

## ASSET SALE AGREEMENT

This ASSET SALE AGREEMENT (this "Agreement"), is by and among RIVERFRONT BROADCASTING, LLC, a South Dakota limited liability company ("Riverfront" or "Seller" or "Licensee"), and NEDVED MEDIA, LLC, a South Dakota limited liability company ("Buyer").

### PRELIMINARY STATEMENTS

A. Riverfront is the licensee of, and owns and operates the broadcast radio stations KORN-FM (FCC Facility No. 15267), KORN AM (FCC Facility No. 35420), and KQRN FM (FCC Facility No. 35503) licensed to Mitchell, South Dakota (the "Stations") pursuant to licenses, permits and other authorizations ("FCC Authorizations") issued by the Federal Communications Commission (the "FCC").

B. Subject to the terms of this Agreement, Riverfront desires to sell all of the assets owned by Riverfront related to the business and operations of the Stations to Buyer.

C. Pending closing of this Agreement, Buyer also desires to provide programming to the Stations and Riverfront desires to use such programming for broadcast on the Stations pursuant to the terms and conditions of that certain Programming Agreement between Buyer and Riverfront (the "Programming Agreement") which is attached hereto as Exhibit A and incorporated herein.

D. Subject to the terms and conditions of this Agreement, Buyer desires to purchase the assets and to provide programming with respect to the Stations pending closing.

NOW, THEREFORE, in consideration of the covenants contained herein and for other good, valuable and binding consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto intending to be legally bound hereby agree as follows:

### Section One Assets Sold

1.1 Assets to be Conveyed. Subject to the terms and upon satisfaction of the conditions contained in this Agreement, at Closing, Riverfront will sell, assign, convey, transfer and deliver to Buyer, by instruments of conveyance in form reasonably satisfactory to Buyer, and Buyer shall purchase and accept the assignment of all of Riverfront's right, title and interest in and to the following assets (the "Station Assets"):

- a. FCC Licenses. The FCC Licenses as listed in Schedule 1.1(a) attached hereto. Within five (5) business days after execution of this Agreement, Buyer and Seller shall file applications (the "FCC Applications") requesting FCC consent to the assignment of the FCC Licenses from Seller to Buyer (the "FCC Consent"). Seller and Buyer shall diligently prosecute the FCC Applications. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to an FCC Application, and shall furnish all

information required by the FCC. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated by this Agreement. Buyer and Seller are each responsible for their own costs of any FCC applications, fees, and attorney's needed to obtain the consent.

- b. Personal Tangible Assets. All of the fixed and tangible personal property, physical assets and equipment, leasehold improvements, music libraries, programs and program production materials and related assets used in the operation of the Stations pursuant to the Programming Agreement as detailed therein.
- c. Contracts. Any contracts and related agreements that are part of the operation of the Stations as shown in "Station Agreement" attached as an exhibit to the Programming Agreement.
- d. Real Property. The real property, the improvements thereon and all easements and rights for the benefit of such property as described in Schedule 1.1(d) free and clear of all liens, charges, claims, pledges, obligations, security interests and other encumbrances whatsoever, and of all easements, reservations, limitations, adverse uses, encroachments, equities, restrictions, servitudes and the like except for those listed and described in Schedule 1.1(d) and except for liens for taxes not yet due and payable.
- e. Trademarks. The copyrights, trademarks, trade names and service marks, including the Station's call letters, owned by Seller and used in the operation of the Stations as listed in Schedule 1.1(e).
- f. Business Records. Such files and records pertaining to the operation of the Stations as Buyer shall reasonably require, including all contracts, leases and agreements assigned hereunder, but exclusive of the corporate books and records of Seller; however, copies of such corporate books and records of Seller necessary for Buyer to carry on the Business (if any) shall be provided to Buyer, at Buyer's request.
- g. Goodwill. All of Seller's right, title and interest in and to all intangible assets, goodwill, going concern value and like items of the Stations, to include a covenant not to compete from Seller and Seller's principal members Carolyn Becker and Doyle Becker in the form of the Non-Compete Agreement attached to this Agreement as Exhibit G.
- h. All Other Assets. All other assets necessary for the operation of the Stations as they are currently being operated.

