trading securities, December 31, 2025	$ 20,612	$ 58	$ 20,670

Long-term Investments

Long-term investments consist of investments in special purpose entities and equity investments in two private companies.

24th Street Fund I & 24th Street Fund II

On May 1, 2023, our subsidiary, Boston Omaha Asset Management, LLC, acquired 100% of the membership interests in 24th Street Asset Management LLC, from the members of 24th Street other than BOAM, for cash and BOC Class A common stock for a total purchase price of approximately $5 million in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of approximately $2.7 million in cash at closing, an additional $1.3 million in cash subject to holdback, and 45,644 shares of BOC Class A common stock.

Each of the 24th Street Funds holds investments in special purpose entities whose primary assets are real estate property. We include the 24th Street Funds' investments in special purpose entities within long-term investments in our Condensed Consolidated Balance Sheets.

Equity Investments

During May 2018, we invested approximately $19 million in voting common stock of CB&T Holding Corporation, which we refer to as "CB&T," the privately held parent company of Crescent Bank & Trust, Inc. Our investment represents 15.6% of CB&T's outstanding common stock. CB&T is a closely held corporation, whose majority ownership rests with one family.

In July 2023, we invested approximately $3 million in voting preferred stock of MyBundle.TV Inc., which we refer to as "MyBundle." The preferred stock has one vote per share and is convertible into whole shares of common stock, determined according to the conversion formula contained in MyBundle's amended and restated articles of incorporation.

	June 30, 2026	December 31, 2025
Investments in special purpose entities	$ 18,877	$ 24,258
Voting preferred stock of MyBundle.TV Inc.	3,000	3,000
Voting common stock of CB&T Holding Corporation	19,058	19,058
Total	$ 40,935	$ 46,316

We reviewed our investments as of June 30, 2026 and December 31, 2025 and concluded that no impairment to the carrying value was required.

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Notes to Condensed Unaudited Consolidated Financial Statements

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NOTE 7. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Investment in Unconsolidated Affiliates

We have various investments in equity method affiliates, whose businesses are in real estate, real estate services, and private aviation infrastructure. One of the investments in affiliates, Logic Real Estate Companies, LLC, which we refer to as "Logic," is managed by an entity controlled by a member of our board of directors.

Sky Harbour Group Corporation

In October 2020, our subsidiary BOC Yellowstone, LLC, served as sponsor for the underwritten initial public offering of a special purpose acquisition company named Yellowstone Acquisition Company. Yellowstone sold in its public offering 13,598,898 units at a price of $10.00 per unit, each unit consisting of one share of Class A common stock and a redeemable warrant to purchase one-half of a share of Class A common stock at an exercise price of $11.50 per share. Between August and November 2020, we invested, through BOC Yellowstone, approximately $7.8 million through the purchase of 3,399,724 shares of Class B common stock and 7,719,779 non-redeemable private placement warrants (the "private placement warrants"), each warrant entitling us to purchase one share of Class A common stock at $11.50 per share. BOC Yellowstone, as the sponsor of Yellowstone and under the terms of the public offering, owned approximately 20% of Yellowstone's issued and outstanding common stock. The purpose of the offering was to pursue a business combination in an industry other than the three industries in which we owned and operated businesses at that time: outdoor advertising, surety insurance, and broadband services businesses.

On August 1, 2021, Yellowstone entered into a business combination agreement with Sky Harbour LLC ("SHG"), a developer of private aviation infrastructure focused on building, leasing, and managing business aviation hangars. On September 14, 2021, our subsidiary BOC YAC Funding LLC completed the previously announced investment of $55 million in Series B Preferred Units of SHG. In addition to our $55 million investment, we also agreed to provide SHG an additional $45 million through the purchase of additional shares of Yellowstone Class A common stock at a price of $10 per share through a private placement investment ("PIPE").

On January 25, 2022, Yellowstone completed the previously announced proposed business combination with SHG following stockholder approval. As a result, SHG became a consolidated subsidiary of Yellowstone and Yellowstone was renamed Sky Harbour Group Corporation, which we refer to as "Sky Harbour." In connection with the business combination, our Series B Preferred Units of SHG converted into 5,500,000 shares of Sky Harbour Group Class A common stock at a price of $10 per share. Also, in connection with the business combination, we entered into a subscription agreement with Sky Harbour, pursuant to which Sky Harbour sold to us 4,500,000 shares of Class A common stock at a price of $10 per share, for total cash consideration of $45 million.

NOTE 7. INVESTMENTS, INCLUDING INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

On November 2, 2023, Sky Harbour entered into a securities purchase agreement with certain investors, pursuant to which Sky Harbour agreed to sell and issue to the Investors at an initial closing an aggregate of 6,586,154 shares of the Company's Class A common stock, par value $0.0001 per share and accompanying warrants to purchase up to an aggregate of 1,141,600 shares of Class A Common Stock, for an aggregate purchase price of approximately $42.8 million. On November 29, 2023, Sky Harbour sold and issued to the Investors an aggregate of 2,307,692 PIPE shares of the Company's Class A common stock, par value $0.0001 per share and accompanying PIPE warrants to purchase an aggregate of 400,000 shares of Class A Common Stock for an aggregate purchase price of $15 million. Together with the first closing on November 2, 2023, the aggregate PIPE financing through the Purchase Agreement totaled $57.8 million. In connection with Sky Harbour's financing transactions occurring in November 2023, we recorded a dilution loss of approximately $2.2 million within 'Equity in income of unconsolidated affiliates' to reflect the decrease in our ownership of Sky Harbour's net assets.

On October 25, 2024, Sky Harbour entered into a securities purchase agreement with certain investors, pursuant to which Sky Harbour agreed to sell and issue to the Investors at an initial closing an aggregate of 3,955,790 PIPE shares of its Class A Common stock for an aggregate purchase price of approximately $37.6 million. On December 20, 2024, Sky Harbour issued an additional 3,955,790 PIPE shares of its Class A Common Stock in connection with the exercise of all the rights to purchase additional shares provided to PIPE investors who participated in the October 2024 closing for net proceeds of approximately $37.6 million, at a sale price of $9.50 per share. Aggregate proceeds from both closings were approximately $75.2 million, representing the full capacity of the equity raise. In connection with Sky Harbour's financing transactions occurring during the fourth quarter of fiscal 2024, we recorded a dilution gain of approximately $5.1 million within 'Equity in income of unconsolidated affiliates' to reflect the change in our ownership of Sky Harbour's net assets.

All the shares of Sky Harbour Class A common stock and Sky Harbour warrants to purchase Class A common stock that we hold have been registered under the Securities Act. However, our ability to resell any significant portion of these shares is limited by the large number of shares and warrants we hold relative to the average trading volume of these securities, which may prevent us from selling shares as we retain control over the election of one seat on Sky Harbour's Board of Directors. The terms of the Sky Harbour business combination prohibited us from selling any of our securities in Sky Harbour prior to January 25, 2023, and have since expired. The carrying value of our investment in Sky Harbour's Class A common stock as of June 30, 2026 is approximately $69.9 million. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of June 30, 2026 and December 31, 2025, it would be valued at approximately $111.6 million and $105 million, respectively.

The following table is a reconciliation of our investments in equity affiliates as presented in investments in unconsolidated affiliates on our Condensed Consolidated Balance Sheets, together with combined summarized financial data related to the unconsolidated affiliates:

	June 30, 2026	December 31, 2025
Beginning of period	$ 74,817	$ 72,436
Additional investments in unconsolidated affiliates	-	-
Distributions received	(124)	(60)
Transfer of interest	-	-
Sale of interest	(2,037)	(4,104)
Equity in (loss) income of unconsolidated affiliates	(2,095)	6,545
End of period	$ 70,561	$ 74,817

Combined summarized financial data for these affiliates is as follows:

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Revenue	$ 11,365	$ 8,205	$ 22,362	$ 14,614
Gross profit	10,276	7,156	19,818	12,829
Net loss from operations	(6,702)	(6,933)	(13,192)	(13,881)
Net (loss) income	$ (4,198)	$ 14,566	$ (12,543)	$ 5,694

NOTE 8. FAIR VALUE

The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 — Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than quoted prices in active markets that are observable either directly or indirectly, including: quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Unobservable inputs that are supported by little or no market data and require the reporting entity to develop its own assumptions.

At June 30, 2026 and December 31, 2025, our financial instruments included cash, cash equivalents, receivables, marketable securities, investments, accounts payable, and long-term debt. The carrying value of cash, cash equivalents, receivables, and accounts payable approximates fair value due to the short-term nature of the instruments (Level 1 in the fair value hierarchy). The carrying value of borrowings under our billboard revolving line of credit facility as well as our broadband term loan facility approximates fair value because of the variable market interest rate charged to us for these borrowings (Level 1 in the fair value hierarchy). The fair value of borrowings under our billboard term loan facilities is estimated using quoted prices for similar debt (Level 2 in the fair value hierarchy). At June 30, 2026, the estimated fair value of our billboard term loan borrowings included within long-term debt was $24.4 million, which is less than the approximate carrying amount of $25.2 million. At December 31, 2025, the estimated fair value of our billboard term loan borrowings included within long-term debt was $24.7 million, which was less than the approximate carrying amount of $25.7 million.

Warrants

Our private placement warrants related to Sky Harbour are considered Level 2 and measured at fair value using observable inputs for similar assets in an active market. Our re-measurement of the private placement warrants from January 1, 2026 to June 30, 2026 and January 1, 2025 to June 30, 2025, resulted in a loss of approximately $1.4 million and a loss of $9.4 million, respectively, which are included in "Other investment income (loss)" within our Condensed Consolidated Statements of Operations.

Fund I, Fund II and BFR Special Purpose Entities

We report fund investments on our Condensed Consolidated Balance Sheets at their estimated fair value, with gains (losses) resulting from changes in fair value reflected within "Other investment income (loss)" in the accompanying Condensed Consolidated Statements of Operations. Each of the 24th Street Funds' and BFR's investments in special purpose entities invested in real estate are categorized in Level 3 of the fair value hierarchy. The primary asset held by each special purpose entity is real estate property, for which third-party appraisals are obtained annually. Appraisals on the investments in special purpose entities used an income capitalization and/or comparable sales approach to value the underlying real estate property. The income capitalization approach used capitalization rates ranging from 5.43% to 6.62%. The comparable sales approach used observable market transactions to value the underlying real estate property.

As of June 30, 2026 and December 31, 2025, the estimated aggregate fair value of the 24th Street Funds' and BFR's investments in special purpose entities was approximately $19 million and $24.3 million, respectively.

Marketable Equity Securities

On an investment life-to-date basis, we have realized net gains on the sale of equity securities within the marketable equity portfolio held at Boston Omaha of approximately $84 million. These amounts exclude any realized gains on equity securities held within the marketable equity portfolio managed by UCS.

Sky Harbour Group Corporation Class A common stock

We account for our 14.8% equity interest in Sky Harbour, comprised of 11,339,994 shares of Class A common stock, under the equity method. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of June 30, 2026, it would be valued at approximately $111.6 million. As of December 31, 2025, our equity interest in Sky Harbour was 15.3% and was comprised of 11,671,494 shares of Class A common stock. If our investment in Sky Harbour's Class A common stock was accounted for at fair value based on its quoted market price as of December 31, 2025, it would be valued at approximately $105 million.

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NOTE 8. FAIR VALUE (Continued)

Marketable Equity Securities and U.S. Treasury Trading Securities

Marketable equity securities and U.S. Treasury trading securities are reported at fair values. Substantially all of the fair value is determined using observed prices of publicly traded securities, Level 1 in the fair value hierarchy.

	Total Carrying Amount in Condensed Consolidated Balance Sheet	Quoted Prices in Active Markets for Identical Assets	Realized Gains and (Losses) Included in Current Period Earnings (Loss)	Total Changes in Fair Values Included in Current Period Earnings (Loss)
Marketable equity securities and U.S. Treasury trading securities at June 30, 2026	$ 16,647	$ 16,647	$ -	$ 41
Marketable equity securities and U.S. Treasury trading securities at December 31, 2025	$ 20,670	$ 20,670	$ 137	$ (78)

NOTE 9. ASSET RETIREMENT OBLIGATIONS

Our asset retirement obligations include the costs associated with the removal of structures, resurfacing of the land and retirement cost, if applicable, related to our outdoor advertising and broadband assets. The following table reflects information related to our asset retirement obligations:

Balance, December 31, 2025	$ 4,231
Additions	-
Liabilities settled	-
Accretion expense	108
Balance, June 30, 2026	$ 4,339

NOTE 10. CAPITAL STOCK

On April 25, 2022, we filed a new shelf registration statement on Form S-3 (File No. 333-264470) that was declared effective on May 11, 2022, relating to the offering of Class A common stock, preferred stock, par value $0.001 per share, which we refer to as “preferred stock,” debt securities and warrants of the Company for up to $500 million (the "2022 Shelf Registration Statement"). Additionally, in the 2022 Shelf Registration Statement, we registered for resale up to 8,297,039 shares of Class A common stock acquired in 2018 or earlier in private placements in accordance with the terms of a 2018 registration rights agreement. We will not receive any proceeds from the sale of Class A common stock by the selling shareholders. The selling shareholders are the Massachusetts Institute of Technology, or “MIT,” as well as 238 Plan Associates LLC, an MIT pension and benefit fund and a limited partnership holding our Class A common stock for the economic benefit of MIT. In May 2022, we also registered 1,018,660 shares of Class A common stock held by Magnolia Group, LLC ("Magnolia") and Boulderado Partners, LLC ("Boulderado") and their affiliates. All of the shares held by Boulderado were repurchased by the Company in May 2024 and, as a result, the remaining 522,231 shares of our Class A common stock not repurchased are available for resale under that registration statement. As of June 30, 2026, based upon filings by these shareholders with the SEC, and as it relates to shares held by Mr. Peterson, certain of our stockholders still hold 7,713,933 registered shares of our Class A common stock. This assumes that MIT continues to own all shares reflected in its Schedule 13G/A filing with the SEC on January 20, 2026. The 2022 Shelf Registration Statement expired in May 2025.

On July 23, 2024, the Board approved and authorized a share repurchase program (the “2024 Share Repurchase Program”), pursuant to which the Company could repurchase up to $20 million of its Class A common stock, from time to time, in the open market, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The Board also authorized the Company, in its discretion, to establish “Rule 10b5-1 trading plans” for these share repurchases. The 2024 Share Repurchase Program went into effect on or about August 15, 2024, following the release of the quarterly report on Form 10-Q for the quarter ended June 30, 2024 and terminated on September 30, 2025. On November 14, 2025, the Board approved and authorized a share repurchase program (the “2025 Share Repurchase Program”), pursuant to which we announced our intention to repurchase up to $30 million of our Class A common stock, from time to time, in the open market, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The Board also authorized the Company, in its discretion, to establish “Rule 10b5-1 trading plans” for these share repurchases. The 2025 Share Repurchase Program went into effect on or about November 18, 2025 and will terminate on December 31, 2026, unless earlier terminated in the discretion of the Board. The actual timing, number, and value of shares repurchased under the 2025 Share Repurchase Program will depend on a number of factors, including constraints specified in applicable SEC regulations, price, general business and market conditions, and alternative investment opportunities. Pursuant to the 2025 Share Repurchase Program, the Company is not obligated to repurchase any specific number of shares of its Class A common stock and shall not repurchase more than 25% of the average daily volume of its stock over the previous 20 trading days. During 2024, we repurchased 111,323 shares of our Class A common stock for a total cost of approximately $1.6 million under the 2024 Share Repurchase Program. We did not repurchase any shares in 2025 under the 2024 Share Repurchase Program due to numerous blackout periods during the first nine months of 2025. During the year ended December 31, 2025, we repurchased 444,753 shares of our Class A common stock for a total cost of approximately $5.8 million under the 2025 Share Repurchase Program. During the six months ended June 30, 2026, we repurchased 826,567 shares under the 2025 Share Repurchase Program at a total cost of approximately $10.6 million.

NOTE 10. CAPITAL STOCK (Continued)

As of March 31, 2025, there were 784 outstanding warrants for our Class A common stock. These warrants expired in June of 2025. As a result, there were no outstanding warrants for our Class A common stock as of June 30, 2026.

On January 10, 2025, Magnolia Capital Fund, LP ("MCF") exercised, in full, Class B warrants, issued in 2015 and expiring in June 2025, to purchase shares of our Class B common stock. Under the terms of the warrants, MCF purchased 52,778 shares of Class B common stock at an exercise price of approximately $525 thousand paid in cash. Following this transaction, there were no other warrants outstanding issued by BOC to purchase Class B common stock as of March 31, 2025. Each share of Class B common stock is identical to Class A common stock in liquidation, dividend and similar rights. The only differences between our Class B common stock and our Class A common stock are that each share of Class B common stock has 10 votes for each share held, while the Class A common stock has a single vote per share, and certain actions cannot be taken without the approval of the holders of the Class B common stock.

Separation Agreement with Alex Rozek

Separation and Benefits

On May 9, 2024, the Company, Alex B. Rozek, and certain other parties set forth therein, entered into a Separation and Stock Repurchase Agreement (the “Separation Agreement”). Effective as of May 9, 2024, Mr. Rozek resigned as an officer and director of the Company and all its direct and indirect subsidiaries. Mr. Rozek continues to serve as a member of the board of directors of Sky Harbour. All amounts due and payable to Mr. Rozek were paid in 2024 and 2025 and no severance, expense reimbursement, or other sums are due to Mr. Rozek in 2026 or beyond under the Separation Agreement.

Securities Repurchase

Pursuant to the Separation Agreement, the Company repurchased from Mr. Rozek and Boulderado Partners, LLC, an entity controlled by Mr. Rozek, in the aggregate, 210,000 shares of Company Class A Common Stock, 527,780 shares of Company Class B Common Stock, and 51,994 warrants to acquire 51,994 shares of Company Class B Common Stock.

The price of the Class A shares repurchased was based on the 30-trading day volume-weighted average price of the Class A Common Stock for the 30 trading days ending two trading days prior to the execution of the Separation Agreement. The price of the Class B shares repurchased was based on the 30-trading day volume-weighted average price of the Class A Common Stock for the 30 trading days ending two trading days prior to the execution of the Separation Agreement plus a blocking/control premium, for which management employed a third-party valuation expert.

The aggregate purchase price paid to Mr. Rozek was approximately $9.2 million, comprised of cash payments of $8.8 million and 36,705 shares of Class A Common Stock of Sky Harbour. The aggregate purchase price paid to Boulderado was approximately $10 million, comprised of cash payments of approximately $8 million and 194,738 shares of Class A Common Stock of Sky Harbour.

Separation and Benefits

Pursuant to the Separation Agreement, (a) in 2024, we transferred to Mr. Rozek 200,000 shares of Class A Common Stock, par value $0.0001 of Sky Harbour, as consideration for his efforts in connection with the successful launch of Sky Harbour, (b) Mr. Rozek received severance of $960 thousand, which was paid in equal monthly installments for a period of 18 months, and (c) Mr. Rozek received employee benefits of $75 thousand, which was paid in equal monthly installments for a period of 18 months, each of which are included within "Employee costs" within our Consolidated Statements of Operations for the year ended December 31, 2024.

Mr. Rozek agreed to customary non-solicitation, non-competition, confidentiality, cooperation, and return of property covenants. As consideration for entering into a non-competition agreement, we paid Mr. Rozek $250 thousand.

In addition, Mr. Rozek and the named executive officers and board of directors of the Company agreed to a mutual non-disparagement covenant, and the Company agreed, subject to certain conditions, to retain Mr. Rozek as its representative on the board of directors of Sky Harbour until December 31, 2026.

BOSTON OMAHA CORPORATION
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NOTE 11. LONG-TERM DEBT

Link Credit Facility

On August 12, 2019, Link entered into a Credit Agreement (the “Credit Agreement”) with First National Bank of Omaha (the “Lender”) under which Link could borrow up to $40 million (the “Credit Facility”). The Credit Agreement provided an initial term loan (“Term Loan 1”), an incremental term loan (“Term Loan 2”) and a revolving line of credit. Link initially borrowed approximately $18 million under Term Loan 1 and $5.5 million under Term Loan 2. These loans are secured by all assets of Link and its operating subsidiaries, including a pledge of equity interests of each of Link’s subsidiaries. In addition, each of Link’s subsidiaries has joined as a guarantor to the obligations under the Credit Agreement. These loans are not guaranteed by BOC or any of BOC’s non-billboard businesses.

On December 6, 2021, Link entered into a Fourth Amendment to the Credit Agreement with the Lender which modified the original Credit Agreement by merging all outstanding principal amounts under both Term Loan 1 and Term Loan 2 into one term loan (the “Term Loan”) having a fixed interest rate of 4.00% per annum, and increasing the total Term Loan borrowing limit to $30 million.

On May 31, 2022, Link entered into a Fifth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by extending the period of time under which Link may issue to BOC a cash dividend from January 31, 2022 to June 30, 2022 in the amount up to approximately $8.1 million in the aggregate.

On April 6, 2023, Link entered into a Sixth Amendment to Credit Agreement (the “Sixth Amendment”) with the Lender. The Sixth Amendment modifies the Credit Agreement to provide additional flexibility for Link in making “Investment Capital Expenditures” by no longer deducting expenditures which qualify as Investment Capital Expenditures from EBITDA in calculating the Consolidated Fixed Charge Coverage Ratio. As a result, only “Maintenance Capital Expenditures” shall be deducted from EBITDA in testing the Consolidated Fixed Charge Coverage Ratio. The amount of unfunded Investment Capital Expenditures (Investment Capital Expenditures other than expenditures funded by BOC) allowable during any test period shall not exceed the Investment Capital Expenditure Available Amount during such test period.

On September 22, 2023, Link entered into a Seventh Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by increasing the maximum availability under the revolving line of credit loan facility from $5 million to $10 million.

On February 14, 2024, Link entered into an Eighth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement to provide additional flexibility for Link to issue dividends to BOC.

On May 30, 2024, Link entered into a Ninth Amendment to the Credit Agreement with the Lender which modified the Credit Agreement by increasing the maximum availability under the revolving line of credit loan facility from $10 million to $15 million.

On October 20, 2025, Link entered into a Tenth Amendment to Credit Agreement, which modified the Credit Agreement by extending the revolving line of credit maturity date and updating the definition of the consolidated fixed charge coverage ratio. The revolving line of credit is now due and payable on August 12, 2029. In order to consolidate the various amendments to the Credit Agreement, the Tenth Amendment to Credit Agreement incorporated the previous amendments to the Credit Agreement into a Restated Credit Agreement.

As of June 30, 2026, Link has borrowed $30 million through the Term Loan under the Credit Facility. Principal amounts under the Term Loan are payable in monthly installments according to a 25-year amortization schedule. Principal payments commenced on July 1, 2020 for amounts previously borrowed under Term Loan 1 and October 1, 2020 for amounts previously borrowed under Term Loan 2. The Term Loan is payable in full on December 6, 2028.

The revolving line of credit loan facility has a $15 million maximum availability. Interest payments are based on the 30-day U.S. Prime Rate minus an applicable margin ranging between 0.65% and 1.15% dependent on Link’s consolidated leverage ratio.

Long-term debt included within our Condensed Consolidated Balance Sheets as of June 30, 2026 consists of Term Loan borrowings of approximately $25.2 million, of which approximately $0.9 million is classified as current. As of June 30, 2026, there was $9.1 million outstanding related to the revolving line of credit, which is included within long-term debt in our Condensed Consolidated Balance Sheets.

During the term of the Credit Facility, Link is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of Link (a) beginning with the fiscal quarter ended June 30, 2024 of not greater than 3.50 to 1.00, (b) beginning with the fiscal quarter ending December 31, 2026 of not greater than 3.25 to 1.00 and (c) beginning with the fiscal quarter ending December 31, 2027 and thereafter of not greater than 3.00 to 1.00, and a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters. Link was in compliance with these covenants as of June 30, 2026.

The Credit Agreement includes representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default, the Lender may accelerate the loans. Upon the occurrence of certain insolvency and bankruptcy events of default, the loans will automatically accelerate.

The aggregate minimum principal payments required under the term loan as of June 30, 2026 were as follows: $905 thousand in 2026, $939 thousand in 2027, and $23.4 million in 2028.

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NOTE 11. LONG-TERM DEBT (Continued)

Boston Omaha Broadband Credit Facility

On September 17, 2024, three operating subsidiaries of BOB entered into a Credit Agreement (the "BOB Credit Agreement") with First National Bank of Omaha (the "Lender") under which certain subsidiaries of BOB can borrow up to $20 million in the aggregate in term loans (the "BOB Credit Facility"). The three operating subsidiaries which are the borrowers under the BOB Credit Agreement are FIF AireBeam, LLC, FIF St George, LLC, and FIF Utah, LLC (collectively, the "Borrowers"). The loan is guaranteed by BOB but is not guaranteed by BOC or any other businesses owned by BOC and its other subsidiaries. The loans under the BOB Credit Facility are secured by all assets of each of the Borrowers. Funds available under the BOB Credit Facility are to be used for capital expenditures associated with capital acquisition and leasing of capital equipment for expansion of the Borrowers' businesses and had to be drawn by December 31, 2025. The BOB Credit Agreement was subsequently split into separate credit agreements with each of the Borrowers in order to allow certain borrowers to apply for federal loan funding, hereinafter referred to as the "BOB Credit Agreements." All material terms of the original BOB Credit Agreement remain unchanged in the Amended and Restated Credit Agreement for FIF AireBeam, LLC and FIF St George, LLC and the Credit Agreement for FIF Utah, LLC.

The BOB Credit Agreements provided for incremental drawdowns of the term loan in minimum increments of $1 million. Each term loan is due five years following the borrowing date of such term loan. Principal under each term loan is amortized in equal monthly payments over a 10-year period from the date of each term loan. Interest under each term loan accrues at the "Applicable Margin," which is set at (a) 2.75% per annum with respect to any SOFR Loan, and (b) 1.75% per annum with respect to any Base Rate Loan. There was a fee during the first year of the BOB Credit Facility equal to 0.25% of any unused portion of the $20 million loan commitment. As of June 30, 2026, the outstanding term loan end dates range from October 1, 2029 to November 18, 2030.

Pursuant to the BOB Credit Agreements, BOB is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of BOB of not greater than 3.50 to 1.00, a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters, and maximum capital expenditures not exceeding Consolidated Adjusted EBITDA less dividends and distributions paid to BOB, the cash portion of taxes, unfinanced maintenance capital expenditures, principal amortization payments or redemptions on indebtedness to be paid in cash, cash payments made with respect to capital lease obligations during the period, and cash interest expense for the period.

The BOB Credit Agreements include representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants, and events of default customary for financings of this type. Upon the occurrence of an event of default, the Lender may accelerate the loan. Upon the occurrence of certain insolvency and bankruptcy events of default, the loan will automatically accelerate. All assets of the Borrowers, their Subsidiaries and BOB are secured by the grant of a security interest in substantially all their assets to the Lender. BOB was in compliance with these covenants as of June 30, 2026.

