

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “**Agreement**”) is entered into as of November 13, 2014, by and among BDI Broadcasting, Inc., a Minnesota corporation (“**BDI Broadcasting**”), BG Broadcasting, Inc., a Minnesota corporation (“**BG Broadcasting**”), Paul Bunyan Broadcasting Co., a Minnesota corporation (“**Bunyan Broadcasting**”), BL Broadcasting, Inc., a Minnesota corporation (“**BL Broadcasting**,” and together with BDI Broadcasting, BG Broadcasting, and Bunyan Broadcasting, the “**Sellers**,” and each a “**Seller**”), HBI Radio Alexandria, LLC, a Delaware limited liability company (“**HBI Alexandria**”), HBI Radio Bemidji, LLC, a Delaware limited liability company (“**HBI Bemidji**”), and HBI Radio Brainerd/Wadena, LLC, a Delaware limited liability company (“**HBI Brainerd/Wadena**,” and, together with HBI Alexandria and HBI Bemidji, the “**Buyers**,” and each a “**Buyer**”), and U.S. Bank National Association, a national banking association (the “**Escrow Agent**”), as escrow agent. Capitalized terms that are not defined herein shall have the respective meanings given to them in the Purchase Agreement (as defined below).

WHEREAS, Buyers and Sellers entered into an Asset Purchase Agreement, dated as of the date hereof (the “**Purchase Agreement**”), pursuant to which Sellers have agreed to sell substantially all of the assets of Sellers to Buyers, subject to the terms and conditions of the Purchase Agreement;

WHEREAS, the execution and delivery of this Agreement is a condition to the parties’ obligations under the Purchase Agreement; and

WHEREAS, this Agreement sets forth the basis on which the Escrow Agent will receive and hold, and make disbursements from, the Escrow Amount (as defined below) and the duties for which the Escrow Agent will be responsible.

NOW THEREFORE, in consideration of the foregoing and the mutual representations, warranties and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Appointment of Escrow Agent. Buyers and Sellers hereby appoint and designate U.S. Bank National Association as the Escrow Agent, and U.S. Bank National Association hereby accepts such appointment and agrees to perform the duties of the Escrow Agent under the terms and conditions set forth herein.

2. Deposit of Escrow Amount.

(a) Deposit. On the date hereof, Buyers shall deposit with the Escrow Agent, and the Escrow Agent will acknowledge upon receipt, Five Hundred Thousand Dollars (\$500,000) in immediately available funds (such funds, together with any Investment Income earned thereon, the “**Escrow Amount**”) in accordance with the terms of the Purchase Agreement. Prior to the Closing, the Escrow Amount shall be released, subject to Section 3 of this Agreement, to (i) Sellers in the event the Purchase Agreement is terminated by Sellers pursuant to Section 11.1(a)(i) or Section 11.1(c) of the Purchase Agreement; or (ii) Buyers in the event the Purchase Agreement is terminated by any Party for any other reason.

(b) Closing Notice. Subject to and conditioned on the occurrence of the Closing, upon the Closing Buyers and Sellers shall send a joint written statement to the Escrow Agent stating that the Closing has occurred and listing the Closing Date (the “Closing Notice”).

(c) Escrow Account. The Escrow Agent shall hold the Escrow Amount in a separate and distinct account (the “**Escrow Account**”), subject to the terms and conditions of this Agreement until they are distributed in accordance herewith. The Escrow Agent shall hold the Escrow Amount in the Escrow Account for the purpose of payment to Sellers or Buyers (or, if directed by Buyers or Sellers, to a specified Buyer Indemnified Party or Sellers, as applicable), as the case may be, in accordance with the Purchase Agreement. The Escrow Agent shall not distribute or release the Escrow Amount except in accordance with the terms and conditions of this Agreement.