1.2 Excluded Assets. The assets being sold to Buyer do not include (i) cash, cash equivalents, securities, deposits, insurance policies, or assets of pension or other employee plans, of Seller; (ii) all claims or rights of action based on events occurring prior to the Closing Date;

(iii) Subject to 1.1(f) above, Seller's corporate books and records; and (iv) the office building in which the Stations operate. Seller's accounts receivable are being sold to Buyer pursuant to the terms of the Programming Agreement.

1.3 Excluded Liabilities and Contracts. Riverfront shall be solely responsible for, and there shall be no assumption by Buyer of, any liabilities of Riverfront except as explicitly set forth in this Agreement. It is expressly agreed that Buyer shall not assume any liability for Riverfront's accounts payable.

## **Section Two Purchase Price; Closing**

2.1. Purchase Price/Allocation. Buyer shall pay Seller the sum of Three Million Three Hundred Fifty Thousand Dollars (\$3,350,000.00) for the Station Assets. The purchase price shall be allocated as follows:

- a. Real Property – \$150,000.00
- b. Buildings - \$28,000.00.
- c. Equipment - \$500,000.00
- d. Covenant not to compete - \$10,000.00
- e. Goodwill/station licenses - \$2,662,000.00.

2.2 Payment of Purchase Price. Buyer shall pay Seller the Purchase Price as follows:

- a. One Hundred Thousand Dollars (\$100,000.00) (the "Earnest Money Deposit") on January 2, 2017; and
- b. The balance of the purchase price shall be paid by Buyer to Seller as follows:
  - i. The sum of Two Million Two Hundred Fifty Thousand Dollars (\$2,500,000.00) in cash or other immediately available funds at Closing; and
  - ii. The balance of the purchase price (\$750,000.00) in the form of a Promissory Note (the "Note") executed by Buyer and all of its owners personally in the form attached hereto as Exhibit B and incorporated herein. To secure payment of the Note, Buyer shall also execute a Security Agreement (Exhibit C) granting a subordinated security interest in the assets of the Business, and a Default Option Agreement (Exhibit D) both of which are attached to this Agreement and incorporated herein. Additionally, Buyer's individual owners, Nancy Nedved and Steve Nedved, shall procure term life insurance with a death benefit of \$750,000.00 each and assign it to Seller pursuant to the Assignment of

Life Insurance Proceeds as Collateral attached as Exhibit E, attached hereto and incorporated herein; and

- iii. To assist Buyer with financing, Seller and its individual members also agree to guaranty a total of \$250,000 of Buyer's debt with First Dakota National Bank until the Note is paid or five years from the Closing, whichever occurs first. In exchange for this guaranty, Buyer will pay Seller a fee of \$300 per month until the guaranty is fully and finally released by First Dakota National Bank as to both Seller and Seller's individual members.

2.3 Programming Agreement. Upon execution of this Agreement, the parties also agree that they will enter into the Programming Agreement to be effective January 1, 2017, to allow Buyer to provide programming services for Riverfront for the Stations. Consistent with FCC rules, control, supervision and direction of the operation of the Stations prior to Closing shall remain the responsibility of Seller as the holder of the FCC Licenses.

2.4 Closing. Assuming FCC Consent has been received, closing of this Agreement shall occur on April 3, 2017, with an effective date of April 1, 2017. If FCC Consent has not been received, this Agreement may be extended by mutual agreement of the parties to May 1, 2017. In the event FCC consent has not been received on or before May 1, 2017, either party may terminate this Agreement and in such event Buyer's Earnest Money Deposit shall be returned to Buyer and neither party shall have any further legal obligations toward each other relating to this Agreement. If this Agreement terminates for any reason prior to Closing, the Programming Agreement between the parties shall also immediately terminate.