As of June 30, 2026, there was approximately $13.2 million outstanding under the BOB Credit Agreements, of which approximately $1.5 million is classified as current. The aggregate minimum principal payments required under the BOB Credit Agreements as of June 30, 2026 were as follows: $1.5 million in 2026, $1.5 million in 2027, $1.5 million in 2028, $1.5 million in 2029, and approximately $7.2 million thereafter.

As previously announced on a Form 8-K filed by the Company with the SEC on June 15, 2026, on June 9, 2026, FIF Utah, a wholly owned subsidiary of BOB, received final funding approval from the United States Department of Agriculture of a grant and loan award under the Rural Utilities Service ReConnect Program (the "ReConnect Program"). The loan and grant are each for approximately $11.5 million. Award funds may be used to pay for the following costs: (i) to fund the construction or improvement of facilities required to provide fixed terrestrial broadband service; (ii) to fund reasonable pre-application expenses; and (iii) to fund the acquisition and improvement of an existing system that is currently providing insufficient broadband service.

Under the terms of the Loan and Grant Agreement, the loan (the "ReConnect Loan") will be in the form of long-term debt available as requested by BOB in multiple drawdowns over a period not to exceed five years from the date of the award, with plans to use such funds to deploy fiber to approximately 3,000 locations within FIF Utah's surrounding qualifying markets. The loan portion is a 22-year term loan (the "Promissory Note") secured by certain collateral of FIF Utah under the applicable U.S. Treasury rate then in effect at the time of drawdown and subject to customary events of default and remedies. Interest and principal payments are deferred for a period of three years from the specific drawdown with accrued interest amortized over the remaining terms of the loan. The Company, as the ultimate parent of FIF Utah, has unconditionally guaranteed any sums due under the ReConnect Loan and the ReConnect Program (the "ReConnect Guarantee"). Each of the Loan and Grant Agreement and the ReConnect Guarantee contain customary representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings under the ReConnect Program. Upon the occurrence of an event of default, the lender may accelerate all sums due under the ReConnect Loan. Upon the occurrence of certain insolvency and bankruptcy events of default, the ReConnect Loan will automatically accelerate. The foregoing summary of each of the Loan and Grant Agreement, the ReConnect Promissory Note and the Guarantee Agreement and the transactions contemplated thereby does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions as set forth in the Loan and Grant Agreement attached as Exhibit 10.1 to this Form 10-Q, the Promissory Note attached hereto as Exhibit 10.2 to this Form 10-Q, and the Guarantee Agreement attached as Exhibit 10.3 to this Form 10-Q. As of June 30, 2026, FIF Utah had not borrowed any sums due under the ReConnect Loan.

NOTE 12. LEASES

We enter into operating lease contracts primarily for land and office space. Agreements are evaluated at inception to determine whether such arrangements contain a lease. Operating leases include land lease contracts and contracts for the use of office space.

Right of use assets, which we refer to as "ROU assets," represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term.

Certain of our operating lease agreements include rental payments based on a percentage of revenue and others include rental payments adjusted periodically for inflationary changes. Percentage rent contracts, in which lease expense is calculated as a percentage of advertising revenue, and payments due to changes in inflationary adjustments are included within variable rent expense, which is accounted for separately from periodic straight-line lease expense.

Many of our leases entered into in connection with land provide options to extend the terms of the agreements. Generally, renewal periods are included in minimum lease payments when calculating the lease liabilities as, for most leases, we consider exercise of such options to be reasonably certain. As a result, optional terms and payments are included within the lease liability. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The implicit rate within our lease agreements is generally not determinable. As such, we use the incremental borrowing rate, which we refer to as "IBR," to determine the present value of lease payments at the commencement of the lease. The IBR, as defined in ASC 842, is "the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment."

Operating Lease Cost

Operating lease cost is as follows:

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025	Statement of Operations Classification
Lease cost	$ 2,149	$ 2,121	$ 4,272	$ 4,215	Cost of billboard revenues, cost of broadband revenues and general and administrative
Variable and short-term lease cost	457	688	987	1,557	Cost of billboard revenues, cost of broadband revenues and general and administrative
Total Lease Cost	$ 2,606	$ 2,809	$ 5,259	$ 5,772	

Supplemental cash flow information related to operating leases is as follows:

	For the Three Months Ended June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Cash payments for operating leases	$ 2,301	$ 2,292	$ 4,508	$ 4,457
New operating lease assets obtained in exchange for operating lease liabilities	$ 956	$ 516	$ 1,626	$ 905

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NOTE 12. LEASES (Continued)

Operating Lease Assets and Liabilities

	June 30, 2026	December 31, 2025	Balance Sheet Classification
Lease assets	$ 53,725	$ 56,051	Other Assets: Right of use assets
Current lease liabilities	$ 4,668	$ 5,110	Current Liabilities: Lease liabilities
Noncurrent lease liabilities	49,268	51,975	Long-term Liabilities: Lease liabilities
Total Lease Liabilities	$ 53,936	$ 57,085	

Maturity of Operating Lease Liabilities

	June 30, 2026
2027	$ 8,099
2028	7,781
2029	7,158
2030	6,483
2031	5,628
Thereafter	48,191
Total lease payments	83,340
Less imputed interest	(29,404)
Present Value of Lease Liabilities	$ 53,936

As of June 30, 2026, our operating leases have a weighted-average remaining lease term of 15.71 years and a weighted-average discount rate of 5.46%.

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NOTE 13. INDUSTRY SEGMENTS

This summary presents our current segments, as described below.

Link Media Holdings, LLC

LMH conducts our billboard rental operations. LMH billboards are located in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin.

Boston Omaha Broadband, LLC

BOB conducts our broadband operations. BOB provides high-speed broadband services to its customers located mainly in Arizona, Florida, Nevada, and Utah.

Boston Omaha Asset Management, LLC

BOAM conducts our asset management operations. BOAM's primary objective is to achieve long-term returns while seeking to limit the risk of capital and purchasing power loss in our investments in other companies and our real estate activities. We commenced reporting BOAM as a separate segment based on our acquisition of 24th Street Asset Management on May 1, 2023 and are in the process of winding down its operations.

The accounting policies of the above segments are the same as those described within Note 2 “Summary of Significant Accounting Policies” of the 2025 Form 10-K.

Resources are allocated and performance is assessed by our CEO, whom we have determined to be our Chief Operating Decision Maker (CODM). The CODM evaluates the performance of our segments and allocates resources to them based on segment operating income and segment adjusted EBITDA. We define adjusted EBITDA as net income (loss) before income tax expense (benefit), noncontrolling interest in subsidiary income (loss), interest expense, interest and dividend income, equity in income (loss) of unconsolidated affiliates, depreciation, amortization, accretion, gain or loss on disposition of assets, and other investment income (loss).

The cost and expense information provided below is based on the information regularly provided to the CODM. Given the diversity of our operating segments and the differences in revenue streams and cost structures, there are variances in the form, content, and levels of such expense information significant to the business. Expenses considered significant for one operating segment may not be significant for others.

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NOTE 13. INDUSTRY SEGMENTS (Continued)

Three Months Ended June 30, 2026	**LMH**	**BOB**	**BOAM**	**Unallocated**	**Total Consolidated**
Operating Revenues	$ 11,723	$ 10,477	$ -	$ -	$ 22,200
Cost of Revenues	3,533	2,664	-	-	6,197
Gross Margin	8,190	7,813	-	-	16,003
Other Operating Expenses					
Employee costs	2,221	3,417	-	494	6,132
Professional fees	106	144	108	492	850
General and administrative	1,082	1,839	1	406	3,328
Depreciation	1,352	3,153	-	18	4,523
Amortization	963	896	-	-	1,859
Accretion	49	4	-	-	53
(Gain) loss on disposition of assets	(224)	85	-	-	(139)
Total Expenses	5,549	9,538	109	1,410	16,606
Segment Income (Loss) from Operations	2,641	(1,725)	(109)	(1,410)	(603)
Interest expense	(386)	(221)	-	-	(607)
Interest and dividend income	48	14	5	191	258
Equity in loss of unconsolidated affiliates	-	-	-	(404)	(404)
Other investment loss	-	-	(844)	(903)	(1,747)
Noncontrolling interest in subsidiary (income) loss	-	(3)	556	-	553
Income tax benefit	-	-	-	448	448
Net Income (Loss) from Continuing Operations Attributable to Common Stockholders	$ 2,303	$ (1,935)	$ (392)	$ (2,078)	$ (2,102)
Segment adjusted EBITDA	$ 4,781	$ 2,413	$ (109)	$ (1,392)	$ 5,693
Capital expenditures	$ 1,033	$ 4,262	$ -	$ -	$ 5,295

Three Months Ended June 30, 2025	**LMH**	**BOB**	**BOAM**	**Unallocated**	**Total Consolidated**
Operating Revenues	$ 11,441	$ 10,234	$ 4	$ -	$ 21,679
Cost of Revenues	3,703	2,316	-	-	6,019
Gross Margin	7,738	7,918	4	-	15,660
Other Operating Expenses					
Employee costs	2,137	3,747	-	493	6,377
Professional fees	63	152	142	239	596
General and administrative	1,059	1,801	2	343	3,205
Depreciation	1,324	2,750	-	27	4,101
Amortization	971	902	-	42	1,915
Accretion	50	4	-	-	54
(Gain) loss on disposition of assets	(92)	16	-	-	(76)
Total Expenses	5,512	9,372	144	1,144	16,172
Segment Income (Loss) from Operations	2,226	(1,454)	(140)	(1,144)	(512)
Interest expense	(422)	(151)	-	-	(573)
Interest and dividend income	44	28	8	162	242
Equity in income of unconsolidated affiliates	-	-	-	6,147	6,147
Other investment loss	-	-	(2,640)	(7,707)	(10,347)
Noncontrolling interest in subsidiary loss	-	-	2,250	-	2,250
Income tax benefit	-	-	-	803	803
Net Income (Loss) from Continuing Operations Attributable to Common Stockholders	$ 1,848	$ (1,577)	$ (522)	$ (1,739)	$ (1,990)
Segment adjusted EBITDA	$ 4,479	$ 2,218	$ (140)	$ (1,075)	$ 5,482

Capital expenditures	$	652	$	6,648	$	-	$	-	$	7,300

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NOTE 13. INDUSTRY SEGMENTS (Continued)

Six Months Ended June 30, 2026	**LMH**	**BOB**	**BOAM**	**Unallocated**	**Consolidated**
Operating Revenues	$ 22,696	$ 21,227	$ 1	$ -	$ 43,924
Cost of Revenues	7,023	5,229	-	-	12,252
Gross Margin	15,673	15,998	1	-	31,672
Other Operating Expenses					
Employee costs	4,451	6,593	-	993	12,037
Professional fees	196	259	324	996	1,775
General and administrative	2,066	3,518	61	794	6,439
Depreciation	2,683	6,218	-	38	8,939
Amortization	1,915	1,781	-	-	3,696
Accretion	101	7	-	-	108
(Gain) loss on disposition of assets	(220)	57	-	-	(163)
Total Expenses	11,192	18,433	385	2,821	32,831
Segment Income (Loss) from Operations	4,481	(2,435)	(384)	(2,821)	(1,159)
Interest expense	(768)	(448)	-	-	(1,216)
Interest and dividend income	92	33	10	394	529
Equity in loss of unconsolidated affiliates	-	-	-	(2,095)	(2,095)
Other investment loss	-	-	(1,220)	(491)	(1,711)
Noncontrolling interest in subsidiary (income) loss	-	(11)	971	-	960
Income tax benefit	-	-	-	1,117	1,117
Net Income (Loss) from Continuing Operations Attributable to Common Stockholders	$ 3,805	$ (2,861)	$ (623)	$ (3,896)	$ (3,575)
Segment adjusted EBITDA	$ 8,960	$ 5,628	$ (384)	$ (2,783)	$ 11,421
Capital expenditures	$ 1,597	$ 10,182	$ -	$ -	$ 11,779

Six Months Ended June 30, 2025	**LMH**	**BOB**	**BOAM**	**Unallocated**	**Consolidated**
Operating Revenues	$ 22,205	$ 20,554	$ 17	$ -	$ 42,776
Cost of Revenues	7,547	4,689	-	-	12,236
Gross Margin	14,658	15,865	17	-	30,540
Other Operating Expenses					
Employee costs	4,363	7,336	-	981	12,680
Professional fees	125	278	398	438	1,239
General and administrative	2,048	3,322	35	723	6,128
Depreciation	2,614	5,417	-	54	8,085
Amortization	1,933	1,770	-	83	3,786
Accretion	101	7	-	-	108
(Gain) loss on disposition of assets	(18)	66	-	-	48
Total Expenses	11,166	18,196	433	2,279	32,074
Segment Income (Loss) from Operations	3,492	(2,331)	(416)	(2,279)	(1,534)
Interest expense	(844)	(271)	-	-	(1,115)
Interest and dividend income	91	46	16	392	545
Equity in income of unconsolidated affiliates	-	-	-	3,833	3,833
Other investment loss	-	-	(4,660)	(5,234)	(9,894)
Noncontrolling interest in subsidiary loss	-	-	4,008	-	4,008
Income tax benefit	-	-	-	990	990
Net Income (Loss) from Continuing Operations Attributable to Common Stockholders	$ 2,739	$ (2,556)	$ (1,052)	$ (2,298)	$ (3,167)
Segment adjusted EBITDA	$ 8,122	$ 4,929	$ (416)	$ (2,142)	$ 10,493

Capital expenditures	$	1,352	$	12,806	$	-	$	-	$	14,158

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NOTE 13. INDUSTRY SEGMENTS (Continued)

As of June 30, 2026	LMH	BOB	BOAM	Unallocated	Total Consolidated
Accounts receivable, net	$ 3,789	$ 1,322	$ 296	$ 71	$ 5,478
Goodwill	130,904	39,614	537	-	171,055
Total assets from continuing operations	247,968	211,795	23,808	119,516	603,087

As of December 31, 2025	LMH	BOB	BOAM	Unallocated	Total Consolidated
Accounts receivable, net	$ 4,121	$ 751	$ 4,695	$ 15	$ 9,582
Goodwill	130,904	39,614	537	-	171,055
Total assets from continuing operations	252,802	211,435	35,489	128,519	628,245

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NOTE 14. DISCONTINUED OPERATIONS

On May 18, 2026, the Company entered into a Securities Purchase Agreement with CopperPoint Insurance Company under which CopperPoint will acquire 100% of the equity interests in GIG for approximately $84.3 million. The transaction has received approval from the board of directors of both Boston Omaha and CopperPoint and is expected to close in the second half of 2026 following receipt of all regulatory and other approvals required under the Securities Purchase Agreement. The Company classified the results of operations and cash flows of GIG as discontinued operations in its Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows for all periods presented. The Company classified the assets and liabilities of GIG as held for sale in the Condensed Consolidated Balance Sheet. Additionally, beginning June 30, 2026, the Company ceased recording depreciation and amortization for GIG's property and equipment, finite-lived intangible assets, and operating lease ROU assets.

The following table represents the major classes of assets and liabilities of discontinued operations as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Carrying amounts of the major classes of assets included in discontinued operations:		
Cash and cash equivalents	$ 13,288	$ 12,568
Cash held by BOAM funds and other	642	1,181
Accounts receivable, net	7,279	6,440
Short-term investments	22,611	23,198
Marketable equity securities	-	868
Funds held as collateral assets	11,126	13,910
Prepaid expense and other current assets	2,054	3,299
Property and equipment, net	260	329
Goodwill	11,325	11,325
Intangible assets, net	1,138	1,217
Investments	4,785	5,118
Deferred policy acquisition costs	3,188	2,945
Right of use assets	2,215	2,376
Other	54	54
Total assets held for sale	$ 79,965	$ 84,828
Carrying amounts of the major classes of liabilities included in discontinued operations:		
Accounts payable and accrued expenses	$ 3,837	$ 5,868
Lease liabilities	2,491	2,569
Funds held as collateral	11,126	13,910
Unpaid losses and loss adjustment expenses	7,310	6,539
Unearned premiums	13,588	13,577
Deferred revenue	156	120
Deferred tax liability	2,622	2,676
Total liabilities held for sale	$ 41,130	$ 45,259

Assets held for sale include short-term investments of $22.6 million. Short-term investments consist of U.S. Treasury securities held by UCS, which are classified as held to maturity, mature in less than twelve months, and are reported at amortized cost which approximates fair value.

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Notes to Condensed Unaudited Consolidated Financial Statements

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NOTE 14. DISCONTINUED OPERATIONS (Continued)

The following table presents the major components of discontinued operations in the Company's Consolidated Statements of Operations:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Major classes of line items constituting income (loss) of discontinued operations before provision for income taxes:				
Premiums earned	$ 6,256	$ 5,565	$ 11,713	$ 11,129
Insurance commissions	760	448	1,391	1,027
Investment and other income	416	512	853	1,002
Cost of insurance revenues (exclusive of depreciation and amortization)	3,417	3,549	8,139	6,412
Employee costs	2,597	2,277	5,018	4,784
Professional fees	164	118	340	216
General and administrative	740	795	1,507	1,653
Depreciation and amortization	79	94	149	177
Net Income (Loss) from Discontinued Operations before Other Income (Expense) and Income Taxes	435	(308)	(1,196)	(84)
Other Income (Expense):				
Other investment income	1	38	957	321
Net Income (Loss) Before Income Taxes	436	(270)	(239)	237
Income tax benefit (provision)	54	(59)	54	(59)
Net Income (Loss) from Discontinued Operations	$ 490	$ (329)	$ (185)	$ 178

We recorded expenses related to the sale of GIG of approximately $280 thousand for the six months ended June 30, 2026, and $678 thousand during the year ended December 31, 2025. During 2026 and 2025, these charges were recorded in professional fees, and consisted primarily of legal and professional fees.

Premiums ceded of approximately $2.5 million and $2.4 million for the six months ended June 30, 2026 and 2025, respectively, are included within "Premiums earned" in the table of major components of discontinued operations.

NOTE 14. DISCONTINUED OPERATIONS (Continued)

The following table provides a reconciliation of the beginning and ending reserve balances at UCS for losses and loss adjustment expenses ("LAE") for the six months ended June 30, 2026 and 2025.

	2026	2025
Gross reserves for unpaid losses and loss adjustment expenses, beginning of period	$ 6,539	$ 5,873
Less: reinsurance recoverable on unpaid losses	999	1,804
Net reserve for unpaid losses and loss adjustment expenses, beginning of period	5,540	4,069
Incurred losses and loss adjustment expenses:		
Current year	3,307	3,299
Prior year	488	(342)
Total net losses and loss adjustment expenses incurred	3,795	2,957
Payments:		
Current year	1,632	1,644
Prior year	1,284	904
Total payments	2,916	2,548
Net reserves for unpaid losses and loss adjustment expenses, end of period	6,419	4,478
Reinsurance recoverable on unpaid losses, net of allowance	891	2,095
Gross reserves for unpaid losses and loss adjustment expenses, end of period	$ 7,310	$ 6,573

For the six months ended June 30, 2026, there was an unfavorable prior year loss development. For the six months ended June 30, 2025, there was a favorable prior year loss development. Favorable and unfavorable prior year loss developments are the result of a re-estimation of amounts ultimately to be paid on prior year losses and loss adjustment expense. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

NOTE 15. CUSTODIAL RISK

As of June 30, 2026, our continuing operations had approximately $12.2 million in excess of federally insured limits on deposit with financial institutions. Our discontinued operations had approximately $24.1 million in excess of federally insured limits on deposit with financial institutions.

NOTE 16. SUBSEQUENT EVENTS

Subsequent to June 30, 2026, we repurchased 88,231 shares of our Class A common stock for a total cost of approximately $1.3 million.

On August 10, 2026, we sold 360,000 shares of its Sky Harbour Class A common stock to a group of five investors for an aggregate purchase price of $3.6 million. As part of a simultaneous primary offering of securities by Sky Harbour, we, along with the officers, directors, and principal shareholders of Sky Harbour, entered into a customary lockup agreement which prohibits the sale of Sky Harbour common stock and derivative securities for a period ending on November 10, 2026. Following this sale, we own 10,979,994 shares of Sky Harbour Class A common stock. We also continue to own warrants to purchase 7,719,779 shares of Sky Harbour Class A common stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

CAUTIONARY STATEMENT FOR FORWARD-LOOKING STATEMENTS

THIS QUARTERLY REPORT ON FORM 10-Q INCLUDES FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT OF 1933, AS AMENDED, SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND OTHER FEDERAL SECURITIES LAWS, PARTICULARLY THOSE ANTICIPATING FUTURE FINANCIAL PERFORMANCE, BUSINESS PROSPECTS, GROWTH, OPERATING STRATEGIES AND SIMILAR MATTERS, INCLUDING WITHOUT LIMITATION, STATEMENTS CONCERNING OPERATIONS, RESULTS OF OPERATIONS, LIQUIDITY, INVESTMENTS, OUR NEED FOR, AND ABILITY TO OBTAIN, ADDITIONAL FUNDING FOR ACQUISITIONS AND POTENTIAL BUSINESS EXPANSION, GENERAL ECONOMIC TRENDS, THE PENDING PROPOSED SALE OF OUR GIG INSURANCE OPERATIONS, INFLATIONARY PRESSURES, FINANCIAL CONDITION AND THE IMPACT OF ANY FUTURE PANDEMIC OR GEOPOLITICAL EVENTS ON OUR BUSINESS. WE HAVE BASED THESE FORWARD-LOOKING STATEMENTS ON OUR CURRENT INTENT, EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS, AND THESE FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEED TO OCCUR AND MAY NOT OCCUR. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND ASSUMPTIONS ABOUT US THAT MAY CAUSE OUR ACTUAL RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, LEVELS OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IN SOME CASES, YOU CAN IDENTIFY FORWARD-LOOKING STATEMENTS BY TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "COULD," "WOULD," "INTEND," "PROJECT," "CONTEMPLATE," "POTENTIAL," "EXPECT," "PLAN," "ANTICIPATE," "BELIEVE," "ESTIMATE," "CONTINUE," OR THE NEGATIVE OF SUCH TERMS OR OTHER SIMILAR EXPRESSIONS. THESE STATEMENTS ARE ONLY PREDICTIONS. FACTORS THAT MIGHT CAUSE OR CONTRIBUTE TO SUCH A DISCREPANCY INCLUDE, BUT ARE NOT LIMITED TO, THOSE DESCRIBED IN OUR OTHER SECURITIES AND EXCHANGE COMMISSION FILINGS.

THE OUTCOME OF THE EVENTS DESCRIBED IN THIS REPORT ALSO CONTAINS STATISTICAL AND OTHER INDUSTRY AND MARKET DATA RELATED TO OUR BUSINESS AND INDUSTRY THAT WE OBTAINED FROM INDUSTRY PUBLICATIONS AND RESEARCH, SURVEYS AND STUDIES CONDUCTED BY US AND THIRD PARTIES, AS WELL AS OUR ESTIMATES OF POTENTIAL MARKET OPPORTUNITIES. INDUSTRY PUBLICATIONS, THIRD-PARTY AND OUR OWN RESEARCH, SURVEYS AND STUDIES GENERALLY INDICATE THAT THEIR INFORMATION HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE ALTHOUGH THEY DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THIS MARKET DATA INCLUDES PROJECTIONS THAT ARE BASED ON A NUMBER OF ASSUMPTIONS. IF THESE ASSUMPTIONS TURN OUT TO BE INCORRECT, ACTUAL RESULTS MAY DIFFER FROM THE PROJECTIONS BASED ON THESE ASSUMPTIONS. AS A RESULT, OUR MARKETS MAY NOT GROW AT THE RATES PROJECTED BY THIS DATA, OR AT ALL. THE FAILURE OF THESE MARKETS TO GROW AT THESE PROJECTED RATES MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION AND THE MARKET PRICE OF OUR CLASS A COMMON STOCK.

THE FOLLOWING DISCUSSION SHOULD BE READ IN CONJUNCTION WITH OUR FINANCIAL STATEMENTS AND RELATED NOTES THERETO INCLUDED ELSEWHERE IN THIS REPORT. ANY OF THE FORWARD-LOOKING STATEMENTS THAT WE MAKE IN THIS QUARTERLY REPORT ON FORM 10-Q AND IN OTHER PUBLIC REPORTS AND STATEMENTS WE MAKE MAY TURN OUT TO BE INACCURATE AS A RESULT OF OUR BELIEFS AND ASSUMPTIONS WE MAKE IN CONNECTION WITH THE FACTORS SET FORTH ABOVE OR BECAUSE OF OTHER UNIDENTIFIED AND UNPREDICTABLE FACTORS. IN ADDITION, OUR BUSINESS AND FUTURE RESULTS ARE SUBJECT TO A NUMBER OF OTHER FACTORS, INCLUDING THOSE FACTORS SET FORTH IN THE "RISK FACTORS" SECTION OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") ON MARCH 30, 2026, THE ADDITIONAL RISK FACTORS SET FORTH IN ITEM 1A OF PART II OF THIS REPORT ON FORM 10-Q, AND OUR SUBSEQUENT FILINGS WITH THE SEC. BECAUSE OF THESE AND OTHER UNCERTAINTIES, OUR ACTUAL FUTURE RESULTS MAY BE MATERIALLY DIFFERENT FROM THE RESULTS INDICATED BY THESE FORWARD-LOOKING STATEMENTS AND YOU SHOULD NOT RELY ON SUCH STATEMENTS. WE UNDERTAKE NO OBLIGATION TO PUBLISH REVISED FORWARD-LOOKING STATEMENTS TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF. THESE RISKS COULD CAUSE OUR ACTUAL RESULTS FOR 2026 AND BEYOND TO DIFFER MATERIALLY FROM THOSE EXPRESSED IN ANY FORWARD-LOOKING STATEMENTS BY OR ON BEHALF OF US, AND COULD NEGATIVELY AFFECT OUR FINANCIAL CONDITION, LIQUIDITY AND OPERATING AND STOCK PRICE PERFORMANCE.

Overview

We are currently engaged in outdoor billboard advertising, broadband services, surety insurance and related brokerage businesses, and an asset management business. In addition, we hold minority investments in commercial real estate management and brokerage services, a bank focused on servicing the automotive loan market, and a developer of private aviation infrastructure focused on building, leasing, and managing business aviation hangars.

As discussed in Note 14. Discontinued Operations, on May 18, 2026, we announced that we had entered into an agreement with CopperPoint Insurance Company in which it will acquire 100% of the equity interests in GIG for approximately $84.3 million before closing expenses. The transaction is expected to close in the second half of 2026 subject to the receipt of all regulatory and other approvals required under the Securities Purchase Agreement. Unless otherwise noted, the discussion below relates to the Company's continuing operations.