(d) Investment of Funds. The Escrow Agent is herein directed and instructed to initially invest and reinvest the Escrow Amount and Investment Income (as defined below) earned thereon in the investment(s) indicated on Exhibit A hereto. The Sellers and Buyers may provide instructions changing the investment of the Escrow Amount and the Investment Income earned thereon by the furnishing of a joint written instruction (signed by Sellers and Buyers) to the Escrow Agent. The Escrow Agent will not be directed to invest in investments that the Escrow Agent in its sole discretion determines are not consistent with the Escrow Agent’s policy or practices. Sellers and Buyers acknowledge that the Escrow Agent does not have a duty nor will it undertake any duty to provide investment advice. Each of the foregoing investments shall be made in the name of Escrow Agent. Notwithstanding anything to the contrary contained herein, Escrow Agent may sell or liquidate any of the foregoing investments at any time if the proceeds thereof are required for any disbursement of the Escrow Amount required hereunder. All dividends, interest, or other income earned on the Escrow Amount (the “**Investment Income**”) shall become part of the Escrow Amount and investment losses shall be charged against the Escrow Amount.

3. Escrow Amount; Release from Escrow Prior to Closing. Prior to the Closing, the Escrow Amount shall be distributed and released by the Escrow Agent as follows:

(a) Upon the receipt of joint written instructions from Buyers and Sellers directing the Escrow Agent to release the Escrow Amount (in which case the Escrow Agent shall promptly pay the Escrow Amount as directed in such joint written instructions); or

(b) Buyers or Sellers shall have provided the Escrow Agent with copies of a final order, decree or judgment of a court of competent jurisdiction, together with an opinion of counsel that the time for appeal has expired and no appeal has been perfected, directing the Escrow Agent to release the Escrow Amount.

Within three (3) business days after receipt of joint written instructions or the court documents set forth in 3(b) above, the Escrow Agent shall release the funds as directed in such instructions or documents, but subject to Section 5 of this Agreement.

4. Claims and Payment of Escrow Amount: Release from Escrow After Closing.

(a) Indemnification Claims. Buyers may from time to time until the twelve (12) month anniversary of the Closing Date under the Purchase Agreement (the “**Claims Termination Date**”) give notice to the Escrow Agent and Sellers of any claims for indemnification payments for Losses under Article 10 (Indemnification) of the Purchase Agreement (each, a “**Claim**”). Each such notice (a “**Claim Notice**”) shall be in writing, signed by one or more of the authorized representatives of Buyers listed in Exhibit B attached hereto (each a “**Buyer Representative**” and collectively, the “**Buyer Representatives**”), and shall state (with reasonable specificity) the basis on which the Claim is being asserted and the dollar amount of such claim, and shall be delivered to the Escrow Agent and Sellers no later than 5:00 p.m. Minneapolis, Minnesota time on the Claims Termination Date.

(i) To contest any Claim, Sellers must deliver written notice of such contest to the Escrow Agent and Buyers no later than 5:00 p.m. Minneapolis, Minnesota time on the twentieth (20th) business day after the day the Escrow Agent and the Sellers received the Claim Notice.

(ii) A Claim shall become a “**Final Claim**” upon any one of the following events:

A. Sellers do not timely contest the Claim pursuant to Section 4(a)(i), in which case the amount of the Final Claim shall equal the amount of the Claim set forth in the Claim Notice;

B. the Claim is settled by written agreement signed by both a Buyer Representative and an authorized representative of Sellers (a “**Seller Representative**”) as listed on Exhibit B attached hereto and such agreement is filed with the Escrow Agent, in which case the amount of the Final Claim shall be equal to the amount set forth in such agreement; or

C. Buyers or Sellers shall have provided the Escrow Agent with copies of a final order, decree or judgment of a court of competent jurisdiction, together with an opinion of counsel that the time for appeal has expired and no appeal has been perfected, in which case the amount of the Final Claim shall be equal to the amount, if any, awarded to Buyers by such award or court with respect to such Claim.

(iii) Until such time as a Claim for which a Claim Notice has been timely delivered shall (A) become a Final Claim or (B) be withdrawn by written notice delivered by a Buyers Representative to the Escrow Agent and Sellers, it shall be an “**Unresolved Claim**.” The amount of the Unresolved Claim shall be the amount set forth in the related Claim Notice, as such amount may be adjusted by written notice from a Buyers Representative to the Escrow Agent and Sellers before or after the Claims Termination Date.