- a. Seller's Deliveries. At closing, Seller shall deliver or cause to be delivered to Buyer: (i) proof of Seller's good standing to do business under South Dakota law; (ii) a copy of the resolution of Seller's members authorizing this transaction; (c) an assignment of the FCC licenses; (d) an assignment and assumption of all contracts assumed by Buyer, as well as any required consents; (e) the Seller Bringdown Certificate; (f) a bill of sale conveying all Station Assets to the Buyer; (g) a Warranty Deed for the real estate being conveyed; (h) the executed Engineering Agreement and Non-Compete Agreement; and (i) any other documents or instruments of conveyance, assignment, and transfer as may be reasonably necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of all liens and encumbrances.
- b. Buyer's Deliveries. At closing, Buyer shall deliver or cause to be delivered to Seller: (i) proof of Buyer's good standing to do business under South Dakota law; (ii) a copy of the resolution of Buyer's members authorizing this transaction as well as the execution of the Note, Security Agreement, and Default Option Agreement; (c) partial payment of the purchase price as set forth in Section 2.2(b) of this Agreement; (d) the duly executed Note, Security Agreement, Default Option Agreement, and Assignment of Life Insurance Proceeds; (e) the Buyer Bringdown Certificate; and (f) any other documents and instruments that may be reasonably requested by Seller.

### **Section Three**

#### **Conditions Precedent to the Obligations of the Parties**

3.1 Conditions to Riverfront's Obligation to Close. The obligations of Riverfront to proceed with the Closing are subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Riverfront):

- a. Consideration. Buyer shall have delivered to Riverfront, in accordance with Section 2.2 hereof, the sum of \$2,500,000.00 plus a duly executed Note, Security Agreement, Default Option Agreement, and Assignment of Life Insurance Proceeds.
- b. FCC Consent. FCC consent has been received to transfer the Station Licenses to Buyer.
- c. Buyer's Bringdown. The representations and warranties of Buyer made in this Agreement shall be true and correct in all material respects as of Closing, Buyer shall have performed the obligations to be performed by it under this Agreement at or prior to Closing in all material respects, and Seller shall have received a certificate dated as of the Closing Date from Buyer (executed by an authorized officer) to the effect that the conditions set forth in this Section 3.1(c) have been satisfied (the "Buyer Bringdown Certificate").
- d. Compliance with Agreement. All of the terms, agreements, covenants and conditions of this Agreement to be performed or complied with by the Buyer on or prior to the Closing shall have been duly performed or complied with.
- e. No Obstructive Proceeding.
  - i. No Litigation. No action, suit, investigation, or proceeding shall have been instituted or be pending against any of the parties to this Agreement or any of their Affiliates before any Governmental Authority to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated hereby, which may reasonably be expected to result in (a) a preliminary or permanent injunction against consummating the transactions contemplated hereby or (b) if the transactions contemplated hereby were consummated, an order to nullify or render ineffective this Agreement or such transactions.
  - ii. No Governmental Intervention. Neither of the parties to this Agreement shall have received written notice from any Governmental Authority of: (i) its intention to institute any action or proceeding to restrain or enjoin or nullify or render ineffective this Agreement or the transactions contemplated hereby if consummated, or commence any investigation into the consummation of this Agreement and the transactions contemplated hereby; or (ii) the actual commencement of such an investigation.

- iii. No Order. No order, decree or judgment of any Governmental Authority shall be subsisting against any of the Parties which would render it unlawful or materially restrain or limit the Parties' ability, as of the Closing Date, to effect the transactions contemplated hereunder in accordance with the terms hereof.
- f. Members' Certificates. Buyer shall have delivered a certificate signed by an authorized officer of Buyer, to the effect that the conditions set forth in Sections (c), (d), and (e) have been satisfied.
- g. Secretary's Certificate. Buyer shall have delivered to Riverfront (a) a copy of a resolution of the Members of Buyer authorizing the transactions contemplated hereby, and (b) a certificate of good standing for the State of South Dakota.
- h. Lender Consent. Riverfront's lender shall have consented to the consummation of the transactions contemplated by this Agreement and the other documents delivered in connection with this Agreement and shall have agreed to release its liens on any assets of Riverfront to be transferred to Buyer under the Programming Agreement.
- i. Miscellaneous. Such other documents as Riverfront, or its legal counsel, may reasonably request in order to carry out the purposes of this Agreement.