Outdoor Billboard Advertising. In June 2015, we commenced our billboard business operations through acquisitions by Link, our wholly owned subsidiary, of smaller billboard companies located in the Southeastern United States and Wisconsin. During July and August 2018, we acquired the membership interest or assets of three larger billboard companies which increased our overall billboard count to approximately 2,900 billboards. In addition, we have made several billboard acquisitions on a smaller scale since that date. We believe that we are a leading outdoor billboard advertising company in the markets we serve in the Midwest. As of June 30, 2026, we operate approximately 3,900 billboards with approximately 7,500 advertising faces. One of our principal business objectives is to continue to acquire additional billboard assets through acquisitions of existing billboard businesses in the United States when they can be made at what we believe to be attractive prices relative to other opportunities generally available to us.

Broadband Services. In March 2020, we commenced our broadband services business with the acquisition of substantially all of the business assets of FibAire, a rural broadband internet provider that served over 8,000 customers in communities in southern Arizona with a high-speed fixed wireless internet service and is building an all fiber-to-the-home network in select Arizona markets. In December 2020, we acquired substantially all of the business assets of UBB, a broadband internet provider that provided high-speed internet to over 10,000 customers throughout Utah. In September 2021, we announced the launch of Fiber Fast Homes, LLC, which partners with builders, developers, and build for rent communities to build fiber-to-the-home infrastructure and provide fiber internet service to residents. In April 2022, we acquired substantially all of the business assets of InfoWest, which are fiber and fixed wireless internet service providers with over 20,000 customers throughout Southern and Central Utah, Northern Arizona, and Moapa Valley, Nevada. In addition, over the last few years, we have also acquired additional smaller broadband businesses located in Utah. As of June 30, 2026, we have approximately 50,200 broadband customers (22,300 fiber subscribers) and 52,500 fiber passings completed. We hope to continue to expand in Arizona, Florida, Nevada, Utah, and other locales. In June 2026, our FIF Utah LLC subsidiary received approval from the USDA ReConnect Program for a combination of grants and long-term debt totaling up to $23.0 million in the aggregate to fund the construction, improvement, and acquisition of facilities and equipment needed to provide high-speed broadband service in eligible rural areas in Utah.

Surety Insurance. In September 2015, we established an insurance subsidiary, GIG, designed to own and operate insurance businesses generally handling high volume, lower policy limit commercial lines of property and casualty insurance. In April 2016, our surety insurance business commenced with the acquisition of a surety insurance brokerage business with a national internet-based presence. In December 2016, we completed the acquisition of UCS, a surety insurance company, which at that time was licensed to issue surety bonds in only nine states. UCS now has licenses to operate in all 50 states and the District of Columbia. In addition, over the last several years, we have also acquired additional surety insurance brokerage businesses located in various regions of the United States. We currently operate our insurance brokerage businesses under our BOSS Bonds™ trade name. We offer independent insurance agents the opportunity to purchase surety insurance through our computerized portal which offers speed and ease in application processing for the independent agent. On May 18, 2026, we announced that we had entered into a securities purchase agreement with CopperPoint Insurance Company ("CopperPoint") whereby CopperPoint will acquire 100% of the equity interests in GIG for approximately $84.3 million. The transaction is expected to close in the second half of 2026, subject to the receipt of all regulatory and other approvals required under the securities purchase agreement.

Investments:

- Since September 2015, we have made a series of investments in commercial real estate, a commercial real estate management business, brokerage and related services business, as well as an asset management business. We currently own 30% of Logic Real Estate Companies, LLC. On May 1, 2023, our BOAM subsidiary acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM for cash and BOC Class A common stock valued at approximately $5 million in the aggregate. Prior to the transaction, BOAM indirectly owned 48% of the membership interests of 24th Street. The consideration consisted of approximately $2.7 million in cash at closing, an additional $1.3 million in cash subject to holdback, and 45,644 shares of BOC Class A common stock (based on the average closing price of BOC Class A common stock for the 30 business day period ending two days before the closing date). The shares issued in the transaction are unregistered and have no registration rights. The purchase agreement also provides for certain payments based on performance to receive the holdback amount and certain other potential earnout payments. In addition, we have invested, through one of our subsidiaries, an aggregate of $6 million in the 24th Street Funds. These funds are managed by 24th Street and focus on opportunities within secured lending and direct investments in commercial real estate. As of June 30, 2026, the 24th Street Funds have a total of four real estate properties remaining under management.

- In May 2018, through one of our subsidiaries, we invested approximately $19 million through the purchase of common stock of CB&T Holding Corporation, the privately held parent company of Crescent Bank & Trust, Inc. ("Crescent Bank"). Our investment now represents 15.6% of CB&T's outstanding common stock. Crescent Bank is located in New Orleans, LA.

- In October 2020, our subsidiary BOC Yellowstone, LLC, served as sponsor for the underwritten initial public offering of a special purpose acquisition company named Yellowstone Acquisition Company. Yellowstone sold in its public offering 13,598,898 units at a price of $10.00 per unit, each unit consisting of one share of Class A common stock and a redeemable warrant to purchase one-half of a share of Class A common stock at an exercise price of $11.50 per share. Between August and November 2020, we invested, through BOC Yellowstone, approximately $7.8 million through the purchase of 3,399,724 shares of Class B common stock and 7,719,779 non-redeemable private placement warrants, each warrant entitling us to purchase one share of Class A common stock at $11.50 per share. In August 2021, Yellowstone entered into a business combination agreement with Sky Harbour LLC, a developer of private aviation infrastructure focused on building, leasing, and managing business aviation hangars. The business combination was completed on January 25, 2022 and Yellowstone changed its name to Sky Harbour Group Corporation. Sky Harbour's Class A common stock trades on the NYSE under the symbol "SKYH" and its warrants to purchase Class A common stock trade under the symbol "SKYH.WS."

- In September 2021, through one of our subsidiaries, we invested $55 million directly into SHG and received Series B preferred units. Upon the successful consummation of the Sky Harbour business combination, this investment converted into 5,500,000 shares of Sky Harbour's Class A common stock based upon an assumed value of $10.00 per share. In December 2021, we agreed to provide Sky Harbour an additional $45 million through the purchase of 4,500,000 shares of Class A common stock upon the closing of the Sky Harbour business combination, which was consummated in January 2022. Through June 30, 2026, we have sold 1,347,037 shares of Sky Harbour Class A common stock for gross proceeds of approximately $14.2 million. As of June 30, 2026, we held 11,339,994 shares of Sky Harbour Class A common stock and 7,719,779 Sky Harbour warrants. In August 2026, we sold 360,000 shares of our Sky Harbour Class A common stock, resulting in our ownership now consisting of 10,979,994 shares of Class A common stock.

- In 2021, we established the BFR Fund subsidiary within BOAM to operate a proposed build-for-rent business, focusing on developing, building, and managing single-family detached homes and/or townhomes for long-term rentals. We invested approximately $15 million of capital to finance the initial acquisitions for these projects and subsequently raised third-party capital to be invested alongside our capital. The BFR Fund acquired land parcels in Nevada with the initial plan to develop, construct, and operate build-for-rent communities. However, challenges in the market, including the increase in interest rates and the inability to achieve what we believe are appropriate risk-adjusted returns, have led us to pursue selling the BFR Fund's entitled land assets to public homebuilders. Consequently, we are winding down the BFR Fund earlier than originally targeted by returning the uninvested cash on hand to BFR Fund partners and, as we sell the BFR Fund's entitled land assets, returning that capital to BFR Fund partners as well. As of June 30, 2026, the BFR Fund has one real estate property remaining under management.

- In July 2023, we invested approximately $3 million in voting preferred stock of MyBundle.TV Inc., a company serving the broadband industry.

In each of our businesses, we hope to expand our geographic reach and market share and seek to develop a competitive advantage and/or brand name for our services, which we hope will be a differentiating factor for customers. In outdoor advertising, our plan is to continue to grow this business through acquisitions of billboard assets. We expect to expand our broadband services in Arizona, Florida, Nevada, Utah, and in other locations. In the future, we expect to continue to expand our billboard operations and broadband services and to possibly consider acquisitions of other businesses, as well as investments, in other sectors, although we currently expect to place a primary emphasis on growing our existing business lines over the next several years. Our decision to expand outside of these current business sectors we serve or in which we have made investments will be based on the opportunity to acquire businesses which we believe provide the potential for sustainable earnings at an attractive level relative to capital employed and, with regard to investment, we believe have the potential to provide attractive returns.

We seek to enter markets where we believe demand for our services will grow in the coming years due to certain barriers to entry and/or to anticipated long-term demand for these services. In the outdoor billboard business, government restrictions often limit the number of additional billboards that may be constructed. At the same time, advances in billboard technology provide the opportunity to improve revenues through the use of digital display technologies and other new technologies. In broadband services, we believe that our fiber-to-the-home services can compete with traditional cable operators as broadband provides higher rates of transmission and improved speed to consumers and that, once built, other competitors may be less willing to compete in communities which we serve. We also believe our investments in both CB&T and Sky Harbour have provided each company the opportunity to significantly grow its business. Lastly, we invest our available capital in a wide range of securities, including equity securities of public companies, various corporate and government bonds, and U.S. Treasury securities.

How We Generate Our Revenues and Evaluate Our Business

We currently generate revenues primarily through billboard advertising and related services, providing high-speed broadband services, and asset management services. Revenue for outdoor advertising space rental is recognized on a straight-line basis over the term of the contract and advertising revenue is reported net of agency commissions. Payments received in advance of being earned are recorded as deferred revenue. In our broadband business, revenue is derived principally from internet services and is recognized on a straight-line basis over the term of the contract in the period the services are rendered. Revenue received or receivable in advance of the delivery of services is included in deferred revenue.

Segment gross profit is a key metric that we use to evaluate segment operating performance and to determine resource allocation between segments. We define segment gross profit as segment revenues less segment direct cost of services. In our billboard business, direct cost of services includes land leases, utilities, repairs and maintenance of equipment, sales commissions, contract services, and other billboard level expenses. In our broadband business, direct cost of services includes network operations and data costs, software costs, cell site rent and utilities, and other broadband level expenses.

Results of Operations

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

The following is a comparison of our results of operations for the three months ended June 30, 2026, which we refer to as the “second quarter of fiscal 2026,” compared to the three months ended June 30, 2025, which we refer to as the “second quarter of fiscal 2025.” These results exclude results for our GIG subsidiary, as such operations are expected to be sold within the next six months to CopperPoint and are thus reflected as "discontinued operations" as described in Note 14. Discontinued Operations.

Revenues. For the second quarter of fiscal 2026 and the second quarter of fiscal 2025, our revenues, in thousands and as a percentage of total revenues, were as follows:

	For the Three Months Ended June 30, (unaudited)				
	2026		2025		2026 vs 2025
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Revenues:					
Billboard rentals, net	$ 11,723	52.8%	$ 11,441	52.8%	$ 282
Broadband services	10,477	47.2%	10,234	47.2%	243
Investment and other income	-	-	4	0.0%	(4)
Total Revenues	$ 22,200	100.0%	$ 21,679	100.0%	$ 521

We realized total revenues of $22,200 during the second quarter of fiscal 2026, an increase of 2.4% over revenues of $21,679 during the second quarter of fiscal 2025. The key factors impacting revenue across each of our businesses during the second quarter of fiscal 2026 were as follows:

- Net billboard rentals in the second quarter of fiscal 2026 increased 2.5% when compared to the second quarter of fiscal 2025, reflecting steady rental and occupancy rates across a number of our markets.

- Revenue from broadband services in the second quarter of fiscal 2026 increased 2.4% from the second quarter of fiscal 2025, mainly reflecting subscriber growth across a number of our markets.

- Investment and other income at BOAM decreased from $4 in the second quarter of fiscal 2025 to $0 in the second quarter of fiscal 2026.

Expenses. For the second quarter of fiscal 2026 and the second quarter of fiscal 2025, our expenses, in thousands and as a percentage of total revenues, were as follows:

	For the Three Months Ended June 30, (unaudited)				
	2026		2025		2026 vs 2025
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Costs and Expenses:					
Cost of billboard revenues	$ 3,533	15.9%	$ 3,703	17.1%	$ (170)
Cost of broadband revenues	2,664	12.0%	2,316	10.7%	348
Employee costs	6,132	27.6%	6,377	29.4%	(245)
Professional fees	850	3.8%	596	2.8%	254
Depreciation	4,523	20.4%	4,101	18.9%	422
Amortization	1,859	8.4%	1,915	8.8%	(56)
General and administrative	3,328	15.0%	3,205	14.8%	123
Gain on disposition of assets	(139)	(0.6%)	(76)	(0.3%)	(63)
Accretion	53	0.2%	54	0.2%	(1)
Total Costs and Expenses	$ 22,803	102.7%	$ 22,191	102.4%	$ 612

During the second quarter of fiscal 2026, we had total costs and expenses of $22,803, as compared to total costs and expenses of $22,191 in the second quarter of fiscal 2025. Total costs and expenses as a percentage of total revenues increased from 102.4% in the second quarter of fiscal 2025 to 102.7% in the second quarter of fiscal 2026. The key factors impacting costs and expenses across each of our businesses during the second quarter of fiscal 2026 were as follows:

- Cost of billboard revenues decreased as a percentage of billboard revenues from 32.4% in the second quarter of fiscal 2025 to 30.2% in the second quarter of fiscal 2026. The decrease was mainly driven by lower ground rent expense as a percentage of billboard revenues.

- Cost of broadband revenues increased as a percentage of broadband revenues from 22.6% in the second quarter of fiscal 2025 to 25.4% in the second quarter of fiscal 2026. The increase was mainly driven by higher network operations and data costs as a percentage of broadband revenues.

- Employee costs in the second quarter of fiscal 2026 were $6,132, or 27.6% of total revenues, as compared to $6,377, or 29.4% of total revenues, in the second quarter of fiscal 2025. The decrease was mainly driven by headcount reductions within our broadband businesses.

- Professional fees in the second quarter of fiscal 2026 were $850, or 3.8% of total revenues, as compared to $596, or 2.8% of total revenues, in the second quarter of fiscal 2025. The increase was mainly driven by higher professional fees at Boston Omaha's parent company related to the sale of GIG.

- General and administrative expenses in the second quarter of fiscal 2026 were $3,328, or 15.0% of total revenues, as compared to $3,205, or 14.8% of total revenues, in the second quarter of fiscal 2025.

- Non-cash expenses in the second quarter of fiscal 2026 included $4,523 in depreciation expense, $1,859 in amortization expense, and $53 in accretion expense mainly related to asset retirement obligations for certain billboard assets. The increase in depreciation expense is mainly driven by continued capital investments within our broadband businesses.

Net Loss from Operations. Net loss from operations for the second quarter of fiscal 2026 was $603, or 2.7% of total revenues, as compared to a net loss from operations of $512, or 2.4% of total revenues, in the second quarter of fiscal 2025. The increase in net loss from operations was primarily due to higher professional fees at Boston Omaha's parent company related to the sale of GIG, which were partially offset by improved operations within our billboard and broadband businesses. Our net loss from operations included $6,435 from non-cash depreciation, amortization, and accretion expenses in the second quarter of fiscal 2026, as compared to $6,070 in the second quarter of fiscal 2025.

Other Income (Expense). During the second quarter of fiscal 2026, we had net other expense of $2,500, which included a $1,853 unrealized loss on the Sky Harbour warrants held by Boston Omaha, losses of $844 within BOAM primarily related to changes in the fair value of the underlying assets within the 24th Street and BFR Funds, interest expense of $607 mainly incurred under Link's term loan and revolver and BOB's credit facility, and non-cash losses of $404 from unconsolidated affiliates mainly related to our share of Sky Harbour's loss from operations. These items were partially offset by $963 in realized gains on the sale of 331,500 shares of Sky Harbour Class A common stock and interest and dividend income of $258. During the second quarter of fiscal 2025, we had net other expense of $4,531, which included a $10,653 unrealized loss on the Sky Harbour warrants held by Boston Omaha, losses of $2,640 within BOAM primarily related to changes in the fair value of the remaining assets within the 24th Street Funds, and interest expense of $573 mainly incurred under Link's term loan and revolver and BOB's credit facility. These items were partially offset by income of $6,147 from unconsolidated affiliates mainly related to our equity method position in Sky Harbour, $2,859 in realized gains on the sale of 509,206 shares of Sky Harbour Class A common stock, and interest and dividend income of $242.

Generally accepted accounting principles ("GAAP") require us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's Class A common stock and our right to elect one of the seven members of Sky Harbour's Board of Directors, our investment is recorded under the equity method and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if we are deemed to no longer have significant influence, we may no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. While we intend to hold our current securities for the longer term, we may in the future choose to sell them for a variety of reasons resulting in realized losses or gains.

Additionally, we have evaluated our investment in Sky Harbour as of June 30, 2026, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable, (ii) Sky Harbour's stock price trading above our carrying value for an extended period of time, and (iii) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of $6.17 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Income (Loss) from Discontinued Operations. On May 18, 2026, we announced that CopperPoint will acquire 100% of the equity interests in GIG for approximately $84.3 million. The transaction is expected to close in the second half of 2026 following receipt of all regulatory and other approvals required under the Securities Purchase Agreement. As a result, the Company has classified the results and cash flows of the GIG business as discontinued operations in our Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows for all periods presented. The related assets and liabilities associated with the discontinued operations are classified as held for sale in the Condensed Consolidated Balance Sheets. During the second quarter of fiscal 2026, we had $490 in income from discontinued operations compared to a loss of $329 during the second quarter of fiscal 2025. See Note 14. Discontinued Operations in the Company's Condensed Consolidated Financial Statements for additional information.

Net Loss Attributable to Common Stockholders. We had a net loss attributable to common stockholders in the amount of $1,612 in the second quarter of fiscal 2026, or a loss per share of $0.05, based on 30,422,794 diluted weighted average shares outstanding. This is compared to a net loss attributable to common stockholders of $2,319 in the second quarter of fiscal 2025, or a loss per share of $0.07, based on 31,453,434 diluted weighted average shares outstanding.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

The following is a comparison of our results of operations for the six months ended June 30, 2026, which we refer to as the "first six months of fiscal 2026," compared to the six months ended June 30, 2025, which we refer to as the "first six months of fiscal 2025."

Revenues. For the first six months of fiscal 2026 and the first six months of fiscal 2025, our revenues, in thousands and as a percentage of total revenues, were as follows:

	For the Six Months Ended June 30, (unaudited)							
	2026			2025			2026 vs 2025	
		Amount	As a % of Total Revenues		Amount	As a % of Total Revenues		$ Variance
Revenues:								
Billboard rentals, net	$	22,696	51.7%	$	22,205	51.9%	$	491
Broadband services		21,227	48.3%		20,554	48.1%		673
Investment and other income		1	0.0%		17	0.0%		(16)
Total Revenues	$	43,924	100.0%	$	42,776	100.0%	$	1,148

We realized total revenues of $43,924 during the first six months of fiscal 2026, an increase of 2.7% over revenues of $42,776 during the first six months of fiscal 2025. The key factors impacting revenue across each of our businesses during the first six months of fiscal 2026 were as follows:

- Net billboard rentals in the first six months of fiscal 2026 increased 2.2% when compared to the first six months of fiscal 2025, reflecting steady rental and occupancy rates across a number of our markets.

- Revenue from broadband services in the first six months of fiscal 2026 increased 3.3% from the first six months of fiscal 2025, mainly reflecting subscriber growth across a number of our markets.

- Investment and other income at BOAM decreased from $17 in the first six months of fiscal 2025 to $1 in the first six months of fiscal 2026.

Expenses. For the first six months of fiscal 2026 and the first six months of fiscal 2025, our expenses, in thousands and as a percentage of total revenues, were as follows:

	For the Six Months Ended June 30, (unaudited)				
	2026		2025		2026 vs 2025
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Variance
Costs and Expenses:					
Cost of billboard revenues	$ 7,023	16.0%	$ 7,547	17.6%	$ (524)
Cost of broadband revenues	5,229	11.9%	4,689	11.0%	540
Employee costs	12,037	27.4%	12,680	29.6%	(643)
Professional fees	1,775	4.0%	1,239	2.9%	536
Depreciation	8,939	20.4%	8,085	18.9%	854
Amortization	3,696	8.4%	3,786	8.9%	(90)
General and administrative	6,439	14.7%	6,128	14.3%	311
(Gain) loss on disposition of assets	(163)	(0.4%)	48	0.1%	(211)
Accretion	108	0.2%	108	0.3%	0
Total Costs and Expenses	$ 45,083	102.6%	$ 44,310	103.6%	$ 773

During the first six months of fiscal 2026, we had total costs and expenses of $45,083, as compared to total costs and expenses of $44,310 in the first six months of fiscal 2025. Total costs and expenses as a percentage of total revenues decreased from 103.6% in the first six months of fiscal 2025 to 102.6% in the first six months of fiscal 2026. The key factors impacting costs and expenses across each of our businesses during the first six months of fiscal 2026 were as follows:

- Cost of billboard revenues decreased as a percentage of billboard revenues from 34.0% in the first six months of fiscal 2025 to 30.9% in the first six months of fiscal 2026. The decrease was mainly driven by lower ground rent expense as a percentage of billboard revenues.

- Cost of broadband revenues increased as a percentage of broadband revenues from 22.8% in the first six months of fiscal 2025 to 24.6% in the first six months of fiscal 2026. The increase was mainly driven by higher network operations and data costs as a percentage of broadband revenues.

- Employee costs in the first six months of fiscal 2026 were $12,037, or 27.4% of total revenues, as compared to $12,680, or 29.6% of total revenues, in the first six months of fiscal 2025. The decrease was mainly driven by headcount reductions within our broadband businesses.

- Professional fees in the first six months of fiscal 2026 were $1,775, or 4.0% of total revenues, as compared to $1,239, or 2.9% of total revenues, in the first six months of fiscal 2025. The increase was mainly driven by higher professional fees at Boston Omaha's parent company related to the sale of GIG.

- General and administrative expenses in the first six months of fiscal 2026 were $6,439, or 14.7% of total revenues, as compared to $6,128, or 14.3% of total revenues, in the first six months of fiscal 2025. The increase was mainly driven by the use of contract labor within our broadband businesses and accrued director compensation at Boston Omaha's parent company.

- Non-cash expenses in the first six months of fiscal 2026 included $8,939 in depreciation expense, $3,696 in amortization expense, and $108 in accretion expense mainly related to asset retirement obligations for certain billboard assets. The increase in depreciation expense is mainly driven by continued capital investments within our broadband businesses.

Net Loss from Operations. Net loss from operations for the first six months of fiscal 2026 was $1,159, or 2.6% of total revenues, as compared to a net loss from operations of $1,534, or 3.6% of total revenues, in the first six months of fiscal 2025. The decrease in net loss from operations was primarily due to improved operations within our billboard and broadband businesses, which were partially offset by higher professional fees at Boston Omaha's parent company mainly related to the sale of GIG. Our net loss from operations included $12,743 from non-cash depreciation, amortization, and accretion expenses in the first six months of fiscal 2026, as compared to $11,979 in the first six months of fiscal 2025.

Other Income (Expense). During the first six months of fiscal 2026, we had net other expense of $4,493, which included non-cash losses of $2,095 from unconsolidated affiliates mainly related to our share of Sky Harbour's loss from operations, a $1,437 unrealized loss on the Sky Harbour warrants held by Boston Omaha, losses of $1,220 within BOAM primarily related to changes in the fair value of the underlying assets within the 24th Street and BFR Funds, and interest expense of $1,216 mainly incurred under Link's term loan and revolver and BOB's credit facility. These items were partially offset by $963 in realized gains on the sale of 331,500 shares of Sky Harbour Class A common stock and interest and dividend income of $529. During the first six months of fiscal 2025, we had net other expense of $6,631, which included a $9,418 unrealized loss on the Sky Harbour warrants held by Boston Omaha, losses of $4,660 within BOAM primarily related to changes in the fair value of the remaining assets within the 24th Street and BFR Funds, and interest expense of $1,115 mainly incurred under Link's term loan and revolver and BOB's credit facility. These items were partially offset by $4,135 in realized gains on the sale of 730,095 shares of Sky Harbour Class A common stock, income of $3,833 from unconsolidated affiliates mainly related to our equity method position in Sky Harbour, and interest and dividend income of $545.

Generally accepted accounting principles ("GAAP") require us to include the unrealized changes in market prices of investments in public equity securities in our reported earnings. Due to the size of our percentage ownership interest in Sky Harbour's Class A common stock and our right to elect one of the seven members of Sky Harbour's Board of Directors, our investment is recorded under the equity method and we do not include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. In the future, if we are deemed to no longer have significant influence, we may no longer be able to record our investment under the equity method and will be required to include any unrealized gains or losses related to the change in Sky Harbour's stock price in our reported earnings. While we intend to hold our current securities for the longer term, we may in the future choose to sell them for a variety of reasons resulting in realized losses or gains.

Additionally, we have evaluated our investment in Sky Harbour as of June 30, 2026, and determined that there was not an other-than-temporary impairment. Our conclusion was based on several contributing factors, including: (i) our assessment that the underlying business and financial condition of Sky Harbour is favorable, (ii) Sky Harbour's stock price trading above our carrying value for an extended period of time, and (iii) our ability and intent to hold the investment. We will continue to review our investment in Sky Harbour for an other-than-temporary impairment on a quarterly basis or upon the occurrence of certain events. If Sky Harbour's stock price drops below our carrying value of $6.17 per share for a sustained period of time, it will likely result in an impairment of our investment. There may also be a future impairment of our investment if our expectations about Sky Harbour's prospective results of operations and cash flows decline, which could be influenced by a variety of factors including adverse market conditions.

Income (Loss) from Discontinued Operations. On May 18, 2026, we announced that CopperPoint Insurance Company will acquire 100% of the equity interests in GIG for approximately $84.3 million. The transaction is expected to close in the second half of 2026 following receipt of all regulatory and other approvals required under the Securities Purchase Agreement. As a result, the Company has classified the results and cash flows of the GIG business as discontinued operations in our Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Cash Flows for all periods presented. The related assets and liabilities associated with the discontinued operations are classified as held for sale in the Condensed Consolidated Balance Sheets. During the first six months of fiscal 2026, we had a loss of $185 from discontinued operations compared to income of $178 during the first six months of fiscal 2025. See Note 14. Discontinued Operations in the Company's Condensed Consolidated Financial Statements for additional information.

Net Loss Attributable to Common Stockholders. We had a net loss attributable to common stockholders in the amount of $3,760 in the first six months of fiscal 2026, or a loss per share of $0.12, based on 30,612,655 diluted weighted average shares outstanding. This is compared to a net loss attributable to common stockholders of $2,989 in the first six months of fiscal 2025, or a loss per share of $0.10, based on 31,440,934 diluted weighted average shares outstanding.