(iv) Within five (5) business days after the date a Claim becomes a Final Claim (a ***“Final Claim Date”***), the Escrow Agent shall deliver a portion of the Escrow Amount in the amount of the Final Claim, together with all Investment Income on such amount that has posted to the account, to Buyers pursuant to the Claim.

(b) Within five (5) business days after the Claims Termination Date, the Escrow Agent shall:

(i) retain an amount of the Escrow Amount equal to the aggregate amount of all Unresolved Claims existing as of the Claims Termination Date (including any Investment Income attributable to such amount), to be held for distribution on the terms of this Escrow Agreement until each such Unresolved Claim has become a Final Claim; and

(ii) deliver the remaining Escrow Amount (including any Investment Income attributable to such amount), if any, to Sellers.

(c) Within five (5) business days after the later of (i) the Claims Termination Date and (ii) the date on which there are no Unresolved Claims (the ***“Final Distribution Date”***), the Escrow Agent shall comply with Section 4(a)(iv) with respect to the last Final Claim(s) and shall comply with Section 4(b)(ii) with respect to any remaining Escrow Amount.

5. **Manner of Payment.** All payments to be made by the Escrow Agent pursuant to Section 3 hereof and Section 4 hereof shall be made by check and delivered to the relevant address listed in Section 12, or by wire transfer to an account specified by a Seller Representative (for a payment to Sellers) or a Buyer Representative (for a payment to Buyers), as applicable, provided that Escrow Agent has received wire transfer instructions in a form acceptable to the Escrow Agent at least two (2) business days prior to the date of such payment. All deposits and payments hereunder, or pursuant to the terms hereof shall be in U.S. dollars.

6. **Tax Provisions.** Escrow Agent shall have no responsibility for the tax consequences of this Agreement and Buyers and Sellers shall consult with independent counsel concerning any and all tax matters. Buyers and Sellers shall provide Escrow Agent a Form W-9 and an original Form W-8, as applicable, for each payee, together with any other documentation and information requested by Escrow Agent in connection with Escrow Agent's reporting obligations under applicable IRS regulations. If such tax documentation is not so provided, Escrow Agent shall withhold taxes as required by the IRS. The Buyers shall be treated as the owner of the Escrow Amount for federal income tax purposes, and the Sellers shall have no ownership interest in the Escrow Amount until such time as any portion of the Escrow Amount is distributed to the Sellers pursuant to the terms of this Escrow Agreement. Notwithstanding the foregoing, Buyers and Sellers have determined that any interest or income on Escrow Funds shall be reported on an accrual basis and shall be reported as income by Sellers. Buyers and Sellers shall prepare and file all required tax filings with the IRS and any other applicable taxing authority.

7. **Escrow Agent.**

(a) Sellers and Buyers shall jointly and severally indemnify and hold the Escrow Agent and its directors, officers and employees harmless from and against all loss, liability or reasonable expense (including reasonable attorneys' fees and expenses) incurred without negligence, willful misconduct or bad faith on the part of the Escrow Agent arising out of or in connection with its performance under this Agreement.

(b) The Escrow Agent shall have no duties other than those expressly imposed on it herein, and shall not be liable for any act or omission except for its own negligence, bad faith or willful misconduct.

(c) The fees and charges of the Escrow Agent with respect to this Agreement are identified on Exhibit C attached hereto, which shall be paid by Buyers upon execution of this Agreement by all parties hereto.

(d) Notwithstanding any provision herein to the contrary, the Escrow Agent shall at any time and from time to time take such additional actions hereunder with respect to the Escrow Amount as shall be agreed to in writing by Buyers and Sellers. In the performance of its duties hereunder, the Escrow Agent may rely on any document reasonably believed by it to be genuine.