In the event the Closing does not occur for either Conditions Precedent b, e, or f, Buyer's Earnest Money Deposit shall be returned to Buyer.

3.2. Conditions To Buyer's Obligation To Close. Buyer's obligation to proceed with the Closing is subject to the satisfaction at or prior to the Closing of each of the following conditions (unless waived in writing by Buyer):

- a. Documents. Buyer shall have received from Riverfront all documents necessary to transfer the Station Assets.
- b. FCC Consent. FCC Consent has been received to transfer the Station Licenses from Seller to Buyer.
- c. Accuracy of Representations and Warranties. The representations and warranties made herein by Riverfront shall be true and correct in all material respects when made and on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date and Buyer shall have received a certificate dated as of the Closing Date from Seller (executed by an authorized officer) to the effect that the conditions set forth in this Section 3.1(c) have been satisfied (the "Seller Bringdown Certificate").
- d. Compliance with Agreement. All of the terms, agreements, covenants and conditions of this Agreement to be performed or complied with by Riverfront on or prior to the Closing shall have been duly performed or complied with.

- e. No Obstructive Proceeding.
- i. No Litigation. No action, suit, investigation, or proceeding shall have been instituted or be pending against any of the parties to this Agreement or any of their Affiliates before any Governmental Authority to restrain or prohibit, or to obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated hereby, which may reasonably be expected to result in (a) a preliminary or permanent injunction against consummating the transactions contemplated hereby or (b) if the transactions contemplated hereby were consummated, an order to nullify or render ineffective this Agreement or such transactions.
  - ii. No Governmental Intervention. Neither of the parties to this Agreement shall have received written notice from any Governmental Authority of: (i) its intention to institute any action or proceeding to restrain or enjoin or nullify or render ineffective this Agreement or the transactions contemplated hereby if consummated, or commence any investigation into the consummation of this Agreement and the transactions contemplated hereby; or (ii) the actual commencement of such an investigation.
  - iii. No Order. No order, decree or judgment of any Governmental Authority shall be subsisting against any of the Parties which would render it unlawful or materially restrain or limit the Parties' ability, as of the Closing Date, to effect the transactions contemplated hereunder in accordance with the terms hereof.
- f. Member's Certificate. Riverfront shall have delivered a certificate signed by an authorized member of Riverfront, to the effect that the conditions set forth in (b), (c), and (d) have been satisfied.
- g. Secretary's Certificate. Riverfront shall have delivered to Buyer (a) a copy of a resolution of the Members of Riverfront authorizing the transactions contemplated hereby by Riverfront, and (b) a certificate of good standing or the equivalent thereof for the State of South Dakota.
- h. Release of Lien by Riverfront's Lender. Riverfront's lender shall have agreed to release its liens on any assets of Riverfront to be transferred to Buyer.
- i. Evidence of Clear Title to Real Estate. An owner's policy of title insurance will be furnished showing good and merchantable title in the Seller subject to easements and reservations of record, if any; but so long as such easements or reservations do not prohibit the use of the property as it is currently being utilized. In the event the title insurance policy discloses any defects in the title, Seller shall have a reasonable time in which to cure the same after receiving notice of said defect. The cost of said owner's policy of title insurance shall be shared equally between the parties. The cost of any required lender's policy of title insurance shall be the sole responsibility of Buyer.

- j. Real Property Taxes. All real property taxes and assessments for 2016 due and payable in 2017, and all previously taxes, levies and assessments will be paid by Seller.
- k. Engineering Agreement. Becker Communications, LLC and Buyer entering into the Engineering Agreement attached as Exhibit F.
- m. Miscellaneous. Such other documents as Buyer, or its legal counsel, may reasonably request in order to carry out the purposes of this Agreement.

In the event this transaction does not close for any of the conditions set forth in 3.2.a. through k. above, Buyer's Earnest Money Deposit shall be returned to Buyer.