Results of Operations by Segment

The following tables report results, in thousands and as a percentage of segment revenues, for the following three segments in which we operate: billboards, broadband, and asset management for the second quarter of fiscal 2026 and the second quarter of fiscal 2025:

Results of Billboard Operations

	For the Three Months Ended June 30, (unaudited)			
	2026		2025	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Billboard rentals, net	$ 11,723	100.0%	$ 11,441	100.0%
Cost of Revenues				
Ground rents	1,897	16.2%	2,087	18.2%
Utilities	433	3.7%	463	4.1%
Commissions paid	734	6.3%	742	6.5%
Other costs of revenues	469	4.0%	411	3.6%
Total cost of revenues	3,533	30.2%	3,703	32.4%
Gross margin	8,190	69.8%	7,738	67.6%
Other Operating Expenses				
Employee costs	2,221	19.0%	2,137	18.6%
Professional fees	106	0.9%	63	0.5%
Depreciation	1,352	11.5%	1,324	11.6%
Amortization	963	8.2%	971	8.5%
General and administrative	1,082	9.2%	1,059	9.3%
Accretion	49	0.4%	50	0.4%
Gain on disposition of assets	(224)	(1.9%)	(92)	(0.8%)
Total expenses	5,549	47.3%	5,512	48.1%
Segment Income from Operations	2,641	22.5%	2,226	19.5%
Interest expense, net	(338)	(2.9%)	(378)	(3.3%)
Net Income from Continuing Operations Attributable to Common Stockholders	$ 2,303	19.6%	$ 1,848	16.2%

Comparison of the Second Quarter of Fiscal 2026 to the Second Quarter of Fiscal 2025. In the second quarter of fiscal 2026, net billboard revenues increased by 2.5% when compared to the second quarter of fiscal 2025, reflecting steady rental and occupancy rates across a number of our markets. The key factors affecting our billboard operations results during the second quarter of fiscal 2026 were as follows:

- Ground rent expense as a percentage of total segment operating revenues decreased from 18.2% in the second quarter of fiscal 2025 to 16.2% in the second quarter of fiscal 2026. The decrease is mainly due to ASC 842 lease accounting entries stemming from changes in our lease portfolio.

- Commissions paid as a percentage of total segment operating revenues decreased from 6.5% in the second quarter of fiscal 2025 to 6.3% in the second quarter of fiscal 2026.

- Employee costs as a percentage of total segment operating revenues increased from 18.6% in the second quarter of fiscal 2025 to 19.0% in the second quarter of fiscal 2026.

- General and administrative expenses decreased slightly as a percentage of total segment operating revenues from 9.3% in the second quarter of fiscal 2025 to 9.2% in the second quarter of fiscal 2026.

- Depreciation and amortization expenses as a percentage of total segment operating revenues were 11.5% and 8.2% in the second quarter of fiscal 2026 compared to 11.6% and 8.5% in the second quarter of fiscal 2025, respectively.

- Net interest expense was $338 in the second quarter of fiscal 2026 compared to net interest expense of $378 in the second quarter of fiscal 2025. The decrease is mainly driven by principal repayments on the revolving line of credit.

Results of Broadband Operations

	For the Three Months Ended June 30, (unaudited)			
	2026		2025	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Broadband revenues	$ 10,477	100.0%	$ 10,234	100.0%
Cost of Revenues				
Network operations and data costs	1,575	15.0%	1,285	12.5%
Software costs	252	2.4%	189	1.9%
Cell site rent and utilities	332	3.2%	357	3.5%
Other costs of revenues	505	4.8%	485	4.7%
Total cost of revenues	2,664	25.4%	2,316	22.6%
Gross margin	7,813	74.6%	7,918	77.4%
Other Operating Expenses				
Employee costs	3,417	32.6%	3,747	36.6%
Professional fees	144	1.4%	152	1.5%
Depreciation	3,153	30.1%	2,750	26.9%
Amortization	896	8.6%	902	8.8%
General and administrative	1,839	17.6%	1,801	17.6%
Accretion	4	0.0%	4	0.0%
Loss on disposition of assets	85	0.8%	16	0.2%
Total expenses	9,538	91.1%	9,372	91.6%
Segment Loss from Operations	(1,725)	(16.5%)	(1,454)	(14.2%)
Interest expense, net	(207)	(2.0%)	(123)	(1.2%)
Noncontrolling interest in subsidiary income	(3)	(0.1%)	-	-
Net Loss from Continuing Operations Attributable to Common Stockholders	$ (1,935)	(18.5%)	$ (1,577)	(15.4%)

Comparison of the Second Quarter of Fiscal 2026 to the Second Quarter of Fiscal 2025. In the second quarter of fiscal 2026, total operating revenues increased by 2.4% when compared to the second quarter of fiscal 2025 mainly reflecting subscriber growth across a number of our markets. The key factors affecting our broadband operations results during the second quarter of fiscal 2026 were as follows:

- Network operations and data costs as a percentage of total segment operating revenues increased from 12.5% in the second quarter of fiscal 2025 to 15.0% in the second quarter of fiscal 2026. The increase is mainly driven by increased cell site circuit costs related to new project developments.

- Employee costs as a percentage of total segment operating revenues decreased from 36.6% in the second quarter of fiscal 2025 to 32.6% in the second quarter of fiscal 2026. The decrease is mainly driven by headcount reductions within our broadband businesses.

- Depreciation expense increased by $403 from the second quarter of fiscal 2025. The increase in depreciation expense is mainly driven by continued capital investments within our broadband businesses.

- General and administrative expenses as a percentage of total segment operating revenues remained flat at 17.6% in the second quarter of fiscal 2025 and in the second quarter of fiscal 2026.

- Net interest expense was $207 in the second quarter of fiscal 2026 compared to net interest expense of $123 in the second quarter of fiscal 2025. The increase is mainly driven by the borrowings on the BOB credit facility.

- Noncontrolling interest in subsidiary income of $3 in the second quarter of fiscal 2026 is related to joint venture projects at FFH.

Results of Asset Management Operations

	For the Three Months Ended June 30, (unaudited)					
	2026			2025		
	Amount			Amount		
Operating Revenues						
Investment and other income	$	-	n/a	$	4	n/a
Cost of Revenues						
Total cost of revenues		-	n/a		-	n/a
Gross margin		-	n/a		4	n/a
Other Operating Expenses						
Employee costs		-	n/a		-	n/a
Professional fees		108	n/a		142	n/a
Depreciation		-	n/a		-	n/a
Amortization		-	n/a		-	n/a
General and administrative		1	n/a		2	n/a
Total expenses		109	n/a		144	n/a
Segment Loss from Operations		(109)	n/a		(140)	n/a
Interest and dividend income		5	n/a		8	n/a
Other investment loss		(844)	n/a		(2,640)	n/a
Noncontrolling interest in subsidiary loss		556	n/a		2,250	n/a
Net Loss from Continuing Operations Attributable to Common Stockholders	$	(392)	n/a	$	(522)	n/a

Comparison of the Second Quarter of Fiscal 2026 to the Second Quarter of Fiscal 2025. In September 2017, we formed our asset management business. Throughout fiscal 2022 and fiscal 2023, we had been hiring within our asset management business to ensure adequate staffing for the anticipated demands and needs of the business. In May 2023, we acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM. As previously mentioned, we are winding down BOAM's operations and have implemented significant cost-cutting measures, which occurred principally in the second half of fiscal 2024. Therefore, comparisons of our asset management results for the second quarter of fiscal 2026 and the second quarter of fiscal 2025 may not be meaningful. The key factors affecting our asset management operations results during the second quarter of fiscal 2026 were as follows:

- Professional fees decreased by $34 in the second quarter of fiscal 2026 when compared to the second quarter of fiscal 2025. Professional fees are mainly related to accounting and audit fees at the fund level as well as the services agreement with Local Asset Management LLC to provide management services associated with the wind down of the 24th Street Funds and BFR Fund. The services agreement provides for consulting fees which reduce over time as assets managed within the funds are sold.

- General and administrative expenses in the second quarter of fiscal 2026 decreased by $1 from the second quarter of fiscal 2025.

- Other investment loss of $844 in the second quarter of fiscal 2026 primarily included the changes in the fair value of the 24th Street Funds and BFR Fund, mainly driven by a decline in value of the underlying real estate properties.

- Noncontrolling interest in subsidiary loss of $556 in the second quarter of fiscal 2026 primarily included the external limited partners' share of GAAP losses within the 24th Street Funds and BFR Fund, mainly driven by the change in fair value referenced above.

Results of Operations by Segment

The following tables report results, in thousands and as a percentage of segment revenues, for the following three segments in which we operate: billboards, broadband, and asset management for the first six months of fiscal 2026 and the first six months of fiscal 2025:

Results of Billboard Operations

	For the Six Months Ended June 30, (unaudited)			
	2026		2025	
	Amount	As a % of Segment Operating Revenues	Amount	As a % of Segment Operating Revenues
Operating Revenues				
Billboard rentals, net	$ 22,696	100.0%	$ 22,205	100.0%
Cost of Revenues				
Ground rents	3,829	16.9%	4,328	19.5%
Utilities	894	3.9%	949	4.3%
Commissions paid	1,390	6.1%	1,455	6.5%
Other costs of revenues	910	4.0%	815	3.7%
Total cost of revenues	7,023	30.9%	7,547	34.0%
Gross margin	15,673	69.1%	14,658	66.0%
Other Operating Expenses				
Employee costs	4,451	19.6%	4,363	19.6%
Professional fees	196	0.9%	125	0.6%
Depreciation	2,683	11.8%	2,614	11.8%
Amortization	1,915	8.4%	1,933	8.7%
General and administrative	2,066	9.1%	2,048	9.2%
Accretion	101	0.5%	101	0.5%
Gain on disposition of assets	(220)	(1.0%)	(18)	(0.1%)
Total expenses	11,192	49.3%	11,166	50.3%
Segment Income from Operations	4,481	19.8%	3,492	15.7%
Interest expense, net	(676)	(3.0%)	(753)	(3.4%)
Net Income from Continuing Operations Attributable to Common Stockholders	$ 3,805	16.8%	$ 2,739	12.3%

Comparison of the First Six Months of Fiscal 2026 to the First Six Months of Fiscal 2025. In the first six months of fiscal 2026, net billboard revenues increased by 2.2% when compared to the first six months of fiscal 2025, reflecting steady rental and occupancy rates across a number of our markets. The key factors affecting our billboard operations results during the first six months of fiscal 2026 were as follows:

- Ground rent expense as a percentage of total segment operating revenues decreased from 19.5% in the first six months of fiscal 2025 to 16.9% in the first six months of fiscal 2026. The decrease is mainly due to ASC 842 lease accounting entries stemming from changes in our lease portfolio.

- Commissions paid as a percentage of total segment operating revenues decreased from 6.5% in the first six months of fiscal 2025 to 6.1% in the first six months of fiscal 2026.

- Employee costs as a percentage of total segment operating revenues remained flat at 19.6% in the first six months of fiscal 2025 and in the first six months of fiscal 2026.

- General and administrative expenses decreased slightly as a percentage of total segment operating revenues from 9.2% in the first six months of fiscal 2025 to 9.1% in the first six months of fiscal 2026.

- Depreciation and amortization expenses as a percentage of total segment operating revenues were 11.8% and 8.4% in the first six months of fiscal 2026 compared to 11.8% and 8.7% in the first six months of fiscal 2025, respectively.

- Net interest expense was $676 in the first six months of fiscal 2026 compared to net interest expense of $753 in the first six months of fiscal 2025. The decrease is mainly driven by principal repayments on the revolving line of credit.

Results of Broadband Operations

	For the Six Months Ended June 30, (unaudited)					
	2026			2025		
	Amount		As a % of Segment Operating Revenues	Amount		As a % of Segment Operating Revenues
Operating Revenues						
Broadband revenues	$	21,227	100.0%	$	20,554	100.0%
Cost of Revenues						
Network operations and data costs		3,081	14.5%		2,591	12.6%
Software costs		477	2.2%		342	1.7%
Cell site rent and utilities		671	3.2%		708	3.4%
Other costs of revenues		1,000	4.7%		1,048	5.1%
Total cost of revenues		5,229	24.6%		4,689	22.8%
Gross margin		15,998	75.4%		15,865	77.2%
Other Operating Expenses						
Employee costs		6,593	31.1%		7,336	35.7%
Professional fees		259	1.2%		278	1.4%
Depreciation		6,218	29.3%		5,417	26.3%
Amortization		1,781	8.4%		1,770	8.6%
General and administrative		3,518	16.5%		3,322	16.2%
Accretion		7	0.0%		7	0.0%
Loss on disposition of assets		57	0.3%		66	0.3%
Total expenses		18,433	86.8%		18,196	88.5%
Segment Loss from Operations		(2,435)	(11.4%)		(2,331)	(11.3%)
Interest expense, net		(415)	(2.0%)		(225)	(1.1%)
Noncontrolling interest in subsidiary income		(11)	(0.1%)		-	-
Net Loss from Continuing Operations Attributable to Common Stockholders	$	(2,861)	(13.5%)	$	(2,556)	(12.4%)

Comparison of the First Six Months of Fiscal 2026 to the First Six Months of Fiscal 2025. In the first six months of fiscal 2026, total operating revenues increased by 3.3% when compared to the first six months of fiscal 2025 mainly reflecting subscriber growth across a number of our markets. The key factors affecting our broadband operations results during the first six months of fiscal 2026 were as follows:

- Network operations and data costs as a percentage of total segment operating revenues increased from 12.6% in the first six months of fiscal 2025 to 14.5% in the first six months of fiscal 2026. The increase is mainly driven by increased cell site circuit costs related to new project developments.

- Employee costs as a percentage of total segment operating revenues decreased from 35.7% in the first six months of fiscal 2025 to 31.1% in the first six months of fiscal 2026. The decrease is mainly driven by headcount reductions within our broadband businesses.

- Depreciation expense increased by $801 from the first six months of fiscal 2025. The increase in depreciation expense is mainly driven by continued capital investments within our broadband businesses.

- General and administrative expenses as a percentage of total segment operating revenues increased from 16.2% in the first six months of fiscal 2025 to 16.5% in the first six months of fiscal 2026. The increase is mainly driven by the use of contract labor within our broadband businesses.

- Net interest expense was $415 in the first six months of fiscal 2026 compared to net interest expense of $225 in the first six months of fiscal 2025. The increase is mainly driven by the borrowings on the BOB credit facility.

- Noncontrolling interest in subsidiary income of $11 in the first six months of fiscal 2026 is related to joint venture projects at FFH.

Results of Asset Management Operations

	For the Six Months Ended June 30, (unaudited)					
	2026			2025		
		Amount	As a % of Segment Operating Revenues		Amount	As a % of Segment Operating Revenues
Operating Revenues						
Investment and other income	$	1	n/a	$	17	n/a
Cost of Revenues						
Total cost of revenues		-	n/a		-	n/a
Gross margin		1	n/a		17	n/a
Other Operating Expenses						
Employee costs		-	n/a		-	n/a
Professional fees		324	n/a		398	n/a
Depreciation		-	n/a		-	n/a
Amortization		-	n/a		-	n/a
General and administrative		61	n/a		35	n/a
Total expenses		385	n/a		433	n/a
Segment Loss from Operations		(384)	n/a		(416)	n/a
Interest and dividend income		10	n/a		16	n/a
Other investment loss		(1,220)	n/a		(4,660)	n/a
Noncontrolling interest in subsidiary loss		971	n/a		4,008	n/a
Net Loss from Continuing Operations Attributable to Common Stockholders	$	(623)	n/a	$	(1,052)	n/a

Comparison of the First Six Months of Fiscal 2026 to the First Six Months of Fiscal 2025. In September 2017, we formed our asset management business. Throughout fiscal 2022 and fiscal 2023, we had been hiring within our asset management business to ensure adequate staffing for the anticipated demands and needs of the business. In May 2023, we acquired 100% of the membership interests in 24th Street from the members of 24th Street other than BOAM. As previously mentioned, we are winding down BOAM's operations and have implemented significant cost-cutting measures, which occurred principally in the second half of fiscal 2024. Therefore, comparisons of our asset management results for the first six months of fiscal 2026 and the first six months of fiscal 2025 may not be meaningful. The key factors affecting our asset management operations results during the first six months of fiscal 2026 were as follows:

- Professional fees decreased by $74 in the first six months of fiscal 2026 when compared to the first six months of fiscal 2025. Professional fees are mainly related to accounting and audit fees at the fund level as well as the services agreement with Local Asset Management LLC to provide management services associated with the wind down of the 24th Street Funds and BFR Fund. The services agreement provides for consulting fees which reduce over time as assets managed within the funds are sold.

- General and administrative expenses in the first six months of fiscal 2026 increased by $26 from the first six months of fiscal 2025.

- Other investment loss of $1,220 in the first six months of fiscal 2026 primarily included the changes in the fair value of the 24th Street Funds and BFR Fund, mainly driven by a decline in value of the underlying real estate properties.

- Noncontrolling interest in subsidiary loss of $971 in the first six months of fiscal 2026 primarily included the external limited partners' share of GAAP losses within the 24th Street Funds and BFR Fund, mainly driven by the change in fair value referenced above.

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Cash Flows

Cash Flows for the First Six Months of Fiscal 2026 compared to the First Six Months of Fiscal 2025

The table below summarizes our cash flows from continuing operations, in thousands, for the first six months of fiscal 2026 and the first six months of fiscal 2025:

	Six Months Ended June 30, 2026 (unaudited)	Six Months Ended June 30, 2025 (unaudited)
Net cash provided by operating activities	$ 10,130	$ 8,180
Net cash provided by (used in) investing activities	4,328	(10,618)
Net cash (used in) provided by financing activities	(17,311)	5,054
Net (decrease) increase in cash, cash equivalents, and restricted cash	$ (2,853)	$ 2,616

Net Cash Provided by Operating Activities. Net cash provided by operating activities was $10,130 for the first six months of fiscal 2026 compared to $8,180 for the first six months of fiscal 2025. The increase in net cash provided by operating activities was mainly driven by improved cash flow generation within our billboard and broadband businesses.

Net Cash Provided by (Used in) Investing Activities. Net cash provided by investing activities was $4,328 for the first six months of fiscal 2026 as compared with net cash used in investing activities of $10,618 for the first six months of fiscal 2025. During the first six months of fiscal 2026, net cash provided by investing activities is primarily attributable to $15,573 in net cash proceeds mainly from the sale of U.S. Treasury securities and other investments, which were partially offset by $11,779 in capital expenditures mainly within our broadband businesses.

Net Cash (Used in) Provided by Financing Activities. Net cash used in financing activities was $17,311 during the first six months of fiscal 2026 as compared to net cash provided by financing activities of $5,054 during the first six months of fiscal 2025. During the first six months of fiscal 2026, net cash used in financing activities mainly consisted of $10,574 in stock repurchases, $5,587 in distributions to noncontrolling interests from the 24th Street and BFR Funds, and $1,190 in principal repayments on long-term debt.

Liquidity and Capital Resources

Currently, we own billboards in Alabama, Arkansas, Florida, Georgia, Illinois, Iowa, Kansas, Missouri, Nebraska, Nevada, Oklahoma, South Dakota, Tennessee, Virginia, West Virginia, and Wisconsin, a surety insurance company we acquired in December 2016, surety insurance brokerage firms we acquired in 2016, 2017 and 2021, broadband services providers whose assets we acquired in 2020, 2022 and 2023, an asset management business, minority investments in commercial real estate management and brokerage services, a bank focused on servicing the automotive loan market, and a developer of private aviation infrastructure focused on building, leasing, and managing business aviation hangars. At June 30, 2026, we had approximately $15.1 million in unrestricted cash and approximately $16.4 million in short-term U.S. Treasury securities. Our strategy is to continue to expand certain parts of our existing businesses as well as acquire other businesses and open new businesses which we believe have the potential to generate positive cash flows when made at what we believe to be attractive prices relative to other opportunities generally available to us. We currently expect to finance any future acquisitions and investments with cash, debt and seller or third-party financing. In the future, we may satisfy all or a portion of the purchase price for an acquisition with our equity securities. In addition, we have made investments in several companies and expect to continue to make investments in the securities of both publicly traded and privately held companies. We reserve the right to dispose of a business or subset of a business unit if, based upon management's periodic review of our portfolio, our Board of Directors determines that such action would be in our best interest.

On November 14, 2025, the Board approved and authorized the 2025 Share Repurchase Program, pursuant to which we announced our intention to repurchase up to $30 million of our Class A common stock, from time to time, in the open market, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The Board also authorized the Company, in its discretion, to establish "Rule 10b5-1 trading plans" for these share repurchases. The 2025 Share Repurchase Program went into effect on or about November 18, 2025 and will terminate on December 31, 2026, unless earlier terminated in the discretion of the Board. The actual timing, number, and value of shares repurchased under the 2025 Share Repurchase Program will depend on a number of factors, including constraints specified in applicable SEC regulations, price, general business and market conditions, and alternative investment opportunities. Pursuant to the 2025 Share Repurchase Program, the Company is not obligated to repurchase any specific number of shares of its Class A common stock and shall not repurchase more than 25% of the average daily volume of its stock over the previous 20 trading days. From November 2025 through the first six months of fiscal 2026, we repurchased 1,271,320 shares of our Class A common stock for a total cost of approximately $16.3 million.

There can be no assurance that we will consummate any subsequent acquisitions. Furthermore, our acquisitions are subject to a number of risks and uncertainties, including as to when, whether and to what extent the anticipated benefits and cost savings of a particular acquisition will be realized. Our failure to successfully identify and complete future acquisitions of assets or businesses could reduce future potential earnings and available cash and slow our anticipated growth. If we elect to sell all or a portion of a business unit, the sale of the disposed unit may disrupt operations, cause key talent loss, or create difficulties in separating shared services, impacting the remaining business's financial performance. If we elect to sell all or a portion of a business unit, we may fail to secure a buyer, fail to consummate the transaction, or face prolonged closing timelines due to delays in obtaining any required approvals by government agencies or our lenders. Divestitures can also result in reduced cash flow, unexpected tax consequences, or the need to write down goodwill associated with the disposed business unit. Although we have entered into, and expect to continue to enter into, non-binding letters of intent to acquire businesses on a regular basis, we do not currently have any agreements, commitments or understandings for any specific material acquisitions that are probable of being consummated at this time.

To date, we have raised funds through the sale of our common stock in public offerings, sales of our common stock in "at-the-market" programs, term loan financings through our Link and BOB subsidiaries, proceeds from the sale of publicly traded and private company securities held by us, cash flow from operations, and, prior to 2019, through private placements of our common stock.

2022 Shelf Registration Statement

In April 2022, we filed the 2022 Shelf Registration Statement on Form S-3 (File No. 333-264470) that was declared effective on May 11, 2022, relating to the registration of Class A common stock, preferred stock, debt securities and warrants of the Company for up to $500 million. Additionally, in the 2022 Shelf Registration Statement, we registered for resale up to 8,297,039 shares of Class A common stock acquired in 2018 or earlier in private placements in accordance with the terms of a 2018 registration rights agreement. We will not receive any proceeds from the sale of Class A common stock by the selling shareholders. The selling shareholders are MIT as well as 238 Plan Associates LLC, an MIT pension and benefit fund and a limited partnership holding our Class A common stock for the economic benefit of MIT. No officer or director has any beneficial interest in any shares eligible for resale by the selling shareholders. In May 2022, we also registered 1,018,660 shares of Class A common stock held by Magnolia and Boulderado and their affiliates. All of the shares held by Boulderado were repurchased by the Company in May 2024 and, as a result, the remaining 522,231 shares of our Class A common stock not repurchased are available for resale under that registration statement. As of June 30, 2026, based upon filings by these shareholders with the SEC, and as it relates to shares held by Mr. Peterson, certain of our stockholders still hold 7,713,933 registered shares of our Class A common stock. This assumes that MIT continues to own all shares reflected in its Schedule 13G/A filing with the SEC on January 20, 2026. The 2022 Shelf Registration Statement expired in May 2025.

Although we have no current plans to do so, we may in the future file a new shelf registration statement which would allow us, from time to time, in one or more offerings, to offer and sell Class A common stock or preferred stock, various series of debt securities and/or warrants. We or any selling security holders may offer these securities from time to time in amounts, at prices and on terms determined at the time of the offering. We may sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers on a delayed or continuous basis. Unless otherwise set forth in an applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities that we may offer for general corporate purposes, including, but not limited to, financing our existing businesses and operations, and expanding our businesses and operations through additional hires, strategic alliances, and acquisitions. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds from the sale of securities by any selling stockholders.

Link Credit Agreement

On August 12, 2019, Link entered into a Credit Agreement (the “Credit Agreement”) with First National Bank of Omaha (the “Lender”) under which Link could borrow up to $40 million (the “Credit Facility”). The Credit Agreement provided for an initial term loan (“Term Loan 1”), an incremental term loan (“Term Loan 2”) and a revolving line of credit. Link initially borrowed approximately $18 million under Term Loan 1 and $5.5 million under Term Loan 2. On December 6, 2021, Link entered into a Fourth Amendment to Credit Agreement, which modified the Credit Agreement by increasing the borrowing limit to $30 million and combining the outstanding balances under Term Loan 1 and Term Loan 2 as well as any incremental borrowings into a term loan (“Term Loan”). The Term Loan is secured by all assets of Link and its operating subsidiaries, including a pledge of equity interests of each of Link’s subsidiaries. In addition, each of Link’s subsidiaries has joined as a guarantor to the obligations under the Credit Agreement. The loan is not guaranteed by Boston Omaha or any of our non-billboard businesses.

Principal amounts under the Term Loan are payable in monthly installments according to a 25-year amortization schedule. The Term Loan is payable in full on December 6, 2028. The Term Loan has a fixed interest rate of 4.00% per annum.

On May 30, 2024, Link entered into a Ninth Amendment to Credit Agreement, which modified the Credit Agreement by increasing the maximum availability under the revolving line of credit from $10 million to $15 million. Interest payments are based on the 30-day U.S. Prime Rate minus an applicable margin ranging between 0.65% and 1.15% dependent on Link’s consolidated leverage ratio.

On October 20, 2025, Link entered into a Tenth Amendment to Credit Agreement, which modified the Credit Agreement by extending the revolving line of credit maturity date and updating the definition of the consolidated fixed charge coverage ratio. The revolving line of credit is now due and payable on August 12, 2029.

Long-term debt included within our Condensed Consolidated Balance Sheets as of June 30, 2026 consists of Link’s Term Loan borrowings of approximately $25.2 million, of which approximately $0.9 million is classified as current, and $9.1 million related to the revolving line of credit.

Under the Term Loan, Link is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of Link (a) beginning with the fiscal quarter ended June 30, 2024 of not greater than 3.50 to 1.00, (b) beginning with the fiscal quarter ending December 31, 2026 of not greater than 3.25 to 1.00 and (c) beginning with the fiscal quarter ending December 31, 2027 and thereafter of not greater than 3.00 to 1.00, and a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters. Link was in compliance with these covenants as of June 30, 2026.

The Credit Agreement includes representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default, the Lender may accelerate the loan. Upon the occurrence of certain insolvency and bankruptcy events of default, the loan will automatically accelerate. The foregoing summary of the Credit Agreement and the transactions contemplated thereby does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions of the Credit Agreement and Security Agreement, copies of which are attached as Exhibit 10.1 and Exhibit 10.2, respectively to our Form 8-K as filed with the SEC on August 13, 2019, a First Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on October 29, 2019, a Second Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 30, 2020, a Third Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on August 24, 2021, a Fourth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on December 9, 2021, a Fifth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 3, 2022, a Sixth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on April 11, 2023, a Seventh Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on September 26, 2023, an Eighth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on February 16, 2024, a Ninth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.1 on Form 8-K as filed with the SEC on June 5, 2024, and a Tenth Amendment to Credit Agreement with the Lender as filed as Exhibit 10.20 on Form 10-K as filed with the SEC on March 30, 2026.