(e) The Escrow Agent may resign at any time by providing Buyers and Sellers with thirty (30) days' prior written notice of its intention to do so; provided that a successor Escrow Agent has been appointed in writing by Buyers and Sellers. If a successor Escrow Agent is not appointed within the 30-day period following such notice, the Escrow Agent may petition any court of competent jurisdiction to name a successor Escrow Agent and the costs, expenses and reasonable attorneys' fees which are incurred in connection with any such proceeding shall be paid jointly and severally by Sellers and Buyers. Except as otherwise agreed to in writing by Buyers and Sellers, no Escrow Amount shall be released from the Escrow Account unless and until a successor Escrow Agent has been appointed in accordance with this Section 7(e). The Escrow Agent's resignation shall be effective upon delivery of the Escrow Amount to the successor Escrow Agent and upon such successor's assumption of the obligations, rights and duties of the Escrow Agent hereunder.

(f) In the event conflicting demands are made or notices are served upon the Escrow Agent with respect to the Escrow Amount, or there is any dispute over action to be taken or not taken by the Escrow Agent, the Escrow Agent will have the absolute right, at the Escrow Agent's election, to do either or both of the following: resign so a successor can be appointed pursuant to this Section 7 or file a suit in interpleader and obtain an order from a court of competent jurisdiction requiring the parties to interplead and litigate in such court their several claims and rights among themselves. The Escrow Agent agrees that, if it files a suit in interpleader, it shall do so in any of the state or federal courts located in the State of Minnesota, and accordingly Buyers and Sellers each hereby irrevocably submit to the jurisdiction of the state or federal courts located in the State of Minnesota. In the event such interpleader suit is brought, the Escrow Agent will thereby be fully released and discharged from all further obligations imposed upon it under the provisions hereof, and Buyers and Sellers will each bear one-half of

the costs, expenses and reasonable attorneys' fees expended or incurred by the Escrow Agent pursuant to the exercise of the Escrow Agent's rights under this Section 7(f).

(g) Escrow Agent shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, lockouts, riots, acts of war or terror, epidemics, governmental regulations, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters.

8. Term of Agreement. This Agreement and the Escrow Agent's duties hereunder shall terminate at such time as the Escrow Agent shall have disbursed all of the funds held by the Escrow Agent hereunder in accordance with the provisions of this Agreement.

9. Governing Law. This Agreement shall be governed by, enforced under and construed in accordance with the laws of the State of Minnesota, without giving effect to any choice or conflict of law provision or rule thereof.

10. Amendment and Waiver. This Agreement may be amended, modified or supplemented at any time by the parties to this Agreement, under an instrument in writing signed by Buyers, Sellers and the Escrow Agent.

11. Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any party hereto, by operation of law or otherwise, without the prior written consent of the other parties.

12. Notices. Unless otherwise provided in this Agreement, all notices and other communications under this Agreement shall be in writing and may be given by any of the following methods: (a) personal delivery; (b) registered or certified mail, postage prepaid, return receipt requested; or (c) overnight delivery service. Such notices and communications shall be sent to the appropriate party at its address given below or at such other address for such party as shall be specified by notice given under this Agreement (and shall be deemed given upon receipt by such party or upon actual delivery to the appropriate address):

To any Seller:

Mr. Lou Buron
1228 30th Street NW, #S320
Bemidji, MN 56601
Telephone: 218-444-2904

With a copy (which shall not constitute notice) to:

Gray Plant Mooty
500 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Attention: David M. Morehouse, Esq.

Telephone: 612-632-3270

If to any Buyer:

HBI Radio Alexandria, LLC,
HBI Radio Bemidji, LLC, or
HBI Radio Brainerd/Wadena, LLC
3415 University Ave
St. Paul MN 55114-2099
Attention: General Counsel
Telephone: 651-642-4333

with a copy to:

Stinson Leonard Street LLP
150 South Fifth Street
Suite 2300
Minneapolis, MN 55402
Attention: Mark S. Weitz, Esq.
Telephone: 612-335-1517

Notices to the Escrow Agent:

U.S. Bank National Association
Attn: Brandon Horak
Mail Code EP-MN-WS3C
60 Livingston Avenue
St. Paul, MN 55107-2292
Facsimile: 651 466-7429
Telephone: 651 466-6305
E-mail: brandon.horak@usbank.com

and to :

U.S. Bank National Association
Attn: Seunghan Son
Mail Code EP-MN-WS3C
60 Livingston Avenue
St. Paul, MN 55107-2292
Facsimile: 651 466-7148
Telephone: 651 466-6097
E-mail: seunghan.son@usbank.com

13. Entire Agreement. This Agreement, together with the Purchase Agreement and the exhibits and schedules hereto and thereto, constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereto.