## **Section Four Covenants of Parties**

4.1 No Implied Representations or Warranties. Buyer acknowledges that neither Riverfront nor any of its officers, members, directors, employees, affiliates or representatives is making any representation or warranty whatsoever, whether express or implied, regarding the Stations, the Assets, or the transactions that are the subject of this Agreement, except that Riverfront is making the representations and warranties of Riverfront explicitly set forth in this Agreement. Subject to the foregoing, the rights or assets being acquired by Buyer at the closing as a result of this Agreement shall be acquired by Buyer on an "AS IS, WHERE IS" basis. Any implied warranty of merchantability, suitability or fitness for a particular purpose or quality or as to condition or workmanship or as to enforceability or validity of any contract is hereby disclaimed by Riverfront. Riverfront expressly disclaims all warranties other than those contained in this Agreement. This disclaimer includes, but is not limited to, all implied warranties of merchantability and fitness for a particular purpose.

4.2 Disclosure Supplements. Prior to the Closing, Riverfront may supplement or amend the schedules delivered in connection with this Agreement with respect to any matter that, if existing or occurring at or prior to the date of this Agreement, would have been required to be set forth or described in such schedule or that is necessary to correct any information in such schedules that has been rendered inaccurate by an event occurring after the date hereof. No such disclosure made pursuant to this Section shall be considered to constitute or give rise to a waiver by Buyer of any conditions set forth herein; provided, however, that if the Closing occurs, Buyer shall be deemed to have waived any right or claim it may otherwise have or have had on account of any matter so disclosed in such supplement or amendment.

4.3 Announcements. Prior to Closing, neither party shall, without the prior written consent of the other party, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except as may be required by applicable law. The parties shall cooperate to agree upon a mutually acceptable time and manner to notify Seller's employees of the pending transaction following execution of this Agreement. The parties acknowledge, however, that this Agreement and the terms of this Agreement will be filed with the FCC Application and thereby become public.

4.4 Buyer's Post-Closing Obligations. Post-closing, Buyer agrees that it will carry programming from Your Ag Network, Inc. as requested by Seller until Buyer has paid off the balance of the purchase price as set forth in Section Two of this Agreement. Additionally, Buyer agrees to carry an extra minute of Westwood One on Station Q107 for one year commencing April 1, 2017, in light of Seller's Yankton stations carrying an extra minute for Buyer.

## **Section Five Representations and Warranties of Riverfront**

Riverfront represents and warrants to Buyer as follows (for purposes of this Agreement, the term "knowledge" or "known" when used with regard to Riverfront means the actual knowledge of any or all of the following: Carolyn Becker and/or Doyle Becker, on the date hereof and until the Closing or termination of the Option Agreement):

5.1. Organization and Standing. Riverfront is duly organized, validly existing and in good standing under South Dakota law. Riverfront has full power and authority to operate the Stations and to perform all obligations required to be performed by it under this Agreement and to consummate the transactions contemplated by this Agreement.

5.2. Authorization and Binding Obligations. The execution, delivery and performance by Riverfront of this Agreement and the instruments contemplated hereby have been duly and validly authorized by all necessary corporate actions and constitute valid and binding agreements of Riverfront enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

5.3. No Contravention; Consents.

- a. The execution, delivery and performance of this Agreement and the other documents to be executed in connection with this Agreement, the consummation of the transactions contemplated by this Agreement do not: (i) conflict with or violate any provisions of the operating agreement of Riverfront; (ii) assuming receipt of the consents and waivers referred to in (b) below, result in the breach of, constitute a default under, conflict with or result in the termination or alteration of, the provisions of any agreement or other instrument to which Riverfront is a party or by which the property of Riverfront is bound or affected; or (iii) violate or conflict with any material laws, regulations, orders, writs, injunctions, decrees or judgments applicable to Riverfront with respect to the Stations.
- b. Except as to consent required from the FCC to transfer the license, no consent, waiver, authorization or approval from, or filing of any notice or report with, any Governmental Authority or other Person is necessary in connection with the

execution, delivery or performance by Riverfront of this Agreement or any of the documents or transactions contemplated hereby.