Boston Omaha Broadband Credit Agreement

On September 17, 2024, three operating subsidiaries of BOB entered into a Credit Agreement (the “BOB Credit Agreement”) with First National Bank of Omaha (the “Lender”) under which certain subsidiaries of BOB can borrow up to $20 million in the aggregate in term loans (the “BOB Credit Facility”). The BOB Credit Agreement was subsequently split into separate credit agreements with each of the Borrowers in order to allow certain borrowers to apply for federal loan funding, hereinafter referred to as the "BOB Credit Agreements." All material terms of the original BOB Credit Agreement remain unchanged in the Amended and Restated Credit Agreement for FIF AireBeam, LLC and FIF St George, LLC and the Credit Agreement for FIF Utah, LLC. The three operating subsidiaries which are the borrowers under the BOB Credit Agreements are FIF AireBeam, LLC, FIF St George, LLC, and FIF Utah, LLC (collectively, the “Borrowers”). The loans are guaranteed by BOB but are not guaranteed by BOC or any other businesses owned by BOC and its other subsidiaries. The loans under the BOB Credit Facility are secured by all assets of each of the Borrowers. Funds available under the BOB Credit Facility are to be used for capital expenditures associated with capital acquisition and leasing of capital equipment for expansion of the Borrowers’ businesses.

On October 29, 2025, BOB entered into a First Amendment to BOB Credit Agreements, which modified the BOB Credit Agreements by extending the term loan draw expiration date to December 31, 2025.

The BOB Credit Agreements provided for incremental drawdowns of the term loan in minimum increments of $1 million. Each term loan is due five years following the borrowing date of such term loan. As of June 30, 2026, the outstanding term loan end dates range from October 1, 2029 to November 18, 2030. Principal under each term loan is amortized in equal monthly payments over a 10-year period from the date of each term loan. Interest under each term loan accrues at the “Applicable Margin,” which is set at (a) 2.75% per annum with respect to any SOFR Loan, and (b) 1.75% per annum with respect to any Base Rate Loan. There was a fee during the first year of the BOB Credit Facility equal to 0.25% of any unused portion of the $20 million loan commitment.

Pursuant to the BOB Credit Agreements, BOB is required to comply with the following financial covenants: A consolidated leverage ratio for any test period ending on the last day of any fiscal quarter of BOB of not greater than 3.50 to 1.00, a minimum consolidated fixed charge coverage ratio of not less than 1.15 to 1.00 measured quarterly, based on rolling four quarters, and maximum capital expenditures not exceeding Consolidated Adjusted EBITDA less dividends and distributions paid to BOB, the cash portion of taxes, unfinanced maintenance capital expenditures, principal amortization payments or redemptions on indebtedness to be paid in cash, cash payments made with respect to capital lease obligations during the period, and cash interest expense for the period. BOB was in compliance with these covenants as of June 30, 2026.

The BOB Credit Agreements include representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings of this type. Upon the occurrence of an event of default, the Lender may accelerate the loan. Upon the occurrence of certain insolvency and bankruptcy events of default, the loan will automatically accelerate. All assets of the Borrowers, their Subsidiaries and BOB are secured by the grant of a security interest in substantially all of their assets to the Lender. The foregoing summaries of the BOB Credit Agreements and the transactions contemplated thereby do not purport to be a complete description and are qualified in their entirety by reference to the terms and conditions of each of the BOB Credit Agreements, copies of which are included as Exhibits 10.22 and 10.28 on Form 10-K as filed with the SEC on March 30, 2026.

Long-term debt included within our Condensed Consolidated Balance Sheets as of June 30, 2026 consists of approximately $13.2 million under the BOB Credit Agreements, of which approximately $1.5 million is classified as current.

FIF Utah ReConnect Loan and Grant Agreement

As previously announced on a Form 8-K filed by the Company with the SEC on June 15, 2026, on June 9, 2026, FIF Utah, a wholly owned subsidiary of BOB, received final funding approval from the United States Department of Agriculture of a grant and loan award under the Rural Utilities Service ReConnect Program (the "ReConnect Program"). The loan and grant are each for approximately $11.5 million. Award funds may be used to pay for the following costs: (i) to fund the construction or improvement of facilities required to provide fixed terrestrial broadband service; (ii) to fund reasonable pre-application expenses; and (iii) to fund the acquisition and improvement of an existing system that is currently providing insufficient broadband service.

Under the terms of the Loan and Grant Agreement, the loan (the "ReConnect Loan") will be in the form of long-term debt available as requested by BOB in multiple drawdowns over a period not to exceed five years from the date of the award, with plans to use such funds to deploy fiber to approximately 3,000 locations within FIF Utah's surrounding qualifying markets. The loan portion is a 22-year term loan (the "Promissory Note") secured by certain collateral of FIF Utah with interest at the applicable U.S. Treasury rate then in effect at the time of drawdown and subject to customary events of default and remedies. Interest and principal payments are deferred for a period of three years from the specific drawdown with accrued interest amortized over the remaining terms of the loan. The Company, as the ultimate parent of FIF Utah, has unconditionally guaranteed any sums due under the ReConnect Loan and the ReConnect Program (the "ReConnect Guarantee"). Each of the Loan and Grant Agreement and the ReConnect Guarantee contain customary representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings under the ReConnect Program. Upon the occurrence of an event of default, the lender may accelerate all sums due under the ReConnect Loan. Upon the occurrence of certain insolvency and bankruptcy events of default, the ReConnect Loan will automatically accelerate. The foregoing summary of each of the Loan and Grant Agreement, the ReConnect Promissory Note and the Guarantee Agreement and the transactions contemplated thereby does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions as set forth in the Loan and Grant Agreement attached as Exhibit 10.1 to this Form 10-Q, the Promissory Note attached hereto as Exhibit 10.2 to this Form 10-Q, and the Guarantee Agreement attached as Exhibit 10.3 to this Form 10-Q. As of June 30, 2026, FIF Utah had not borrowed any sums due under the ReConnect Loan.

Investments in Yellowstone Acquisition Company and Sky Harbour

In 2020, we acted as the sponsor for the initial public offering of Yellowstone and purchased 3,399,724 shares of Yellowstone Class B common stock and 7,719,779 private placement warrants at a combined cost of approximately $7.8 million. On August 1, 2021, we entered into an equity purchase agreement with Sky Harbour LLC by which Sky Harbour LLC unitholders would acquire a majority interest in the combined businesses following the completion of a business combination. As part of the equity purchase agreement, and immediately prior to the completion by Sky Harbour LLC of a private activity bond financing raising $160 million in proceeds in September 2021, we purchased Series B Preferred Units in Sky Harbour LLC for a purchase price of $55 million, which Series B Preferred Units converted to 5,500,000 shares of Sky Harbour Class A common stock upon the closing of the Sky Harbour business combination on January 25, 2022. Also, upon the closing of the business combination, we purchased an additional 4,500,000 shares of Sky Harbour Class A common stock for a purchase price of $45 million.

- Upon the closing of the Sky Harbour business combination, our Class B common stock converted to Class A common stock of Sky Harbour and our private placement warrants are now exercisable to purchase 7,719,779 shares of Class A common stock of Sky Harbour.

- Each Sky Harbour warrant is exercisable for one share of Class A common stock at a price of $11.50 per share, subject to adjustment, with each Sky Harbour warrant being exercisable through January 25, 2027. Unlike Sky Harbour’s publicly traded warrants, these warrants are not redeemable by Sky Harbour as long as we or permitted transferees hold these warrants. The Sky Harbour warrants are also exercisable on a cashless basis.

- Our Sky Harbour Class A common stock, the Sky Harbour warrants, and the shares underlying the warrants were subject to a lockup which expired on January 24, 2023.

- Subsequent to the closing of the Sky Harbour business combination, we distributed 75,000 shares of Sky Harbour Class A common stock to the outside directors of Yellowstone and 206,250 shares of Sky Harbour Class A common stock to an investor in the Yellowstone IPO. As of June 30, 2026, we held 11,339,994 shares of Sky Harbour Class A common stock and 7,719,779 Sky Harbour warrants.

- All the shares of Sky Harbour Class A common stock and Sky Harbour warrants to purchase Class A common stock that we hold have been registered under the Securities Act. However, our ability to resell any significant portion of these shares is limited by the large number of Sky Harbour shares and warrants we hold relative to the average trading volume of these securities. As part of a recent primary offering by Sky Harbour, we, along with Sky Harbour's officers, directors, and other principal shareholders, agreed to a lockup on future sales for a period ending on November 10, 2026.

Future Working Capital Requirements

We believe that our existing cash and short-term investments, funds available through the Credit Agreement Link entered into on August 12, 2019, as amended, any funds that we may receive from cash flows from operations, and any funds that we may receive through the sale of the remaining real estate assets in the 24th Street and BFR Funds will be sufficient to meet working capital requirements and anticipated capital expenditures for the next 12 months. At June 30, 2026, we had approximately $15.1 million in unrestricted cash and approximately $16.4 million in short-term U.S. Treasury securities. This excludes any additional funds we will receive if the agreement with CopperPoint to acquire our GIG subsidiary is successfully consummated, any future sales of public and private securities held by us, as well as loans and grants under the ReConnect Program.

If future additional significant acquisition opportunities and expansion opportunities within our billboard and broadband services businesses become available in excess of our currently available cash, U.S. Treasury securities, and marketable equity securities, we may need to seek additional capital through long-term debt borrowings, the sale of our securities, and/or other financing options, and we may not be able to obtain such debt or equity financing on terms favorable to us or at all. In the future, we may use a number of different sources to finance our acquisitions and operations, including current cash on hand, potential future cash flows from operations, seller financing, debt financings including but not limited to long-term debt and line of credit facilities, including additional credit facilities which may or may not be secured by our assets or those of our operating subsidiaries, additional common or preferred equity issuances or any combination of these sources, to the extent available to us, or other sources that may become available from time to time, which could include asset sales and issuance of debt securities. In addition to current credit facilities at Link and Boston Omaha Broadband, any future debt that we incur may be recourse or non-recourse and may be secured or unsecured. Existing credit facilities at Link and Boston Omaha Broadband impose restrictions that could increase our vulnerability to general adverse economic and industry conditions by limiting our flexibility in planning for and reacting to changes in our billboard, broadband, and asset management businesses. Specifically, these restrictions place limits on Link, Boston Omaha Broadband, and their subsidiaries' ability to, among other things, incur additional indebtedness, make additional acquisitions and investments, pay dividends, repurchase stock, create liens, enter into transactions with affiliates, merge, consolidate, transfer or sell assets. Both credit facilities require Link and Boston Omaha Broadband to meet a fixed charge coverage ratio and other financial covenants. Link's ability as well as Boston Omaha Broadband's ability to comply with these loan covenants may be affected by factors beyond their control and a breach of any loan covenants would likely result in an event of default under either Credit Agreement, which would permit the Lender to declare all amounts incurred thereunder to be immediately due and payable and to terminate its commitment to make future extensions of credit. We also may take advantage of joint venture or other partnering opportunities as such opportunities arise in order to acquire properties that would otherwise be unavailable to us. Under the ReConnect Program, we have provided the ReConnect Guarantee, by which we have unconditionally guaranteed any sums due under the ReConnect Loan and Grant Agreement. Each of the Loan and Grant Agreement and the ReConnect Guarantee contain customary representations and warranties, reporting covenants, affirmative covenants, negative covenants, financial covenants and events of default customary for financings under the ReConnect Program. Upon the occurrence of an event of default, the lender may accelerate all sums due under the ReConnect Loan. Upon the occurrence of certain insolvency and bankruptcy events of default, the ReConnect Loan will automatically accelerate. Any future credit facilities which we or any of our subsidiaries may enter into would likely impose similar restrictions and risks.

We may use the proceeds of any future borrowings to acquire assets or for general corporate purposes. In determining when to use leverage, we will assess the appropriateness of new equity or debt capital based on market conditions, including assumptions regarding future cash flow, the creditworthiness of customers, and future rental and subscriber rates.

We conduct and plan to continue to conduct our activities in such a manner as not to be deemed an investment company under the Investment Company Act of 1940 (the "Investment Company Act"). Therefore, no more than 40% of our total assets can be invested in investment securities, as such term is defined in the Investment Company Act. In addition, we do not invest or intend to invest in securities as our primary business. Although we do not currently hold investments in an amount which would cause us to register under the Investment Company Act, we run the risk of inadvertently being deemed to be an investment company that is required to register under the Investment Company Act because a significant portion of our assets consists of investments in companies in which we own less than a majority interest. The risk varies depending on events beyond our control, such as significant appreciation or depreciation in the market value of certain of our publicly traded holdings, adverse developments with respect to our ownership of certain of our subsidiaries, and transactions involving the sale of certain assets. If we are deemed to be an inadvertent investment company, we may seek to rely on a safe harbor under the Investment Company Act that would provide us a one-year grace period to take steps to avoid being deemed to be an investment company. In order to ensure we avoid being deemed an investment company, we have taken, and may need to continue to take, steps to reduce the percentage of our assets that constitute investment assets under the Investment Company Act. These steps have included, among others, selling marketable securities that we might otherwise hold for the long term and deploying our cash in non-investment assets. We have recently sold marketable securities, including at times at a loss, and we may be forced to sell our investment assets at unattractive prices or to sell assets that we otherwise believe benefit our business in the future to remain below the requisite threshold. We may also seek to acquire additional non-investment assets to maintain compliance with the Investment Company Act, and we may need to incur debt, issue additional equity or enter into other financing arrangements that are not otherwise attractive to our business. Any of these actions could have a material adverse effect on our results of operations and financial condition. Moreover, we can make no assurance that we would successfully be able to take the necessary steps to avoid being deemed to be an investment company in accordance with the safe harbor. If we were unsuccessful, then we would have to register as an investment company, and we would be unable to operate our business in its current form. We would be subject to extensive, restrictive, and potentially adverse statutory provisions and regulations relating to, among other things, operating methods, management, capital structure, indebtedness, dividends, and transactions with affiliates. If we were deemed to be an investment company and did not register as an investment company when required to do so, there would be a risk, among other material adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, that we would be unable to enforce contracts with third parties, and/or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which we were deemed to be an unregistered investment company.

Our certificate of incorporation and bylaws do not limit the amount of debt that we may incur. Our Board of Directors has not adopted a policy limiting the total amount of debt that we may incur. Our Board of Directors will consider a number of factors in evaluating the amount of debt that we may incur. If we adopt a debt policy, our Board of Directors may from time to time modify such policy in light of then-current economic conditions, relative costs of debt and equity capital, market values of our properties, general conditions in the markets for debt and equity securities, fluctuations in the market price of our Class A common stock if then trading on any exchange, growth and acquisition opportunities, and other factors. Our decision to use leverage in the future to finance our assets will be at our discretion and will not be subject to the approval of our stockholders, and we are not restricted by our governing documents or otherwise in the amount of leverage that we may use.

Off-Balance Sheet Arrangements

Except for our normal operating leases, we do not have any off-balance sheet financing arrangements, transactions, or special purpose entities.

Critical Accounting Estimates

The preparation of the condensed consolidated financial statements and related notes to the condensed consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical results and various other assumptions believed to be reasonable, all of which form the basis for making estimates concerning the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. Information with respect to our critical accounting policies that we believe could have the most significant effect on our reported results or require subjective or complex judgments by management is contained in *Item 7*, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and in the *Notes to the Consolidated Financial Statements* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as filed with the SEC on March 30, 2026. There have been no material changes to the critical accounting policies and estimates as previously disclosed in Item 7 of our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As of June 30, 2026, we held no significant derivative instruments that materially increased our exposure to market risks for interest rates, foreign currency rates, commodity prices, or other market price risks. Because our operations are currently conducted entirely within the U.S., we had no significant exposure to foreign currency exchange rate risk.

As of June 30, 2026, we had cash and cash equivalents, U.S. Treasury securities that are bought and held principally for the purpose of selling them in the near-term and short-term U.S. Treasury securities which we intend to hold to maturity. Interest-earning instruments carry a degree of interest rate risk, and the values for these instruments can fluctuate.

As of June 30, 2026, all of Link's $25.2 million in long-term debt is at a fixed interest rate. Link also had $9.1 million in borrowings under its revolving line of credit, which is subject to interest rate risk. BOB's long-term debt of $13.2 million is subject to interest rate risk. A hypothetical 100 basis point change in variable interest rates would impact our interest expense for both Link's revolving line of credit and BOB's long-term debt by approximately $220 thousand over the next twelve months. Additional information regarding our outstanding debt can be found in Note 11 - Long-Term Debt included in the Notes to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report. Any long-term debt under the ReConnect Program will be set at the Treasury Rate then in effect at the time of any drawdown under the Loan and Grant Agreement.

As of June 30, 2026, our investment in the 11,339,994 shares of Sky Harbour Class A common stock is recorded under the equity method of accounting. We also hold warrants to purchase up to 7,719,779 shares of Sky Harbour Class A common stock, which are measured at fair value using observable inputs for similar assets in an active market. We also occasionally hold relatively small amounts in other publicly traded securities. We hold interests in several private companies including our investments in CB&T and Logic. Our investments in privately held securities may be difficult to value given the lack of publicly available information about the issuers of these securities. These investments may increase the volatility in our net income (loss) in future periods due to changes in the fair value of these instruments. In certain cases, our ability to sell these investments may be impacted by certain contractual obligations or otherwise.

As a result of inflationary pressures, there have been and may continue to be additional pressures on the ongoing increases in supply chain and logistics costs, material costs and labor costs. The effect of U.S. and global tariffs may spur inflationary conditions and create further pressure on costs. Additionally, ongoing and future global conflicts may further drive inflationary pressures throughout the global economy and lead to potential market disruptions. We have been and may continue to be impacted by inflation in the future which could have an adverse effect on our business.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial and accounting officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial and accounting officer each concluded that, as of June 30, 2026, our disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the requisite time periods.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the fiscal quarter ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management, including our principal executive officer and principal financial and accounting officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include, but are not limited to, the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Due to the nature of our business, we are, from time to time and in the ordinary course of business, involved in routine litigation or subject to disputes or claims related to our business activities, including, without limitation, workers' compensation claims and employment-related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect individually or in the aggregate on our financial condition, cash flows or results of operations.

Item 1A. Risk Factors.

For a list of risk factors, please refer to our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on March 30, 2026. Other than the risk factors set forth below, there have been no material changes to the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2025.

The receipt of grants and loans by FIF Utah under the ReConnect Program carries significant regulatory, compliance, and financial risks.

Our subsidiary FIF Utah has been awarded grants of up to $11,484,076 and the right to borrow up to an additional $11,484,076 under the Rural Utilities Service ReConnect Program. Compliance with the terms and conditions of the ReConnect Program requires that we meet milestone reporting and construction completion windows within a five-year mandated timeframe, maintain eligibility under the ReConnect Program and meet specific financial and performance covenants. Obligations of FIF Utah are secured by the grant of a security interest in the assets funded under the ReConnect Program. Any failure to meet these requirements, including failure to complete construction due to delays not within FIF Utah's control, such as supply chain delays in completing construction, could result in FIF Utah having to repay any loans and return grant money. Boston Omaha is a guarantor of FIF Utah's obligations.

Failure to complete the sale of General Indemnity Group to CopperPoint Insurance Company could negatively impact the Company.

If the proposed sale of General Indemnity Group to CopperPoint Insurance Company is not completed for any reason, there may be various adverse consequences, and the Company may experience negative reactions from the financial markets, as well as from GIG's customers and employees. For example, the market price of the Company's Class A common stock could decline to the extent that current market prices reflect a market assumption that the proposed sale will be completed. Additionally, the Company has incurred substantial expenses in connection with the negotiation and completion of the transactions contemplated by the proposed sale. If the sale is not consummated, the Company would have paid these expenses without realizing the expected benefits of the sale. The closing of the transaction is also contingent upon approval of the acquisition by the Nebraska Department of Insurance and other conditions to closing. There is no assurance that all conditions to closing will be met. If the Company fails to satisfy the requirements for closing, then the acquisition agreement may be terminated.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On November 14, 2025, the Board approved and authorized the 2025 Share Repurchase Program, pursuant to which we announced our intention to repurchase up to $30 million of our Class A common stock, from time to time, in the open market, privately negotiated transactions, or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934. The Board also authorized the Company, in its discretion, to establish "Rule 10b5-1 trading plans" for these share repurchases. The 2025 Share Repurchase Program went into effect on or about November 18, 2025 and will terminate on December 31, 2026, unless earlier terminated in the discretion of the Board. The actual timing, number, and value of shares repurchased under the 2025 Share Repurchase Program will depend on a number of factors, including constraints specified in applicable SEC regulations, price, general business and market conditions, and alternative investment opportunities. Pursuant to the 2025 Share Repurchase Program, the Company is not obligated to repurchase any specific number of shares of its Class A common stock and shall not repurchase more than 25% of the average daily volume of its stock over the previous 20 trading days.

All shares purchased as part of our publicly announced programs for the time periods set forth below were purchased under our Rule 10b5-1 trading plan. The table below summarizes our stock repurchase activity for the three months ended June 30, 2026:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs (in thousands)
April 1 - April 30, 2026	128,869	$12.42	128,869	$17,856
May 1 - May 31, 2026	139,428	$12.05	139,428	$16,176
June 1 - June 30, 2026	182,984	$13.49	182,984	$13,708
Total	451,281	$12.74	451,281	

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the fiscal quarter ended June 30, 2026, none of the Company’s officers or directors adopted or terminated any contract, instruction, or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” (as those terms are defined in Regulation S-K, Item 408).

Item 6. Exhibits.

The exhibits listed in the following Exhibit Index are incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Exhibit Description
3.1 (*)	Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 26, 2017.
3.2 (*)	First Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on May 7, 2018.
3.3 (*)	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on June 2, 2020.
3.4 (*)	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on September 23, 2024.
3.5 (*)	Amended and Restated Bylaws of the Company, as amended, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on April 1, 2020.
10.1 (#)	FIF Utah LLC Loan and Grant Agreement with U.S. Rural Utilities Service.
10.2 (#)	FIF Utah LLC Loan and Grant Agreement Promissory Note.
10.3 (#)	Boston Omaha Corporation Guarantee to U.S. Rural Utilities Service.
31.1 (#)	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).

31.2 (#)	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).
32.1 (#)(##)	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
32.2 (#)(##)	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.
101.INS (#)	Inline XBRL Instance Document.
101.SCH (#)	Inline XBRL Taxonomy Extension Schema Document.
101.CAL (#)	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF (#)	Inline XBRL Taxonomy Extension Definition.
101.LAB (#)	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE (#)	Inline XBRL Taxonomy Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(*) Incorporated by reference to the filing indicated.
(#) Filed herewith.
(##) The certifications attached as Exhibits 32.1 and 32.2 that accompany this Report, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Boston Omaha Corporation under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOSTON OMAHA CORPORATION
(Registrant)

By: /s/ Adam K. Peterson
Adam K. Peterson
President and Chief Executive Officer (Principal Executive Officer)

August 13, 2026

By: /s/ Joshua P. Weisenburger
Joshua P. Weisenburger
Chief Financial Officer (Principal Financial and Accounting Officer)

August 13, 2026

Exhibit 10.1

RUS Project Designation:

UT 1707-A59

ReCONNECT PROGRAM

LOAN/GRANT AND SECURITY AGREEMENT dated

as of July 15, 2025 between

FIF UTAH LLC

and

THE UNITED STATES OF AMERICA

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE

ReCONNECT PROGRAM LOAN AND GRANT AGREEMENT

THIS LOAN AND GRANT AGREEMENT (this "Agreement"), dated as of July 15, 2025, is between FIF UTAH LLC ("Awardee"), a limited liability company existing under the laws of Delaware and the UNITED STATES OF AMERICA, acting through the Administrator of the Rural Utilities Service ("RUS").

The Awardee has applied for financial assistance ("Application") from RUS to finance the construction of a broadband infrastructure project to serve rural areas where at least 90% of the households are without sufficient access to broadband.

RUS is willing to extend financial assistance, in the form of a loan to the Awardee, pursuant to the Consolidated Appropriations Act, 2018, Pub. L. 115-141, § 779 (the "FY2018 Appropriations"), the Infrastructure Investment and Jobs Act, Pub. L. 117-58 (the "IIJA"), the Notice of Funding Opportunity published at 89 Fed. Reg. 13035 (Feb. 21, 2024), and Title VI of the Rural Electrification Act of 1936 (7 U.S.C. §§ 901 et seq.), and all applicable federal regulations, on the terms and conditions stated herein.

The Awardee is willing to secure the loan and grant and its other obligations to RUS on the terms stated herein.

THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties agree and bind themselves as follows:

ARTICLE I - DEFINITIONS

The terms defined herein include both the plural and the singular. Unless otherwise specifically provided herein or in the FOA, all accounting terms not otherwise defined herein shall have the meanings assigned to them, and all determinations and computations herein provided for shall be made in accordance with Accounting Requirements.

"Accounting Requirements" shall mean compliance with U.S. Generally Accepted Accounting Principles (GAAP) acceptable to RUS, as well as compliance with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. 200 and the system of accounting prescribed by RUS Bulletin 1770B-1.

"Advance" or "Advances" shall mean the disbursement of Loan and/or Grant funds in accordance with this Agreement.

"Affiliate" or "Affiliated Company" of any specified person or entity means any other person or entity directly or indirectly controlling of, controlled by, under direct or indirect common control with, or related to, such specified person or entity, or which exists for the sole purpose of providing any service to one company or exclusively to companies which otherwise meet the definition of affiliate. This definition includes Variable Interest Entities as described in Financial Accounting Standards Board Interpretation (FIN) No. 46(R), Consolidation of Variable Interest Entities. For the purpose of this definition, "control" means the possession directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement with, one or more other companies, and whether such power is established through a majority or minority ownership voting of securities, common directors, officers, or stockholders, voting trust, holding trusts (other than money exchanged) for property or services.

"Application" shall have the meaning as defined in the second paragraph hereof.

“Approved Project Service Area” shall mean all or a portion of the Proposed Funded Service Area, as such term is defined in the FOA and detailed in the map submitted to the Agency by the Awardee, that is approved by the Agency for funding.

"Award" shall mean the Loan described in Article III.

"Awardee" shall mean the Loan/Grant Combination recipient named in the first paragraph hereof.

"Buildout Timeline" shall mean the detailed schedule describing the Project build out, submitted with the RUS approved Application, as may be amended from time to time with prior written RUS consent.

"Business Day" shall mean any day that RUS and the Department of Treasury are both open for business.

"Collateral" shall mean ALL ASSETS of the Awardee including but not limited to those licenses granted by the Federal Communications Commission (“FCC”), subject to the FCC’s prior approval of any assignment or transfer of de jure or de facto control of such licenses.