14. Severability. The invalidity or unenforceability of any term or provision of this Agreement in any situation or jurisdiction shall not affect the validity or enforceability of the other terms or provisions of this Agreement or the validity or enforceability of the offending

term or provision in any other situation or in any other jurisdiction and the remaining terms and provisions shall remain in full force and effect, unless doing so would result in an interpretation of this Agreement which is manifestly unjust.

15. No Third-Party Beneficiaries. Notwithstanding any term or provision of this Agreement, this Agreement does not create any right of subrogation or enforcement on the part of (and shall not inure to the benefit of) any person other than the parties hereto or their respective successors and permitted assigns.

16. Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

17. Counterparts. This Agreement may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission or pdf copy shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

18. Security Advice Waiver. Parties acknowledge that regulations of the Comptroller of the Currency grant parties the right to receive brokerage confirmations of security transactions as they occur. Parties specifically waive such notification to the extent permitted by law and acknowledge that parties will receive periodic cash transaction statements, which will detail all investment transactions.

19. WAIVER OF TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (1) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR (2) IN ANY WAY IN CONNECTION WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF THE PARTIES TO THIS AGREEMENT OR IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OF ANY SUCH PARTY'S RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES TO THIS AGREEMENT, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. EACH OF THE PARTIES HERETO HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT EACH HAS REVIEWED OR HAD THE OPPORTUNITY TO REVIEW THIS WAIVER WITH ITS RESPECTIVE LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL. IN THE

EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A CONSENT BY ALL PARTIES TO A TRIAL BY THE COURT.

20. Publicity. No party will (a) use any other party's proprietary indicia, trademarks, service marks, trade names, logos, symbols, or brand names, or (b) otherwise refer to or identify any other party in advertising, publicity releases, or promotional or marketing publications, or correspondence to third parties without, in each case, securing the prior written consent of such other party.

[Signatures on Next Page.]

IN WITNESS WHEREOF, the parties have duly executed this Escrow Agreement effective as of the date first written above.

"Sellers"

BDI BROADCASTING, INC.

By: 

Name: Louis H. Buron, Jr.

Its: President

BG BROADCASTING, INC.

By: 

Name: Louis H. Buron, Jr.

Its: President

PAUL BUNYAN BROADCASTING CO.

By: 

Name: Louis H. Buron, Jr.

Its: President

BL BROADCASTING, INC.

By: 

Name: Louis H. Buron, Jr.

Its: President

“Buyers”

HBI RADIO ALEXANDRIA, LLC

By: Virginia H. Morris
Name: Virginia H. Morris
Its: Chair and Chief Executive Officer

HBI RADIO BEMIDJI, LLC

By: Virginia H. Morris
Name: Virginia H. Morris
Its: Chair and Chief Executive Officer

HBI RADIO BRAINERD/WADENA, LLC

By: Virginia H. Morris
Name: Virginia H. Morris
Its: Chair and Chief Executive Officer

ESCROW AGENT:

U.S. Bank National Association

By: _____
Name: _____
Title: _____

"Buyers"

HBI RADIO ALEXANDRIA, LLC

By: _____
Name: Virginia H. Morris
Its: Chair and Chief Executive Officer

HBI RADIO BEMIDJI, LLC

By: _____
Name: Virginia H. Morris
Its: Chair and Chief Executive Officer

HBI RADIO BRAINERD/WADENA, LLC

By: _____
Name: Virginia H. Morris
Its: Chair and Chief Executive Officer

ESCROW AGENT:

U.S. Bank National Association

By: Brandon Horak
Name: Brandon Horak
Title: Assistant Vice President