"Composite Economic Life" means the weighted (by dollar amount of each class of facility in the Award) average economic life of all classes of facilities in the Award, as determined by RUS.

“Current ratio” shall mean the current assets divided by the current liabilities, as set forth in Section 5.8 hereof.

“Debt Service Coverage Ratio (DSCR)” shall mean the ratio of the sum of the Awardee’s total net income or margins, depreciation and amortization expense, and interest expense, minus an allowance for funds used during construction, all divided by the sum of interest on funded debt, other interest and principal payment on debt and capital leases, as set forth in Section 5.8 hereof.

"Distribution" shall have the meaning as defined in Section 7.9.

"Eligible Purposes" shall mean purposes and expenses which are specified in the FOA as being eligible award costs for funding.

"Event of Default" shall have the meaning as defined in Article X.

"Expiration Date" shall have the meaning as defined in Section 3.1(e).

“FOA” shall mean the Notice of Funding Opportunity, published in the Federal Register at 89 Fed. Reg. 13035 (Feb. 21, 2024).

“Financial Requirements Commencement Date" shall have the meaning as defined in Section 5.7.

"Form 481" shall have the meaning as defined in Section 4.3(e).

"GAAP" shall mean generally accepted accounting principles in the United States.

"Grant" shall mean the grant described in Section 3.1.

"Interest Expense" shall mean the accrual of interest on all classes of indebtedness, including capital leases and securities issued by the Awardee and shall also include the amortization of debt issuance expenses, premiums, and discounts.

"Laws" shall have the meaning as defined in paragraph (e) of Article II.

"Loan" shall mean the loan described in Section 3.1.

"Loan-Grant Agreement" shall mean, collectively, this Agreement, the Security Documents, and the Note(s).

"Loan/Grant Combination" shall mean, collectively, the loan and grant described in Section 3.1.

"Material Adverse Effect" shall mean a material adverse effect on, or change in, the condition, financial or otherwise, operations, properties, business or prospects of the Awardee or on the ability of the Awardee to perform its obligations under the Loan-Grant Agreement as determined by RUS.

"Net Income" or "Net Margins" shall mean the amount equal to the income that the Awardee has after subtracting costs and expenses from the total revenue. Costs and expenses include but are not limited to all operations and maintenance expenses, corporate operations, taxes, interest, dividends, depreciation, and gains and losses on the disposition of property.

"Network Design" shall mean the network as described in the RUS approved Application.

"Net Worth" (equity) shall mean total assets less total liabilities of the Awardee. Net worth includes the recorded value of capital stock, additional paid-in capital, treasury stock, retained earnings and other comprehensive income.

"Note(s)" shall have the meaning as defined in Section 3.2(a).

"Obligations" shall mean any and all indebtedness, obligations and liabilities of the Awardee to RUS, of every kind and description, direct or indirect, secured or unsecured, joint or several, absolute or contingent, due or to become due, whether for payment or performance, now existing or hereafter arising, howsoever evidenced or created, including, without limitation, all loans (including any loan by renewal or extension); all indebtedness, all Notes, all undertakings to take or refrain from taking any action; and all interest, taxes, fees, charges, expenses, and attorney's fees chargeable to Awardee or incurred by RUS under this Agreement or in any other document or instrument delivered hereunder or as a supplement hereto.

"Permitted Encumbrances" shall mean:

(1) liens for taxes, assessments and other governmental charges which are not delinquent;

(2) liens for taxes, assessments and other governmental charges already delinquent which are currently being contested in good faith by appropriate proceedings; PROVIDED the Awardee shall have set aside on its books adequate reserves with respect thereto;

(3) mechanics', workmen's, repairmen's, materialmen's, warehousemen's and carriers' liens and other similar liens arising in the ordinary course of business and which are not delinquent, or which are being contested in good faith and have not proceeded to judgment; PROVIDED the Awardee shall have set aside on its books adequate reserves with respect thereto;

(4) liens in respect of judgments or awards with respect to which the Awardee shall in good faith currently be prosecuting an appeal or proceedings for review and with respect to which the Awardee shall have secured a stay of execution pending such appeal or proceedings for review; PROVIDED the Awardee shall have set aside on its books adequate reserves with respect thereto;

(5) liens or privileges of any employees of the Awardee for salary or wages earned but not yet payable;

(6) any obligations or duties, affecting the property of the Awardee, to any municipality or governmental or other public authority with respect to any franchise, grant, license or permit;

(7) any right which any municipal or governmental authority may have by virtue of any franchise, license, contract or statute to purchase, or designate a purchaser of or order the sale of, any property of the Awardee upon payment of cash or reasonable compensation therefor or to terminate any franchise, license or other rights or to regulate the property and business of the Awardee; PROVIDED, HOWEVER, that nothing in this clause 7 is intended to waive any claim or rights that RUS may otherwise have under Federal laws; and

(8) any lien required by law or governmental regulations as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Awardee to maintain self-insurance or to participate in any fund established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements; PROVIDED, HOWEVER, that nothing in this clause 8 is intended to waive any claim or rights that RUS may otherwise have under Federal laws; and

(9) any additional encumbrances set forth in Schedule 1.

"Pledged Deposit Account" shall have the meaning as defined in Section 5.4.

"Project" means all of the work, as approved by the Agency, to be performed to bring broadband service to all premises in the Approved Project Service Area under the Application, including construction, the purchase and installation of equipment, and professional services including engineering and accountant/consultant fees, whether funded by federal assistance or other funds.

"Project Completion" shall mean that all Award funds for construction of the broadband system, excluding those funds for subscriber drop connections and customer premise equipment, have been advanced to the Awardee by RUS.

"RE Act" shall mean the Rural Electrification Act of 1936 (7 U.S.C. §§ 901 et seq.).

“ReConnect Program Construction Procedures" shall mean the procedures for construction and Advances, attached hereto as Attachment 2.

“Release of Funds Date” shall mean the date funds are first made available as evidenced by the notice sent by the Agency to the Awardee.

"Security Documents" shall mean, collectively, any mortgage, security agreement, financing statement, deposit account control agreement or other document providing collateral for the Obligations, including without limitation, repayment of the Loan.

“Service Obligation” shall mean the period in which grant assets must be placed into service to carry out the purposes of the ReConnect Program, and the time period in which grant assets must be secured as an exclusive, first lien on behalf of the government.

"Service Rates" shall mean the rates charged for data, video, voice or any other service proposed in the RUS approved Application.

"Subsidiaries" shall mean the subsidiaries listed in Schedule 1.

"TIER" shall mean the Awardee's total Net Income or Net Margins plus Interest Expense payable minus Allowance for Funds Used During Construction for any year divided by Interest Expense payable minus Allowance for Funds Used During Construction for such year, as set forth in Section 5.8 hereof.

"Total Assets" shall mean all property owned by the Awardee. Total assets include current and noncurrent assets such as cash, receivables, material and supplies, prepayments, deferred charges, and investments; fixed assets (plant) such as buildings and equipment, both in service and under construction; as well as capital leases and intangibles.

ARTICLE II - REPRESENTATIONS AND WARRANTIES

Recognizing that RUS is relying hereon, the Awardee represents and warrants, as of the date of this Agreement, as follows:

(a) Organization; Power, Etc. The Awardee: (i) is the type of organization specified in the first paragraph hereof, duly organized, validly existing, and in good standing under the laws of the State identified in the first paragraph hereof; (ii) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business make such qualification necessary; (iii) has legal power to own and operate its assets and to carry on its business and to enter into and perform its obligations under the Loan-Grant Agreement; (iv) has duly and lawfully obtained and maintained all material licenses, certificates, permits, authorizations and approvals necessary to conduct its business or required by applicable Laws; and (v) is eligible to obtain the financial assistance from RUS contemplated by this Agreement.

(b) Authority. The execution, delivery and performance by the Awardee of the Loan Grant Agreement and the performance of the transactions contemplated hereby and thereby have been duly authorized by all necessary actions and do not violate any provision of law or any charter, articles of incorporation, organization documents or bylaws of the Awardee or result in a breach of, or constitute a default under, any agreement, security agreement, note or other instrument to which the Awardee is a party or by which it may be bound. The Awardee has not received any notice from any other party to any of the foregoing that a default has occurred or that any event or condition exists that with the giving of notice or lapse of time or both would constitute such a default.

(c) Consents. No consent, approval, authorization, order, filing, qualification, license, or permit of any governmental authority is necessary in connection with the execution, delivery, performance or enforcement of the Loan-Grant Agreement, except such as have been obtained and are in full force and effect.

(d) Binding Agreement. Each part of the Loan-Grant Agreement is, or when executed and delivered will be, the legal, valid, and binding obligation of the Awardee, enforceable in accordance with its terms, subject only to limitations on enforceability imposed in equity or by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.

(e) Compliance with Laws. The Awardee is in compliance in all material respects with all federal, state and local laws, rules, regulations, ordinances, codes and orders (collectively, "Laws.").

(f) Litigation. There are no pending or threatened legal, arbitration or governmental actions or proceedings to which the Awardee is a party or to which any of its property is subject which, if adversely determined, could have a Material Adverse Effect.

(g) *Information Submitted with Application.* All information, reports, and other documents and data submitted to RUS in connection with the Application were, at the time the same were furnished, complete, and correct in all material respects. Any financial statements or data submitted to RUS in connection with the Application present fairly, in all material respects, the financial position of the Awardee and the results of its operations in conformity with Accounting Requirements. Since the date thereof, there has been no material adverse change in the financial condition or operations of the Awardee.

(h) *Principal Place of Business.* The principal place of business and chief executive office of the Awardee is at the address of the Awardee specified in Schedule 1 hereto.

(i) *Organization Number.* The Awardee's organization number is correctly identified in Schedule 1 hereto.

(j) *Subsidiaries and Parent.* Any subsidiaries or parent of the Awardee are disclosed on the attached Schedule 1.

(k) *Defaults Under Other Agreements.* No default by the Awardee has occurred under any agreement or instrument to which the Awardee is a party or to which any of its property is subject that could have a Material Adverse Effect.

(l) *Title to Property.* Except as disclosed in writing in the opinion of counsel, the Awardee holds good and marketable title to all of the Collateral, free and clear of any liens, security interests or other encumbrances except for Permitted Encumbrances**.**

(m) *Additional Representations and Warranties.* The Awardee further represents and warrants as set forth in Schedule 1.

ARTICLE III – THE LOAN AND GRANT

Section 3.1 Loan and Grant Amounts, Interest Rate, and Expiration Date.

(a) *Loan Amounts*. RUS agrees to make and the Awardee agrees to accept, on the terms and conditions stated in this Agreement and subject to 31 U.S.C. 1551 and 1552, a loan, in the amount specified in Schedule 1 hereto (the "Loan").

(b) *Grant Amount*. RUS agrees to make and the Awardee agrees to accept, on the terms and conditions stated in this Agreement and subject to 31 U.S.C. 1551 and 1552, a grant, in the amount specified in Schedule 1 hereto (the "Grant").

(c) *Interest Rate.* The amount of the Loan specified in Schedule 1 hereto will bear interest on each Advance at the Treasury rate for comparable loans with comparable maturities, calculated by daily accrual.

(d) *Maturity Date.* The principal advanced pursuant to this Agreement and remaining unpaid, if any, and interest thereon, shall be due and payable on the date ("Maturity Date") specified in Schedule 1 hereto.

(e) *Expiration Date.* The obligation of RUS to advance the Award, or any portion thereof, shall expire on a date ("Expiration Date") five (5) years from the Release of Funds date.

Section 3.2 Loan-Grant Agreement

(a) The debt created by the Loan will be evidenced by a note(s) ("Note(s)") executed by the Awardee and payable to the United States of America. The Awardee shall repay the Loan in accordance with the Note(s) which shall be payable and bear interest in accordance with its (their) terms.

(b) The Awardee shall execute the Security Documents, in form and substance satisfactory to RUS, and such other security instruments as required by RUS.

Section 3.3 Payment

Except as otherwise prescribed by RUS, the Awardee shall make all payments on the Note(s) utilizing electronic fund transfer procedures as specified by RUS.

Section 3.4 Project

(a) *Loan and Grant Purpose.* The Loan and Grant have been made solely to finance the broadband infrastructure project specifically described in the RUS approved Application ("Project").

(b) *Changes to Project*. The Awardee shall obtain the prior written approval of RUS for any material change to the network design, construction, Buildout Timeline, delivery of services, and/or objective(s) of the Project.

Section 3.5 ACH Payments

The Awardee consents to the use of the Automated Clearing House (ACH) Payment System and to the deposit of award funds directly into the Pledged Deposit Account.

ARTICLE IV – CONDITIONS OF FINANCIAL ASSISTANCE

Section 4.1 Conditions Precedent to Closing

In connection with the execution and delivery of this Agreement, each of the following conditions shall be satisfied (all documents, certificates and other evidence of such conditions are to be satisfactory to RUS in its discretion):

(a) *Legal Matters.* All legal matters incident to the consummation of the transactions hereby contemplated shall be satisfactory to counsel for RUS;

(b) *Loan-Grant Agreement.* RUS shall receive duly executed originals of the Loan-Grant Agreement;

(c) *Filed and Recorded Security Documents* RUS shall have received executed, filed and indexed financing statements covering all of the personal property and fixtures of the Awardee;

(d) *Articles of Incorporation, Charter, Bylaws and Organizational Documents.* With respect to corporate and cooperative Awardees, RUS shall have received certified copies of the Awardee's most recent articles of incorporation or charter and bylaws. With respect to limited liability companies or similar organizations, RUS shall have received certified copies of the Awardee's most recent organization documents containing provisions reflecting the obligations of the Awardee in paragraphs (c) and (d) of Section 7.3;

(e) *Authorizations.* RUS shall have received satisfactory evidence that all parts of the Loan-Grant Agreement and proceedings of the Awardee necessary for duly authorizing the execution, delivery and performance of the Loan-Grant Agreement have been obtained and are in full force and effect;

(f) *Approvals.* RUS shall have received satisfactory evidence that the Awardee has duly registered when and where required by law with all state, Federal and other public authorities and regulatory bodies and obtained all authorizations, certificates, and approvals necessary for, or required as a condition of, the validity and enforceability of each part of the Loan-Grant Agreement;

(g) *Title Evidence.* RUS shall have received satisfactory evidence that the Awardee has good and marketable title to its property, including the Project, and holds, or will hold, such franchises, permits, leases, easements, rights, privileges, licenses, or right-of-way instruments, reasonably adequate in form and substance, as may be required by law for the continued maintenance and operation of the existing facilities and Project;

(h) *Management, Service, and Operating Agreements*. Except as otherwise provided in Sections 4.2 and/or 4.3 herein, RUS shall have received all management, service, and operating agreements, in form and substance acceptable to RUS, which shall be in accordance with fees or rates presented in the *pro forma* financial statements submitted to RUS in the RUS approved Application;

(i) *Cybersecurity Risk Management*. RUS shall have received satisfactory evidence that the Awardee has considered and addressed cybersecurity risks consistent with the cybersecurity performance goals for critical infrastructure and control systems directed by the National Security Presidential Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems, or the current draft of these goals, found at https.//www.cisa.gov/cross-sector-cybersecurity-performance-goals;

(j) *Affordable Connectivity Program*. RUS shall have received evidence that the Awardee has applied to participate in the Affordable Connectivity Program established by the IIJA;

(k) *Opinion of Counsel.* RUS shall have received an opinion of counsel for the Awardee (who shall be acceptable to RUS) in form and substance acceptable to RUS for each state in which the Awardee operates; and

(l) *Additional Conditions.* The Awardee has met all additional conditions specified in Schedule 1 hereto.

Section 4.2 **<u>General Conditions Precedent to RUS' Obligations to Release Funds for Advance</u>**

The obligations of RUS hereunder are subject to the satisfaction of each of the following conditions precedent (all documents, certificates and other evidence of such conditions are to be satisfactory to RUS in its discretion):

(a) *Service Rate Evidence.* RUS shall have received satisfactory evidence that the Awardee has duly adopted Service Rates for all proposed services which are designed with a view to: (i) paying and discharging all taxes, maintenance expenses, and operating expenses of the Awardee; (ii) making all payments in respect of principal and interest on the Note(s) when and as the same shall become due; (iii) providing and maintaining reasonable working capital of the Awardee; and (iv) producing and maintaining the financial requirements specified in Section 5.8 hereof;

(b) *Current Financial Information and Certificate of Authority.* RUS has received from the Awardee: (i) its updated balance sheet, statement of cash flow, and income statement and (ii) a duly authorized and executed certification, Form 675, "Certification of Authority," designating an officer, employee, or agent of the Awardee as the person or persons authorized to execute and submit, on behalf of the Awardee, RUS Form 481, "Financial Requirement Statement;"

(c) *Deposited Funds.* RUS has received from the Awardee evidence, satisfactory to RUS, verifying that the Awardee has on deposit in the Pledged Deposit Account, funds sufficient to complete the Project as specified on Schedule 1; and

(d) *Additional Conditions.* The Awardee has met all additional conditions specified in Schedule 1 hereto.

Section 4.3 <u>Conditions to Individual Advances</u>

The obligations of RUS to approve any Advance are subject to the satisfaction of each of the following conditions precedent on or before the date of such Advance (all documents, certificates and other evidence of such conditions precedent are to be satisfactory to RUS in its discretion):

(a) *Continuing Representations and Warranties.* That the representations and warranties of the Awardee contained in this Agreement be true and correct on and as of the date of such Advance as though made on and as of such date;

(b) *Expenditure of Funds*. Notwithstanding Section 4.4, that first, any funds that have been approved by RUS in lieu of loan funds have been expended, and second that all remaining loan funds have been requested and expended before a request for grant funds is made, as stipulated in the FOA.

(c) *Material Adverse Effect.* That no event has occurred which has had or could have a Material Adverse Effect;

(d) *Event of Default.* That no Event of Default and no event which with the passage of time or giving of notice, or both, would constitute an Event of Default shall have occurred and be continuing, or shall have occurred after giving effect to any Advances on the books of the Awardee;

(e) *Requisitions and Supporting Documentation.* That RUS shall have received not more frequently than once a month, unless otherwise agreed to by RUS, a completed RUS Form 481, "Financial Requirement Statement" (hereinafter "Form 481"), bearing the original signature of the officer, employee, or agent of the Awardee authorized to receive, disburse, or receive and disburse the Award, with supporting documentation from the Awardee in accordance with the ReConnect Program Construction Procedures. Advances shall be limited to the minimum amounts required for the Awardee's immediate disbursement needs and shall be requested by the Awardee only for actual immediate cash requirements of the Awardee. Such loan/grant advances shall be provided on a reimbursement basis, or based on unpaid third party invoices for Eligible Purposes, or contracts approved by RUS, in accordance with the ReConnect Program Construction Procedures;

(f) *Flood Insurance.* That for any Advance used in whole or in part to finance the construction or acquisition of any building in any area identified by the Secretary of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973 (the "Flood Insurance Act") or any rules, regulations or orders issued to implement the Flood Insurance Act as any area having special flood hazards, or to finance any facilities or materials to be located in any such building, or in any building owned or occupied by the Awardee and located in such a flood hazard area, the Awardee shall have submitted evidence, in form and substance satisfactory to RUS or RUS has otherwise determined, that (i) the community in which such area is located is then participating in the national flood insurance program, as required by the Flood Insurance Act and any related regulations, and (ii) the Awardee has obtained flood insurance coverage with respect to such building and contents as may then be required pursuant to the Flood Insurance Act and any related regulations;

(g) *Current Financial Information.* That RUS has received from the Awardee: its current, updated balance sheets, income statements and statements of cash flow;

(h) *Compliance with Buildout Timeline and Reporting Requirements*. That RUS has received from the Awardee evidence, satisfactory to RUS, that the Project is being constructed in accordance with the Buildout Timeline and Reporting Requirements as required in Section 6.4;

(i) *Compliance with Loan-Grant Agreement.* That the Awardee is in material compliance with the Loan-Grant Agreement;

(j) *Permits, Licenses and Franchises.* That RUS shall have received satisfactory evidence that the Awardee has obtained the permits, licenses, franchises and other approvals identified on Schedule 1;

(k) *Deposited Funds.* That Awardee has maintained on deposit in the Pledged Deposit Account the matching funds requirement as well as other funds to complete the Project as specified on Schedule 1, unless expended and withdrawn as authorized by RUS;

(l) *Additional Documents.* That the Awardee agrees to provide RUS with such additional documents as RUS may request; and

(m) *Additional Conditions.* That the Awardee has met all additional conditions specified in Schedule 1 hereto.

Section 4.4 First Advance to Pay Off Pre-Application Expenses

Funds to pay off certain pre-application expenses, as defined in the FOA, if any, must be included in the first Advance request.

ARTICLE V – AFFIRMATIVE COVENANTS

Section 5.1 General

Unless otherwise agreed to in writing by RUS, while this Agreement is in effect, the Awardee shall duly observe each of the affirmative covenants contained in this Article V.

Section 5.2 Use of Advances

The Awardee shall expend Award funds only for Eligible Purposes in accordance with the RUS approved line-item Project budget and Form(s) 481 submitted to RUS prior to the advance of funds.

Section 5.3 Unused and Disallowed Advances

(a) The Awardee shall return to RUS forthwith all or any advanced portion of the Loan and Grant not disbursed by the Awardee for the Project or not needed to complete the Project with any interest earned thereon when deposited in the Pledged Deposit Account.

(b) The Awardee shall reimburse RUS for any advanced funds whose original expenditure has been disallowed by an RUS loan and grant audit. Disallowances shall be satisfied, as directed by RUS, by either administrative offset against other approved purposes on Form(s) 481 or repaying the disallowed amount directly to the United States Treasury. Such disallowed amounts shall accrue interest payable to RUS from the date RUS delivers to the Awardee a written demand for payment. Interest shall accrue on disallowed Loan Advances at the lesser of the following: the interest rate of the disallowed Advance or the then current United States Treasury rate as prescribed by the Secretary of the Treasury. Interest shall accrue on disallowed Grant Advances at the then current United States Treasury rate as prescribed by the Secretary of the Treasury. Closeout of the Loan and Grant will not affect the right of RUS to disallow expenditures and recover, in full, any amount on the basis of a subsequent audit or other review or the Awardee's obligation to return any disallowed expenditures.

Section 5.4 <u>Deposit of Advances into Pledged Deposit Account</u>

(a) The Awardee shall open and maintain a deposit account pledged to RUS ("Pledged Deposit Account,") in a bank or depository whose deposits are insured by the Federal Deposit Insurance Corporation or other federal agency acceptable to RUS and shall be identified by the RUS' designation of the Awardee followed by the words "Pledged Deposit Account." The Awardee shall promptly deposit proceeds from all Advances, including previously advanced funds whose original expenditure has been disallowed by an RUS audit into the Pledged Deposit Account. Moneys in the Pledged Deposit Account shall be used solely for the purposes for which Advances were made, or for such other purposes as may be approved in writing by RUS. Deposits and disbursements from the Pledged Deposit Account shall be made and recorded in accordance with the ReConnect Program Construction Procedures.

(b) *First Lien on Pledged Deposit Account.* The Awardee shall perfect and maintain a first and prior lien in the Pledged Deposit Account (pursuant to a deposit account agreement or similar agreement or mechanism for perfecting as provided by applicable law) in form acceptable to RUS.

Section 5.5 <u>Additional Project Funding</u>

The Awardee shall ensure that adequate funding is in place to complete the Project and will, after obtaining the prior written approval of RUS, obtain additional loans or funds or receive binding commitments for supplemental funding in an amount needed to ensure completion of the Project.

Section 5.6 <u>Miscellaneous Notices</u>

The Awardee shall furnish to RUS:

(a) *Notice of Other Defaults*. Promptly after becoming aware thereof, notice of the occurrence of any default on any other agreement, or receipt of any notice with respect to an event that with the passage of time, would become an Event of Default or Material Adverse Effect hereunder.

(b) *Notice of Litigation*. Promptly after the commencement thereof, notice of the commencement of all actions, suits or proceedings before any court, arbitrator, or governmental department, commission, board, bureau, agency, or instrumentality affecting the Awardee or any Affiliate which, if adversely determined, could have a Material Adverse Effect.

(c) *Regulatory and Other Notices*. Promptly after receipt thereof, copies of any notices or other communications received from any governmental authority with respect to any matter or proceeding which could have a Material Adverse Effect.

(d) *Material Adverse Effect*. Promptly after becoming aware thereof, notice of any matter which has resulted or may result in a Material Adverse Effect.

(e) *Corporate Document Changes*. Thirty (30) days prior to their effectiveness, any amendments, supplements or modifications to the Awardee's Articles of Incorporation, Charter, Bylaws, Operating Agreement, Members Agreements or other Organizational Documents.

(f) *Other Information*. Such other information regarding the condition, financial or otherwise, or operations of the Awardee as RUS may, from time to time, reasonably request.

Section 5.7 Rates and Financial Performance Criteria

The Awardee shall design, charge and maintain rates in effect which shall enable it to meet the Financial Requirements as specified in Section 5.8.

Section 5.8 Financial Requirements

The Awardee will meet the following requirements:

(a) At least two of the three requirements on the Financial Requirements Commencement Date, as specified in Schedule 1 hereto, until the Loan is repaid in full: (i) a minimum TIER requirement of 1.2; (ii) a minimum DSCR requirement of 1.2; and (iii) a minimum Current Ratio of 1.2;

(b) Positive cash flow from operations at the end of the fifth year of the award; and

(c) Positive ending cash balance as reflected on the cash flow statement for each year of the forecast period.

Section 5.9 Corrective Action

Within thirty (30) days of: (i) sending the financial reports required by Section 6.4 hereof that show the Financial Requirements of Section 5.8 were not met for the reported fiscal period; or (ii) being notified by RUS that such requirements were not met for the period, whichever is earlier, the Awardee, in consultation with RUS, shall provide a written plan satisfactory to RUS setting forth the actions that shall be taken to achieve the specified Financial Requirements on a timely basis and shall promptly implement said plan.

Section 5.10 Service Obligation

The Awardee shall provide the level of broadband service described in the RUS approved Application commencing from the date of Project Completion until the longer of (i) the Composite Economic Life of the facilities financed by the Award as specified on Schedule 1 or (ii) as long as the Note(s) is outstanding. The Awardee acknowledges that given the significant amount of government contribution to the Project in the form of a federal grant, the Service Obligation is a significant portion of the public benefit of the Award, and that a material breach of the Service Obligation shall be an Event of Default. The Awardee acknowledges and agrees that failure to provide the full Service Obligation shall give rise to the government's claim for the return of all or part of the federal Grant, proportionate to number of years the grant assets were in service, as determined by RUS. Awardee also acknowledges that grant assets must be secured as an exclusive, first lien on behalf of the government, as required by the ReConnect Program.

Section 5.11 Obligations with Respect to the Construction, Operation and Maintenance of the Project

(a) *Project Management and Operation.* The Awardee shall be responsible for the management of the Project and will operate the Project in an efficient and economic manner as well as maintaining the Project in good repair.

(b) *Construction in Accordance with Network Design and Buildout Timeline.* The Awardee shall cause the Project to be constructed and/or built out, and completed in accordance with the Network Design submitted with the RUS approved Application, as such design may be amended with prior RUS consent, and the Buildout Timeline. The Awardee shall also ensure that facilities constructed with award funds are capable of delivering 100 Mbps symmetrical service to every premise in the Approved Project Service Area at the same time.

(c) *General Insurance Requirements.* The Awardee shall take out and maintain insurance on the Project and any other property acquired with the Loan and Grant in accordance with 7 CFR Section 1788.

(d) *Contracting*. The Awardee may, in accordance with the ReConnect Program Construction Procedures, contract for goods and services to be funded by the Award, using RUS form contracts or private contracts; provided that private contracts must comply with equal employment opportunity and civil rights requirements.

(e) *Commencement and Completion of the Project.*

(1) Awardees are required to commence the Project within 180 days from the date that RUS notifies the Awardee in writing that funds have been made available (the "Release of Funds Date"); and

(2) Project Completion shall occur within five years from the Release of Funds Date.

(f) *National Programmatic Agreement*. If indicated on Schedule 1, Awardee shall be bound by the requirements of the National Programmatic Agreement (NPA), whose terms and conditions shall be incorporated into this Agreement. Failure to abide by the NPA, if entered into, shall be an Event of Default hereunder.

Section 5.12 Preservation of Existence and Rights

The Awardee shall take or cause to be taken all such actions as from time to time may be necessary to preserve its existence and to preserve and renew all franchises, contracts, rights of way, easements, permits, and licenses now or hereafter to be granted or conferred upon it, with respect to the Project, the loss of which would have a Material Adverse Effect.

Section 5.13 Compliance with Laws

Awardees shall comply with all applicable federal and state laws, including but not limited to: (i) The nondiscrimination and equal employment opportunity requirements of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. § 2000e *et seq*., 7 CFR pt. 15); (ii) Section 504 of the Rehabilitation Act (29 U.S.C. § 794 *et seq.*; 7 CFR pt. 15b); (iii) The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq*.; 45 CFR pt. 90); (iv) Executive Order 11375, amending Executive Order 11246, Relating to Equal Employment Opportunity (3 CFR pt. 102); (v) The Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151 *et seq*.); (vi) The Uniform Federal Accessibility Standards (UFAS), as published by the United States Access Board; (vii) The Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA and certain related federal environmental laws, statutes, regulations, and Executive Orders found in 7 CFR 1970; (viii) The Native American Graves Protection and Repatriation Act (25 USC 3001 *et seq*., 43 CFR § 10.4); (ix) The Communications Act of 1934, as amended, (47 U.S.C. § 151 *et seq*.); (x) The Telecommunications Act of 1996, as amended (Pub. L. 104-104, 110 Stat. 56 (1996); and (xi) The Communications Assistance for Law Enforcement Act (47 U.S.C. § 1001 *et seq*.) (CALEA).

Section 5.14 **Equal Opportunity Requirements**

(a) *Equal Opportunity Provisions in Construction Contracts*. The Awardee shall incorporate or cause to be incorporated into any construction contract, as defined in Executive Order 11246 of September 24, 1965 and implementing regulations, which is paid for in whole or in part with funds obtained from RUS or borrowed on the credit of the United States pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any RUS program involving such grant, contract, loan, insurance or guarantee, the equal opportunity provisions set forth in Attachment 1 hereto, entitled Equal Opportunity Contract Provisions.

(b) *Equal Opportunity Contract Provisions Also Bind the Awardee*. The Awardee further agrees that it shall be bound by such equal opportunity clause in any federally assisted construction work which it performs itself other than through the permanent work force directly employed by an agency of government.

(c) *Sanctions and Penalties*. The Awardee agrees that it shall cooperate actively with RUS and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor, that it shall furnish RUS and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it shall otherwise assist the administering agency in the discharge of RUS' primary responsibility for securing compliance. The Awardee further agrees that it shall refrain from entering into any contract or contract modification subject to Executive Order 11246 with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to Part II, Subpart D of Executive Order 11246 and shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by RUS or the Secretary of Labor pursuant to Part II, Subpart D of Executive Order 11246. In addition, the Awardee agrees that if it fails or refuses to comply with these undertakings RUS may cancel, terminate or suspend in whole or in part this Agreement, may refrain from extending any further assistance under any of its programs subject to Executive Order 11246 until satisfactory assurance of future compliance has been received from the Awardee, or may refer the case to the Department of Justice for appropriate legal proceedings.

Section 5.15 **Purchases with Award Funds**

Except as specifically authorized in writing in advance by RUS, all facilities, materials, equipment, supplies, replacements and all other items purchased with Award funds shall be purchased outright, and not subject to any conditional sales agreement, chattel mortgage, bailment lease or other agreement reserving to the seller any right, title or lien.

Section 5.16 **Awardee to Defend Title and Remove Liens**

Except for Permitted Encumbrances, the Awardee will maintain and preserve the lien of this Agreement superior to all other liens affecting the Collateral, and will forever warrant and defend the title to the Collateral against any and all claims and demands whatsoever. The Awardee shall make, execute, acknowledge, deliver, file and record all such mortgages, financing statements, continuation statements, security agreements, instruments and conveyances as is necessary to preserve the lien of this Agreement against the Collateral superior to all other liens. The Awardee shall maintain the Collateral free of all liens except for Permitted Encumbrances, and will promptly pay or discharge any and all obligations for or on account of which any such lien or charge might exist or could be created and any and all lawful taxes, rates, levies, assessments, liens, claims or other charges imposed upon or accruing upon any of the Collateral, as and when the same shall become due and payable; and whenever called upon so to do by RUS will furnish to RUS adequate proof of such payment or discharge; provided, however that this provision shall not be deemed to require the payment or discharge of any tax, rate, levy, assessment or other governmental charge while the Awardee is contesting the validity thereof by appropriate proceedings in good faith and so long as it shall have set aside on its books adequate reserves with respect thereto.

Section 5.17 Further Assurances

(a) The Awardee shall from time to time upon written demand of RUS make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered all such further and supplemental financing statements, continuation statements, security agreements, instruments and conveyances as may be requested by RUS and take or cause to be taken all such further action as may reasonably be requested by RUS to provide for the securing and payment of the principal of, interest on, and any and all other amounts payable hereunder and under the Note(s) according to the terms thereof and for the purpose of fully conveying, transferring and confirming the property hereby conveyed and pledged or intended so to be, whether now owned by the Awardee or hereafter acquired by it.

(b) The Awardee shall cause this Agreement, financing statement, continuation statement and every additional instrument which shall be executed pursuant to subsection (a) immediately above, to forthwith upon execution to be filed and recorded and refiled and rerecorded as conveyances and security interests in personal property in such manner and in such places as may be required by law or requested by RUS in order to fully preserve the security for the Obligations, including the Loan, and to perfect and maintain the superior lien of this Agreement and all supplemental security instruments.

Section 5.18 Buy American

(a) *Funding to Non-Federal Entities.* Awardees that are Non-Federal Entities, defined pursuant to 2 CFR 200.1 as any State, local government, Indian tribe, Institution of Higher Education, or nonprofit organization, shall be governed by the requirements of Section 70914 of the Build America, Buy America Act (BABAA) within the IIJA. Any requests for waiver of these requirements must be submitted pursuant to USDA's guidance available online at https://www.usda.gov/ocfo/federal-financial-assistancepolicy/USDABuyAmericaWaiver.

(b) *Funding to All Other Entities.* Awardees that are not Non-Federal Entities shall be governed by the Agency's Buy American requirement at 7 CFR part 1787. Any requests for waiver of these requirements must be submitted pursuant to those regulations.

Section 5.19 Other Federal Funding

If the Awardee is a recipient of any other federal broadband funding either directly from a federal agency or as a passthrough from the state, Awardee acknowledges and certifies that neither funds under this Award nor any other federal broadband funds or passthrough funds will be used to reimburse the same expenditures. Such Awardees must also maintain separate accounts to track sources and uses of each funding source.

Section 5.20 Scoring Criteria Commitments

If identified on Schedule 1 hereto, the Awardee agrees to be bound by the following commitments:

(a) Awardee will offer in their service offerings at least one low-cost option offered at speeds that are sufficient for a household with multiple users to simultaneously telework and engage in remote learning.

(b) Awardee will utilize the labor standards outlined in its Application at least until Project Completion.

(c) Awardee agrees to use net neutrality with respect to its network and will not (1) block lawful content, applications, services, or non-harmful devices, subject to reasonable network management; (2) impair or degrade lawful Internet traffic on the basis of Internet content, application, or service, or use of a non-harmful device, subject to reasonable network management; and (3) engage in paid prioritization, meaning the management of a broadband provider's network to directly or indirectly favor some traffic over other traffic, including through use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either (A) in exchange for consideration (monetary or otherwise) from a third party, or (B) to benefit an affiliated entity.

The Awardee acknowledges that for those commitments identified on Schedule 1, Awardee agreed to these commitments so as to receive special consideration in the scoring its Application, and that without these commitments, Awardee may not have received this Award. Awardee acknowledges that failure to perform on any identified commitment is a material violation of this Agreement.

Section 5.21 Additional Affirmative Covenants

The Awardee shall comply with the additional affirmative covenants set forth in Schedule 1 hereto.

ARTICLE VI – ACCOUNTING AND REPORTING

Section 6.1 Financial Records

(a) Awardees must establish an accounting system satisfactory to RUS in compliance with Accounting Requirements. Such a system of accounts must account for all funds advanced under this Agreement separately from all other funds for the Project.

(b) The Awardee shall maintain, at its premises, such books, documents, papers, or other records and supporting documents, including, but not limited to, invoices, receipts, payroll records and bills of sale, adequate to identify the purposes for which, and the manner in which Loan, Grant, and other funds were expended on the Project. The Awardee shall at all times keep, and safely preserve, proper books, records and accounts in which full and true entries shall be made of all dealings, business, and affairs of the Awardee and its Subsidiaries, in accordance with its system of accounts complying with Paragraph (a) immediately above. The Awardee shall maintain copies of all documents submitted to RUS in connection with the Award until the longer of (i) the Loan being paid in full and all audits have been completed, (ii) the term of this Agreement or (iii) three years subsequent to close-out of the Award.

Section 6.2 Rights of Inspection

The Awardee shall afford RUS, the Office of the Inspector General of USDA, and the Government Accountability Office, through their representatives, reasonable opportunity, at all times during business hours and upon prior notice, to have access to and right to inspect the Project, any other property encumbered by the Security Documents, and any and all books, records, accounts, including electronic books, records, accounts and electronic mail messages, regardless of the physical form or characteristics, invoices, contracts, leases, payroll records, canceled checks, statements, and other documents, and papers of every kind belonging to or in any way pertaining to its property or business, including its Subsidiaries, if any, and to make copies or extracts therefrom.

Section 6.3 Annual Audit

(a) Non-Federal Entities, which include Awardees that are States, local governments, Indian tribes, institutions of higher education, or nonprofit organizations, shall provide RUS with an audit pursuant to 2 C.F.R. part 200, Subpart F (Audit Requirements). The Awardee must follow subsection .502 in determining federal awards expended. All RUS loans impose an ongoing compliance requirement for the purpose of determining federal awards expended during a fiscal year. In addition, the Awardee must include the value of new federal loans made along with any grant expenditures from all federal sources during the Awardee's fiscal year. Therefore, the audit submission requirement for this program begins in the Awardee's fiscal year that the loan is made and thereafter, based on the balance of federal loan(s) at the beginning of the audit period. All required audits must be submitted within the earlier of: (i) 30 calendar days after receipt of the auditor's report; or (ii) nine months after the end of the Awardee's audit period.

(b) For all other entities, Awardees shall provide RUS with an audit within 120 days after the as of audit date in accordance with 7 C.F.R. part 1773, Policy on Audits of RUS Borrowers. Note that with respect to Advances that contain loan funds, the audit is required after an Advance has been made, and, thereafter, from the close of each subsequent fiscal year until the loan is repaid in full. With respect to Advances that only contain grant funds, the audit is required until all grants funds have been expended or rescinded. While an audit is required, Awardees must also submit a report on compliance and internal controls over financial reporting, as well as a report on compliance with aspects of contractual agreements and regulatory requirements.

Section 6.4 Reporting

(a) *Quarterly Report*. No later than thirty (30) calendar days after the end of each calendar year quarter, the Awardee must submit to RUS utilizing RUS' online reporting system, the following information: balance sheets, income statements, statements of cash flow, and the number of customers taking broadband service. In addition, the Awardee must provide RUS with such other reports concerning the financial condition or operation of the Awardee, including its Subsidiaries, as RUS may request.

(b) *Annual Performance Report*. For three years starting the first January 31st after Project Completion, the Awardee must submit the following information utilizing RUS' online reporting system:

(i) existing network service improvements and facility upgrades, as well as new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers;

(ii) the estimated number of end users who are currently using or forecasted to use the new or upgraded infrastructure;

(iii) the progress towards fulfilling the objectives for which the assistance was granted;

(iv) the speed and average price of the most subscribed tier of the Awardee's broadband service offerings in the Project's service area; and

(v) the average price of broadband service in the Project's service area.

(c) *Annual Map Reporting*: No later than thirty (30) calendar days after the end of the Calendar Year, the Awardee shall be required to submit annually updated Approved Project Service Area(s) maps through RUS' online mapping tool showing the areas where construction has been completed and geospatial location of residences and businesses that are receiving new broadband service until the entire Approved Project Service Area can receive the broadband service.

(d) *Close Out Report.* The Awardee shall deliver a close out report to RUS no later than one hundred twenty (120) days after the expiration or termination of the Award or expenditure of all Award funds. The close out report shall address: (i) a comparison of actual accomplishments to the objectives set forth in the Application; (ii) a description of problems, delays, or adverse conditions that occurred, or which affected the attainment of overall Project objectives, prevented the meeting of time schedules or objectives, or precluded the attainment of particular Project work elements during established time periods; (iii) a comparison of how funds were spent against the original general budget submitted with the RUS approved Application, and (iv) a final buildout map on the RUS mapping tool indicating that all construction has been completed as proposed in the application. If parts of the Approved Project Service Area have not been constructed, RUS may require a portion of the award to be rescinded or paid back.

ARTICLE VII – NEGATIVE COVENANTS

Section 7.1 General

Unless otherwise agreed to in writing by RUS, while this Agreement is in effect, the Awardee shall duly observe each of the negative covenants set forth in this Article VII.

Section 7.2 Merger, Consolidation, Transfer of Property, or Change in Control

The Awardee shall not, without the prior written consent of RUS, take or suffer to be taken any steps to reorganize consolidate with or merge into any other corporation, or to sell, lease or transfer (or make any agreement therefor) all or any substantial part of its property, including, without limitation, the Project.

Section 7.3 Covenants for Limited Liability Companies and Similar Awardees

Awardees which are limited liability or similar organizations agree that:

(a) The death, retirement, resignation, expulsion, termination, bankruptcy or dissolution of any member or the occurrence of any other event that terminates the continued membership of any member shall not cause the Awardee to be dissolved or its affairs to be wound up;

(b) Prior to the date on which any and all obligations owed to RUS, including the Note evidencing the Loan, are discharged in full, the Awardee shall not be dissolved or terminated;

(c) The organizational documents of the Awardee shall contain provisions reflecting the obligations of the Awardee in paragraphs (a) and (b) immediately above and such provisions shall not be amended without the prior written consent of RUS; and

(d) No direct or indirect addition or issuance of any membership units (or any other ownership interest) in the Awardee may be made by the Awardee or its members without the prior written consent of RUS and no transfer, whether individually or in the aggregate, of any membership units (or any other ownership interest) in the Awardee which will result in the transfer of more than 49% of the equity interests (of whatever nature, including voting and non-voting) in the Awardee may be made by the Awardee or its members without the prior written consent of RUS.

Section 7.4 Additional Indebtedness

The Awardee shall not, without the prior written consent of RUS, incur additional secured or unsecured indebtedness other than (i) purchase money security interests, (ii) unsecured trade indebtedness and (iii) other debt arising in the ordinary course of business. Indebtedness under items (i), (ii), and (iii) in the aggregate shall not exceed five percent (5%) of the Awardee’s consolidated total assets.

Section 7.5 Negative Pledge

The Awardee shall not create, incur or suffer any lien, mortgage, pledge, assignment, or other encumbrance on, or security interest on its property, other than Permitted Encumbrances.

Section 7.6 Contracts

The Awardee shall not, without the prior written consent of RUS, enter into any contract or contracts for the operation or management of all or any substantial part of the Awardee's system, including, without limitation, the Project, and shall not enter into any contract for the use by others of all or any substantial part of its system, including, without limitation, the Project.

Section 7.7 Salaries

Salaries, wages, and other compensation paid by the Awardee for services, and directors’, members’, managers’ or trustees’ fees, shall be reasonable and in conformity with the usual practice of entities of the size and nature of the Awardee.

Section 7.8 Extension of Credit

Except as specifically authorized in writing in advance by RUS, the Awardee will make no advance payments or loans, or in any manner extend its credit, either directly or indirectly, with or without interest, to any of its directors, trustees, officers, employees, stockholders, members, managers, Affiliates or Affiliated companies.

Section 7.9 Distributions or Withdrawals

(a) The Awardee shall not, without the prior written approval of RUS, make any dividend, stock, or capital distribution, or any membership withdrawals, unit redemptions, or other type of profit allocation to its members, or other distribution in the nature of an investment, guarantee, extension of credit, advance, or loan, nor make a capital credit distribution (all such distributions being hereinafter collectively called “Distributions;”) *provided, however*, Distributions may be made in each fiscal year as follows:

(1) Aggregate, annual Distributions not to exceed twenty-five percent (25%) of the prior fiscal year Net Income or Margins may be made if, after such aggregate annual Distributions, the Awardee’s net worth is at least one percent (1%) of its Total Assets;

(2) Aggregate annual Distributions not to exceed fifty percent (50%) of the prior fiscal year Net Income or Margins may be made if, after such aggregate annual Distributions, the Awardee’s Net Worth is at least twenty percent (20%) of its Total Assets;

(3) Aggregate annual Distributions not to exceed seventy-five percent (75%) of the prior fiscal year Net Income or Margins may be made if, after such aggregate annual Distributions, the Awardee’s Net Worth is at least thirty percent (30%) of its Total Assets; or

(4) There is no limit on aggregate, annual Distributions if, after making such aggregate, annual Distributions, the Awardee's Net Worth is at least forty percent (40%) of its Total Assets.

(b) *Additional Negative Restrictions*. The Awardee shall comply with the additional negative restrictions on Distributions and Withdrawals set forth in Schedule 1 hereto.

Section 7.10 <u>Changing Principal Place of Business, Place of Conducting Business, or Type of Organization</u>

The Awardee shall not change its principal place of business, place of conducting business, or type of organization without the prior written consent of RUS.

Section 7.11 <u>Changing Name or Place of Incorporation or Organization</u>

The Awardee shall not change its legal name or place of incorporation or organization without giving RUS sixty (60) days prior written notice.

Section 7.12 <u>Historic Preservation</u>

The Awardee shall not, without the prior written consent of RUS, use any Advance to construct any facility which shall involve any district, site, building, structure or object which is included in, or eligible for inclusion in, the National Register of Historic Places maintained by the Secretary of the Interior pursuant to the Historic Sites Act of 1935 and the National Historic Preservation Act of 1966.

Section 7.13 <u>Affiliated Transactions</u>

The Awardee shall not enter into any transaction, contract, or dealing with an Affiliate of the Awardee or with the Awardee's or Affiliate's directors, trustees, officers, managers, members (if the Awardee is a limited liability company), or other corporate officials, without the prior written consent of RUS. RUS' consent to advance award funds for affiliated transactions will be limited to an amount which is the lower of cost or market rate and which is subject to verification by RUS and its representatives having access to the books and records of the Affiliate.

Section 7.14 <u>Preferred Stock</u>

The Awardee shall not issue any new or additional preferred stock without the prior written approval of RUS, which approval shall not be unreasonably withheld if such stock issuance, in RUS' sole opinion, would not be considered a debt instrument under GAAP.

Section 7.15 <u>Restrictions on Transfers of Property</u>

(a) Except as provided in Paragraph (b), and excluding any property which the Awardee must sell to customers in the ordinary course of business, the Awardee shall not sell, lease or transfer any Collateral to any other person or entity (including any subsidiary or affiliate of the Awardee) without the prior written consent of the RUS.

(b) So long as the Awardee is not in default hereunder, the Awardee may, without obtaining the consent of RUS, sell or otherwise dispose of, free from the lien hereof, any of its property which is neither necessary to, nor useful for, the operation of the Awardee's business, or which has become obsolete, worn out, damaged, or otherwise unsuitable for the purposes of the Awardee; provided, however, that the Awardee shall to the extent necessary: (1) replace the same with other property of the same kind and nature, or substitute thereof, which shall be subject to the lien hereof, free and clear of all prior liens, and apply the proceeds, if any, derived from the sale or disposition of such property, which are not needed for the replacement thereof, to the prepayment of the indebtedness on the outstanding Notes; (2) immediately upon the receipt of the proceeds of any sale or disposition of said property, apply the entire amount of such proceeds to the prepayment of the indebtedness evidenced by the Notes; or (3) deposit all or such part of the proceeds derived from the sale or disposition of said property into the Pledged Deposit Account, and shall use the same only for such additions to, or improvements in, the Collateral, on such terms and conditions as RUS shall specify.

Section 7.16 **Restrictions on Changes to Line-Item Budget**

The Awardee agrees that the budget for the Project is a line-item budget and agrees not to make any revisions to the RUS approved line-item Project budget, including, without limitation, the part of the budget for construction, without the prior written approval of RUS.

Section 7.17 **Additional Negative Covenants**

The Awardee shall comply with the additional negative covenants set forth in Schedule 1 hereto.

ARTICLE VIII - LENDER'S RIGHTS

Section 8.1 **Termination of Award Offer**

RUS, in its sole discretion, may terminate the offer to make the Loan/Grant Combination if it does not receive the Loan-Grant Agreement, duly executed on behalf of the Awardee and all conditions in Section 4.1 hereof are not satisfied within one hundred twenty (120) days from the date that RUS issues the closing documents.

Section 8.2 **Audits and Compliance Reviews**

After giving prior notification to the Awardee, RUS has the right to conduct compliance reviews and audits of the Awardee to assure compliance with the Loan-Grant Agreement, FOA, and the Accounting Requirements.

Section 8.3 **Disallowed Expenditures**

Upon a determination by RUS that the Awardee did not expend Award funds on Eligible Purposes in accordance with the RUS approved line-item Project budget and the Form(s) 481 approved by RUS prior to the advance of funds, RUS may, in its sole discretion:

(a) Disallow all or a part of the expenditures and disbursements of the Award and require the Awardee to deposit such funds in the Pledged Deposit Account to be applied toward other approved Project purposes on Form(s) 481 or to reimburse the Government, as provided in Section 5.3 hereof;

(b) Suspend future Advances; and/or

(c) Take any other action RUS determines to be necessary including, without limitation, exercising any right or remedy available under the Loan-Grant Agreement or law.

Section 8.4 Suspension of Advances

RUS may, in its absolute discretion, suspend making Advances on the Award upon its making a determination that an event has occurred that is likely to have a Material Adverse Effect. RUS may also suspend making advances of the Award upon the occurrence of an Event of Default.

Section 8.5 Payment Extensions

RUS may, at any time or times in succession without notice to or the consent of the Awardee and upon such terms as RUS may prescribe, grant to any person, firm or entity who shall have become obligated to pay all or any part of the principal of or interest on any note held by or indebtedness owed to RUS or who may be affected by the lien created by the Loan-Grant Agreement, an extension of the time for the payment of such principal or interest, and after any such extension the Awardee will remain liable for the payment of such note or indebtedness to the same extent as though it had at the time of such extension consented thereto in writing.

Section 8.6 Right to Expend Money

RUS shall have the right (without prejudice to any of its rights with respect to any Event of Default) to advance or expend moneys for the purpose of procuring insurance, or for the payment of insurance premiums as required hereunder, or to advance or expend moneys for the payment of taxes, assessments or other charges, or to save the Collateral from sale or forfeiture for any unpaid tax or assessment, or otherwise, or to redeem the same from any tax or other sale, or to purchase any tax title thereon, or to remove or purchase any mechanics' liens or other encumbrance thereon, or to make repairs thereon or to comply with any covenant herein contained or to prosecute and defend any suit in relation to the Collateral or in any manner to protect the Collateral and the title thereto, and all sums so advanced for any of the aforesaid purposes with interest thereon at the highest legal rate, but not in excess of twelve per centum (12%) per annum shall be deemed a charge upon the Collateral and shall be forthwith paid to RUS upon demand. It shall not be obligatory for RUS in making any such advances or expenditures to inquire into the validity of any such tax title, or of any such taxes or assessments or sales therefor, or of any such mechanics' liens or other encumbrance.

Section 8.7 Right to File Financing Statements

RUS shall have the right to file such financing statements and continuation statements on its behalf, as secured party, and on behalf of the Awardee, as debtor, as RUS deems necessary to perfect a first lien on the Collateral and to maintain and preserve such perfected first lien as long as the Loan remains outstanding. The Awardee shall reimburse RUS for any expenses incurred in the exercise of this right.

ARTICLE IX –SECURITY INTEREST

Section 9.1 General

To secure the payment and performance of the Obligations, including without limitation, the Note, the Awardee hereby pledges, assigns, and transfers to RUS, and grants to RUS a continuing security interest in ALL ASSETS of the Awardee, whether now owned or hereafter acquired. The Awardee has entered, or will enter, into a mortgage in favor of RUS covering all of the Awardee's real property while any Note is outstanding.

Section 9.2 Continuing Rights with Respect to Grant Assets

Given the significant Grant to the Project, the government must be provided an exclusive first lien on all Grant assets during the Service Obligation of the Award, as defined in Section 5.10, which shall not be shared *pari passu* with any other entity. Thereafter, any sale or disposition of grant assets must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 C.F.R. part 200. The Awardee acknowledges that this part will apply to all grant funds of the Awardee received under the Grant, regardless of the Awardee's entity status or type of organization.

Section 9.3 **Unapproved Sale of Grant Assets**

The Awardee agrees and acknowledges that pursuant to the FOA, the Awardee must repay all funds advanced under the Grant to the government if the Project or the Awardee is sold or merged without RUS approval during the Service Obligation of the grant.

ARTICLE X - EVENTS OF DEFAULT

Section 10.1 **Events of Default**

The following shall be events of default (each an "Event of Default") under this Agreement:

(a) Representations and Warranties. Any representation or warranty made by the Awardee in the Loan-Grant Agreement, Form(s) 481 or any certificate furnished to RUS under the Loan-Grant Agreement, or in the Application shall prove to have been incorrect in any material respect at the time made;

(b) Non-Payment. The nonpayment of any required and due installment of interest on, or principal of, any Note, whether by acceleration or otherwise, which continues for five (5) Business Days, as such term is herein defined;

(c) Corrective Actions. Default by the Awardee in the observance or performance of Section 5.9;

(d) Limited Liability Companies. Default by the Awardee or its members in the observance or performance of Section 7.3;

(e) Improper Expenditures. The Awardee expends Award funds on costs which are not Eligible Purposes in accordance with the RUS approved line item Project budget and the Form(s) 481 approved by RUS prior to the advance of funds;

(f) Failure to Keep Adequate Records. The Awardee fails to keep adequate records, including the failure to document Award fund expenditures for Eligible Purposes as required herein;

(g) Failure to Build in Accordance with Buildout Timeline. The Awardee fails to commence build out of the Project within 180 days from the Release of Funds Date or otherwise fails to meet or exceed milestones established in the Buildout Timeline, as it may be amended with prior written RUS consent;

(h) Failure to Comply with Accounting and Reporting Requirements. The Awardee fails to comply with the accounting and reporting requirements in Article VI;

(i) Other Covenants. Default by the Awardee in the observance or performance of any other covenant or agreement contained in any part of the Loan-Grant Agreement, which shall remain unremedied for thirty (30) calendar days after written notice thereof shall have been given to the Awardee by RUS;

(j) Adverse Effects. The Awardee shall forfeit or otherwise be deprived of its charter, articles of organization, franchises, permits, easements, consents or licenses required to carry on any material portion of its business or the Awardee files for or an event occurs which can reasonably be expected to result in its dissolution or termination;

(k) Other Obligations. Default by the Awardee in the payment of any obligation, whether direct or contingent, for borrowed money in excess of ten thousand dollars ($10,000.00) or in the performance or observance of the terms of any instrument pursuant to which such obligation was created or securing such obligation which default shall have resulted in such obligation becoming or being declared due and payable prior to the date on which it would otherwise be due and payable;

(l) Bankruptcy. A court having jurisdiction in the premises shall enter a decree or order for relief with respect to the Awardee in an involuntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect: (1) appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official, or (2) ordering the winding up or liquidation of its affairs; or the Awardee shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors;

(m) Dissolution or Liquidation. Other than as provided in the immediately preceding subsection, the dissolution or liquidation of the Awardee, or the filing of such by the Awardee;

(n) Impaired Business. Awardee fails to promptly forestall or remove any execution, garnishment or attachment of such consequence as shall impair its ability to continue its business or fulfill its obligations and such execution, garnishment or attachment shall not be vacated within thirty (30) days;

(o) Service Obligation. As determined by RUS, the Awardee fails to provide the Service Obligation on the Project with respect to the Grant; and/or

(p) Payment of Final Judgment. A final judgment in an amount of ten thousand dollars ($10,000.00) or more shall be entered against the Awardee and shall remain unsatisfied or without a stay in respect thereof for a period of thirty (30) days.

ARTICLE XI - REMEDIES

Section 11.1 General

Upon the occurrence of an Event of Default, RUS may pursue all rights and remedies available to RUS that are contemplated by the Loan-Grant Agreement in the manner, upon the conditions, and with the effect provided in the Loan-Grant Agreement, and may pursue such other remedies that are generally available at law or in equity including, without limitation, a suit for specific performance, injunctive relief or damages. Nothing herein shall limit the right of RUS to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default listed in Article X hereof. Each right, power and remedy of RUS shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

Section 11.2 Remedies

In addition to the remedies referred to in Section 11.1 hereof, upon the occurrence of an Event of Default, RUS may:

(a) Refuse to make any advance or further advance on account of the Award, but any advance thereafter made by RUS shall not constitute a waiver of such default;

(b) Declare all unpaid principal of and all interest accrued on the Note(s) to be immediately due and payable and upon such declaration all such principal and interest shall become due and payable immediately;

(c) Terminate the obligation to further advance on account of the Award; and/or

(d) Take immediate possession of the Collateral, collect and receive all credits, outstanding accounts and bills receivable of the Awardee and all rents, income, revenues and profits pertaining to or arising from the Collateral, or any part thereof, and issue binding receipts therefor; manage and control and operate the Collateral as fully as the Awardee might do if in possession thereof; RUS, any employee or agent of RUS is hereby constituted and appointed as true and lawful attorney-in-fact of the Awardee with full power to (i) notify or require the Awardee to notify any and all Customers that the Collateral has been assigned to RUS and/or that RUS has a security interest in the Collateral; (ii) endorse the name of the Awardee upon any notes, checks, acceptances, drafts, money orders, or other instruments or payment (including payments made under any policy of insurance) that may come into possession of RUS in full or part payment of any amount owing to RUS; (iii) sign and endorse the name of the Awardee upon any invoice, freight, or express bill, bill of lading, storage or warehouse receipt, assignment verification or notice in connection with receivables; (iv) send requests for verifications of Collateral to customers or account debtors; (v) sell, assign, sue for, collect, or compromise payment of all any part of the Collateral in the name of the Awardee or in its own name, or make any other disposition of Collateral, or any part thereof, which disposition may be for cash, credit, or any combination thereof, and RUS may purchase all or any part of the Collateral at public or, if permitted by law, private sale, and in lieu of actual payment of such purchase price may set off the amount of such price against the Obligations; granting to RUS, as the attorney-in-fact of the Awardee, full power of substitution and full power to do any and all things necessary to be done in and about the premises fully and effectually as the Awardee might or could do but for this appointment, hereby ratifying all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof. Neither RUS, its employees, nor its agents shall be liable for any act or omissions or for any error of judgment or mistake of fact or law in its capacity as such attorney-in-fact.

This power of attorney is coupled with an interest and shall be irrevocable during the term of this Agreement and so long as any Obligations shall remain outstanding;

(e) RUS shall have the right to enter and/or remain upon the premises of the Awardee without any obligation to pay rent to the Awardee or others, or any other place or places where any of the Collateral is located and kept and: (i) remove the Collateral therefrom in order to maintain, collect, sell, and/or liquidate the Collateral or, (ii) use such premises, together with materials, supplies, books, and records of the Awardee, to maintain possession and/or the condition of the Collateral, and to prepare the Collateral for sale, liquidation, or collection. RUS may require the Awardee to assemble the Collateral and make it available to RUS at a place to be designated by RUS;

(f) RUS shall have the right, without prior notice to the Awardee, to exercise rights of setoff or recoupment and apply any and all amounts held or hereafter held, by RUS or owed to the Awardee or for the credit of the Awardee against any and all of the Obligations. RUS agrees to notify the Awardee promptly after any such setoff or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. Awardee waives all rights of setoff, deduction, recoupment or counterclaim; and/or

(g) RUS shall have, in addition to any other rights and remedies contained in this Agreement, and in any other agreements, guarantees, notes, mortgages, instruments, and documents heretofore, now, or at any time or times hereafter executed by the Awardee and delivered to RUS, all of the rights and remedies of a secured party under the Uniform Commercial Code in force in the state identified in the first paragraph hereof, as well as the state where the Collateral is located, as of the date hereof, all of which rights and remedies shall be cumulative, and nonexclusive.

ARTICLE XII - MISCELLANEOUS

Section 12.1 Notices

All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by email) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given when transmitted by email or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as provided for herein. The Addresses for Notices of the respective parties are as follows:

RUS
Rural Utilities Service
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C.20250-1510
Attention: Administrator
Email: reconnect@usda.gov

With a copy to:
Rural Utilities Service
United States Department of Agriculture
1400 Independence Avenue, S.W.
Stop 1590, Room No. 4121
Washington, D.C. 20250-1590
Attention: Deputy Assistant Administrator
Email: TelecomPMRA@usda.gov

Awardee
Schedule 1

With a copy to:
See Schedule 1

Section 12.2 Notices of Actions Against Collateral

Any notice required to be given by RUS of a sale or other disposition or other intended action by RUS with respect to any of the Collateral, or otherwise, made in accordance with this Agreement at least five (5) days prior to such proposed action, shall constitute fair and reasonable notice to the Awardee of any such action.

Section 12.3 Application of Proceeds

Any proceeds or funds arising from the exercise of any rights or the enforcement of any remedies herein provided after the payment or provision for the payment of any and all costs and expenses in connection with the exercise of such rights or the enforcement of such remedies shall be applied first, to the payment of indebtedness hereby secured other than the principal of or interest on the Notes; second, to the ratable payment of interest which shall have accrued on the Notes and which shall be unpaid; third, to the ratable payment of or on account of the unpaid principal of the Notes, and the balance, if any, shall be paid to whosoever shall be entitled thereto.

Section 12.4 Expenses

To the extent allowed by law, the Awardee shall pay all costs and expenses of RUS, including reasonable fees of counsel, incurred in connection with the enforcement of the Loan-Grant Agreement or with the preparation for such enforcement if RUS has reasonable grounds to believe that such enforcement may be necessary.

Section 12.5 **Late Payments**

If payment of any amount due hereunder is not received at the United States Treasury in Washington, DC, or such other location as RUS may designate to the Awardee within five (5) Business Days after the due date thereof or such other time period as RUS may prescribe from time to time in its policies of general application in connection with any late payment charge (such unpaid amount being herein called the "delinquent amount", and the period beginning after such due date until payment of the delinquent amount being herein called the "late-payment period"), the Awardee shall pay to RUS, in addition to all other amounts due under the terms of the Notes and this Agreement, any late payment charge as may be fixed from time to time on the delinquent amount for the late-payment period by regulations adopted by RUS.

Section 12.6 **Filing Fees**

To the extent permitted by law, the Awardee agrees to pay all expenses of RUS (including the fees and expenses of its counsel) in connection with the filing or recordation of all financing statements and instruments as may be required by RUS in connection with this Agreement, including, without limitation, all documentary stamps, recordation and transfer taxes and other costs and taxes incident to recordation of any document or instrument in connection herewith. Awardee agrees to save harmless and indemnify RUS from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, recording costs, or any other expenses incurred by RUS in connection with this Agreement. The provisions of this section shall survive the execution and delivery of this Agreement and the payment of all other amounts due hereunder or due on the Notes.

Section 12.7 **No Waiver**

No failure on the part of RUS to exercise, and no delay in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise by RUS of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

Section 12.8 **Governing Law**

This Agreement shall be governed by and construed in accordance with applicable federal law and, in the absence of controlling federal law, by the laws of the State identified in the first paragraph herein, except those that would render such choice of law ineffective.

Section 12.9 **Consent to Jurisdiction**

The Awardee hereby irrevocably submits to the jurisdiction of the U.S. District Court for the District of Columbia and the US Court of Appeals for the Federal Circuit (both the "DC Federal Courts") for any action or proceeding arising out of or relating to this Agreement, and hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such federal courts. The Awardee irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Awardee's address set forth in Schedule 1. The Awardee hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the DC Federal Courts and hereby further irrevocably waives and agrees not to plead or claim in such court that any such action or proceeding brought in any such court has been brought in a forum *non conveniens*. Nothing herein shall affect the right of the Government to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Awardee in its own jurisdiction.

Section 12.10 **Waiver of Jury Trial**

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, SECURED PARTY, OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.11 **Holiday Payments**

If any payment to be made by the Awardee hereunder shall become due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

Section 12.12 **Rescission**

The Awardee may elect to rescind the Award, in which event RUS shall release the Awardee from its obligations hereunder, provided the Awardee complies with such terms and conditions as RUS may impose for such release.

Section 12.13 **Successors and Assigns**

(a) This Agreement shall be binding upon and inure to the benefit of the Awardee and RUS and their respective successors and assigns, except that the Awardee may not assign or transfer its rights or obligations hereunder without the prior written consent of RUS.

(b) Pursuant to federal claims collection laws, RUS' claims hereunder may be transferred to other agencies of the United States of America; in the event of such a transfer, all rights and remedies hereby granted or conferred on RUS shall pass to and inure to the benefit of any such successor agency.

Section 12.14 **Complete Agreement; Waivers and Amendments**

Subject to RUS Regulations, this Agreement and all parts of the Loan-Grant Agreement are intended by the parties to be a complete and final expression of their agreement. However, RUS reserves the right to waive its rights to compliance with any provision of this Agreement and any other part of the Loan Grant Agreement. No amendment, modification, or waiver of any provision hereof or thereof, and no consent to any departure of the Awardee here from or therefrom, shall be effective unless approved in writing by RUS in the form of either a RUS Regulation or other writing signed by or on behalf of RUS, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 12.15 **Headings**

The headings and sub-headings contained in the titling of this Agreement are intended to be used for convenience only and do not constitute part of this Agreement.

Section 12.16 **Severability**

If any term, provision, condition, or any part thereof, of this Agreement, Note(s) or the Security Documents shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision, or condition nor any other term, provision, or condition, and this Agreement, the Note(s), and the Security Documents shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

Section 12.17 Right of Setoff

Upon the occurrence and during the continuance of any Event of Default, RUS is hereby authorized at any time and from time to time, without prior notice to the Awardee, to exercise rights of setoff or recoupment and apply any and all amounts held or hereafter held, by RUS or owed to the Awardee or for the credit or account of the Awardee against any and all of the obligations of the Awardee now or hereafter existing hereunder or under the Note(s). RUS agrees to notify the Awardee promptly after any such setoff or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. The rights of RUS under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which RUS may have. Awardee waives all rights of setoff, deduction, recoupment or counterclaim.

Section 12.18 Schedules and Attachments

Each Schedule and Attachment attached hereto and referred to herein is each an integral part of this Agreement.

Section 12.19 Authority of Representatives of RUS

In the case of any consent, approval or waiver from RUS that is required under this Agreement or any other part of the Loan-Grant Agreement, such consent, approval or waiver must be in writing and signed by an authorized RUS representative to be effective. As used in this section, "authorized RUS representative" means the Administrator of RUS, and also means a person to whom the Administrator has officially delegated specific or general authority to take the action in question.

Section 12.20 Prepayment of Loan

In the event the Awardee prepays the Loan portion of the Loan before termination of the Service Obligation, the Awardee shall, within thirty (30) days of making such prepayment, execute a standard grant agreement with the RUS.

Section 12.21 Term

This Agreement shall remain in effect until one of the following two events has occurred:

(a) The Awardee and RUS replace this Agreement with another written agreement; or

(b) All of the Awardee's obligations under this Agreement, including the Service Obligation, have been discharged and paid.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

FIF UTAH LLC

by /s/ Joseph Max Meisinger

Name: Joseph Max Meisinger

Title: Treasurer

(Seal)

Attested to by: Joshua p. Weisenburger
Secretary

UNITED STATES OF AMERICA

By: /s/ Karl Elmshauser
Administrator of the Rural Utilities Service

SCHEDULE 1

Article I Definitions

1. The additional "Permitted Encumbrances" permitted on the Collateral shall include: the lien described in and under the terms of that certain Security Agreement, dated as of September 17, 2024, between Awardee and First National Bank of Omaha (the "Bank"), a national banking association.

Article II Representations and Warranties

1. Paragraph (h) Awardee’s Principal Place of Business: 14015 S Minuteman Drive, Draper, Utah 84020

2. Paragraph (i) Awardee’s Organization Number: 4154197

3. Paragraph (j) Awardee’s Subsidiaries: N/A

4. Paragraph (j) Awardee’s Parent: Boston Omaha Broadband LLC, Boston Omaha Corporation

5. Paragraph (m) Additional Representations and Warranties:

   The Awardee represents and warrants that it is primarily engaged in the business of transmitting communications electrically, electromagnetically, or by light.

Article III The Loan and Grant

1. Section 3.1(a) Loan amount: $11,484,076

2. Section 3.1(b) Grant amount: $11,484,076

3. Section 3.1(d) Maturity Date: 22 Years from Release of Funds Date

Article IV Conditions Precedent to Loan Closing

1. The additional conditions referred to in Section 4.1(l) are as follows:

   a) Pursuant to 7 CFR 1970.11(b), the Agency has determined that assurance of funding for this Project is necessary for economic rural development. As a result, this Agreement is subject to the completion of all necessary environmental procedures required by Federal law, and funds may not be disbursed until successful completion of such procedures. The Awardee acknowledges that it may not engage in any work on the Project until Awardee has received written notice from the Agency, except for work required to finalize the environmental reviews. Such environmental work, however, shall be done at the Awardee’s own risk and may not be reimbursed if the environmental reviews cannot be completed as required by 7 CFR 1970.11(b). Awardee understands and acknowledges that unauthorized work will result in the termination of this Agreement. Awardee also acknowledges that any findings in the environmental reviews requiring significant changes to the Project will constitute an immediate deobligation of funding and termination of this Agreement, and will not result in an amended agreement until revised terms are agreed upon and funding is determined to be still available.

b) The Parent Company, Boston Omaha Corporation, shall execute the guarantee agreement included as Attachment 3.

c) Awardee to provide an executed operating agreement with the parent, Boston Omaha Broadband, LLC which defines the roles and responsibilities of each entity prior to the release of funds.

d) Awardee must provide evidence, in form and substance satisfactory to RUS, that First National Bank of Omaha has executed an intercreditor agreement.

<u>Conditions Precedent to Release of Funds</u>

2. Section 4.2(c) funds deposited for Project completion: N/A

3. The additional conditions referred to in Section 4.2(d) are as follows: N/A

<u>Conditions Precedent to Individual Advances</u>

4. Section 4.3(j) Required permits, licenses, franchise, and other approvals: N/A

5. The additional conditions to advance referred to in Section 4.3(m) are as follows: N/A

Article V <u>Affirmative Covenants</u>

1. Section 5.8(a) Financial Requirements Commencement Date: December 31, 2028

2. Section 5.10 Composite Economic Life of RUS financed facilities: 19 Years

3. Section 5.11(f) Awardee is subject to the following National Programmatic Agreement (NPA): N/A

4. Section 5.20 Scoring Criteria Commitments: Awardee has agreed to the following commitments for this Award:

(X) Affordable Pricing Packages
(X) Labor Standards
(X) Net Neutrality

5. The additional affirmative covenants referred to in Section 5.21 are as follows: N/A

Article VII <u>Negative Covenants</u>

1. The additional negative restrictions on Distributions and Withdrawals referred to in Section 7.9(b) are as follows: N/A

2. The additional negative covenants referred to in Section 7.17 are as follows: N/A

Article XII <u>Miscellaneous</u>

1. Section 12.1 Awardee's address for purposes of notification:

   Joseph Meisinger
   Chief Financial Officer
   FIF Utah LLC
   14015 S Minuteman Drive Draper,
   Utah 84020

2. Section 12.1 Address for Awardee's notification copy:

   Amy K. Fliam
   Wilkinson Barker Knauer LLP
   1800 M Street, NW
   Suite 800N
   Washington, DC 20036

ATTACHMENT 1

EQUAL OPPORTUNITY CONTRACT PROVISIONS

ATTACHMENT 2

RECONNECT PROGRAM CONSTRUCTION PROCEDURES

PROMISSORY NOTE

UT 1707-A59
Draper, Utah

THIS PROMISSORY NOTE (hereinafter the "Note,") dated as of July 15, 2025, is made by **FIF UTAH LLC** (hereinafter the "Borrower,") a limited liability company duly organized and existing under the laws of the State of Delaware, to the **UNITED STATES OF AMERICA**, (hereinafter the "Government,") acting through the Administrator of the Rural Utilities Service ("RUS.") For value received, the Borrower promises to pay to the order of the Government, at the United States Treasury, Washington, D.C., Eleven Million Four Hundred Eighty-Four Thousand Seventy-Six Dollars ($11,484,076), with interest payable, from the date of each advance, on the amount advanced by the Government (hereinafter the "Advance,") pursuant to a certain loan-grant and security agreement, dated the same date as this Note (hereinafter the "Loan-Grant and Security Agreement,") made by and between the Borrower and the Government, and remaining unpaid from time to time, in the time and manner herein provided:

1. *Interest Rate*. Interest on each Advance shall be at rate(s) per annum, published by the Secretary of the Treasury, which shall be equal to the cost of borrowing of the Department of Treasury for obligations, as determined by the Government, of comparable maturity (hereinafter the "Cost-of-Money Interest Rate.")

2. *Maturity Date*. On a date twenty-two (22) years after Release of Funds Date, as set forth in the Loan-Grant and Security Agreement, the principal hereof advanced pursuant to the Loan-Grant and Security Agreement and remaining unpaid, if any, and interest thereon, shall be due and payable (hereinafter the "Maturity Date.")

3. *Fund Advance Period.* Funds will be advanced pursuant to the Loan-Grant and Security Agreement. The fund advance period for this Note begins on the date hereof and terminates five (5) years from the Release of Funds Date, as set forth in the Loan-Grant and Security Agreement (hereinafter the "Expiration Date.") No funds will be advanced subsequent to the Expiration accordance with the Loan-Grant and Security Agreement.

4. *Deferral Period*. Unless payment is otherwise made by the Borrower, all accrued interest and principal on Advances will be deferred for a three (3)-year period starting when funds are first made available to be drawn by the Borrower, as indicated in written notice by

5. *Payments on Advances*. At the end of the three-year deferral period, all unpaid accrued interest will be capitalized and added to the outstanding principal, and monthly payments will be established in an amount that amortizes the outstanding balance in equal payments over the remaining term of the loan.

6. *Application of Payments*. Each payment made on this Note shall be applied as follows: First, to expenses, costs and penalties; Second, to late charges; Third, to the payment of interest on principal; and Fourth, to principal.

7. *Prepayment*. All, or a portion of the outstanding balance, of any Advance may be prepaid on any payment date, as herein provided. However, so long as any of the principal advanced pursuant to the Loan-Grant and Security Agreement shall remain unpaid, the Borrower shall be obligated to make the monthly payment on account of principal and interest, in the amount provided herein, unless the Borrower and the Government shall otherwise agree, in writing.

8. *Late Payments*. A late charge shall be charged on any payment not made within five (5) days of the date the payment becomes due. The late charge rate shall be computed on the payment from the due date at a rate equal to the rate of the cost of funds to the United States Treasury as prescribed and published by the Secretary of the Treasury. In addition, the Borrower shall pay administrative costs and penalty charges assessed in accordance with applicable Government regulations. Acceptance by the Government of a late payment shall not be deemed to be a waiver of any right or remedy of the Government.

9. *Security*. This Note is secured by a security interest in collateral described in the Loan-Grant and Security Agreement and/or Intercreditor Agreement, dated the same date as this Note, made by and between the Borrower and the Government. Rights and obligations with respect to the collateral are stated in the Loan-Grant and Security Agreement.

10. *Noteholder*. This Note evidences indebtedness created by a loan made under the Rural Electrification Act (7 U.S.C. § 901 *et seq*.). The Government shall be and shall have all rights as holder of this Note.

11. *Default*. In an event of default, as provided in the Loan-Grant and Security Agreement, all principal advanced pursuant to the Loan-Grant and Security Agreement and remaining unpaid on this Note, and all interest thereon may be declared or may become due and payable in the manner and with the effect provided in the Loan-Grant and Security Agreement.

12. *Costs*. The Borrower shall pay any and all costs and expenses incurred in connection with the exercise of rights or the enforcement of remedies, as set forth in the Loan-Grant and Security Agreement.

13. *Waivers*. The Borrower waives demand, presentment for payment, notice of non-payment, notice of dishonor, protest, and notice of non-payment of this Note.

14. *Obligations*. The obligations hereunder of the Borrower on this Note are absolute and unconditional, irrespective of any defense or any right to set off, recoupment, or counterclaim it might otherwise have against the Government.

IN WITNESS WHEREOF, the Borrower has caused this Note to be signed in its corporate or legal name and its corporate seal, if any, to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

FIF Utah, LLC

By:/s/ Joseph Max Meisinger

Name: Joseph Max Meisinger

Title: Treasurer

(SEAL)

Attested to by: Joshua P. Weisenburger
Secretary

Exhibit 10.3

GUARANTEE AGREEMENT

This Guarantee Agreement dated this 15th day of July, 2025, is between Boston Omaha Corporation (hereinafter “Guarantor”) and the United States of America as Lender/Grantor, acting through the Administrator of the Rural Utilities Service ("RUS").

WHEREAS, Guarantor and FIF Utah LLC (hereinafter “Awardee”) are affiliated companies, both existing under the laws of Delaware;

WHEREAS, RUS is extending financial assistance to Awardee in the form of a loan and grant from RUS in an amount not to exceed $22,968,152 (Twenty-Two Million Nine Hundred Sixty-Eight Thousand One Hundred Fifty-Two Dollars), which is referred to as “Loan and Grant”; and
WHEREAS, a condition of the financial assistance is that Guarantor agrees to guarantee the repayment of the Loan, and the Grant, if required;

NOW THEREFORE, in consideration of RUS having agreed to make advances under the Loan and Grant:

1. Guarantor hereby guarantees payment to the RUS on demand of all moneys which Awardee becomes liable to pay to the RUS under the Loan/Grant Agreement, dated July 15, 2025, between Awardee and the RUS.

2. Guarantor further agrees that until Awardee has fully repaid the Loan, it shall not, without the prior written consent of RUS, incur additional secured or unsecured indebtedness other than (i) purchase money security interests, (ii) unsecured trade indebtedness and (iii) other debt arising in the ordinary course of business. Indebtedness under items (i), (ii), and (iii) in the aggregate shall not exceed ten percent (10%) of Guarantor’s consolidated total assets.

3. This guarantee may be enforced against Guarantor without the RUS first being required to exhaust any remedy it may have against Awardee. It is a continuing and irrevocable guarantee for the whole of the moneys due and will remain in full force and effect until discharged.

4. A demand of the RUS as to the amount due by Awardee will be conclusive evidence of the amount due to the RUS in the absence of manifest error.

5. This Guarantee Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

6. Any notice or other communication required to be given or made is to be in writing, and that notice effective if delivered by registered mail, email, by fax or in person to:

Address: Boston Omaha Corporation
251 Little Falls Drive
Wilmington, Delaware 19808
Attention: Adam Peterson, President
Tel: (302) 636-5401

Address: Rural Utilities Service
United States Department of Agriculture
South Building, Room 4121, STOP 1590
1400 Independence Avenue, SW
Washington, D.C. 20250-1590
Attention: Aylene Mafnas
Tel: (202) 720-1025
Email: TelecomPMRAusda.gov

IN WITNESS WHEREOF, the parties have executed this Guarantee Agreement on the dates shown below.

BOSTON OMAHA CORPORATION

By:/s/ Adam K. Peterson_______________
Adam K. Peterson
President and CEO
Dated: January 23, 2026

Exhibit 31.1

CERTIFICATIONS

I, Adam K. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

/s/ Adam K. Peterson

Adam K. Peterson, Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Joshua P. Weisenburger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Boston Omaha Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

/s/ Joshua P. Weisenburger
Joshua P. Weisenburger, Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Boston Omaha Corporation (the "Company") on Form 10-Q for the three months ended June 30, 2026 as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2026

/s/ Adam K. Peterson
Adam K. Peterson, Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Boston Omaha Corporation (the "Company") on Form 10-Q for the three months ended June 30, 2026 as filed with the Securities and Exchange Commission on or about the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2026

/s/ Joshua P. Weisenburger
Joshua P. Weisenburger, Chief Financial Officer
(Principal Financial and Accounting Officer)