5.4. Litigation; Violations. Except for administrative rulemaking or other proceedings of general applicability to the broadcast industry: (a) there is no proceeding of any nature pending or, to the best of Riverfront's knowledge, threatened against Riverfront that could impact its ability to perform under this Agreement; and (b) no writ, decree, or similar instrument has been rendered or is pending against Riverfront or its subsidiaries which would materially and adversely affect the Riverfront's ability to perform under this Agreement.

5.5. Taxes. Riverfront has filed or caused to be filed all returns, declarations of estimated taxes, reports, statements and information statements ("Tax Returns") required to be filed by Riverfront with any taxing authority prior to the date hereof with respect to Riverfront's operation of the Stations, and any such Tax Returns required to be filed after the date hereof but prior to Closing will be filed on or prior to Closing. Riverfront has paid or caused to be paid all Taxes due and payable prior to the date hereof by Riverfront with respect to Riverfront's operation of the Stations, and any such Taxes of Riverfront required to be paid after the date hereof but prior to Closing will be paid on or prior to Closing, excepting such taxes, assessments, and other levies as will not be due until on or after the Closing Date or that are to be prorated between Riverfront and Buyer pursuant to the Programming Agreement. Except with respect to a sales tax audit currently being conducted by the State of South Dakota, no federal, state, local or foreign audits or other administrative or court proceedings are presently pending with regard to any Tax Returns or Taxes of Riverfront relating to Riverfront's operation of the Stations, and Riverfront has not received written notice from any governmental authority of the expected commencement of such proceedings. Riverfront acknowledges that it is fully responsible for any taxes, assessments, or penalties assessed by the South Dakota Department of Revenue related to operation of the Stations prior to closing. Riverfront is not a "foreign person" within the meaning of Section 1445(b)(2) of the Internal Revenue Code.

5.6. Environmental. Riverfront represents and warrants that: (i) all activities of Riverfront with respect to the operation of the Stations have been and are being conducted in material compliance with all Environmental Laws; (ii) Riverfront has not Released any Hazardous Material on, in, from or onto any of the Stations' transmitter sites, except in accordance with Environmental Laws; and (iii) to Riverfront's knowledge, there has never been any investigations, reports, or violations involving the real property by any governmental authority pertaining to toxic or Hazardous Materials or hazardous substances. Seller has not received any notice, order, claim, demand, or citation from any environmental or health agency or department having jurisdiction with respect to the real property or Seller pertaining to toxic or hazardous materials or hazardous substances. As used herein, (i) the term "Environmental Laws" shall mean any and all state, federal, and local statutes, regulations and ordinances relating to the protection of human health and the environment, (ii) the term "Hazardous Material" shall mean any hazardous or toxic substance, material, or waste including, without limitation, those substances, materials, pollutants, contaminants and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 C.F.R. § 172.101) or by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto), petroleum products (as defined in Title I to the Resource Conservation and Recovery Act, 42 U.S.C. § 6991-6991(i)) and their derivatives, and such other substances, materials, pollutants, contaminants and wastes as become regulated or subject to cleanup authority under any Environmental Laws, and (iii) the term

“Released” shall have the meaning set forth in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. (“CERCLA”).

5.7. Compliance with Decrees and Laws. There is not outstanding or, to the knowledge of Riverfront, threatened, any order, writ, injunction or decree of any court, governmental agency or arbitration tribunal against or involving Riverfront that would impact Riverfront’s ability to perform all of its obligations under this Agreement.

5.8. FCC License. Riverfront is the holder of the FCC Licenses as listed in Schedule 1.1(a) with regular unconditional renewals of the licenses having been granted for the full license term. The FCC Licenses constitute all of the licenses and authorizations required for and/or used in the operation of the Stations as now operated, and the FCC Licenses are in full force and effect and unimpaired by any act or omission of Riverfront, or its officers, directors, employees or agents. There is not now pending, or to the knowledge of Riverfront threatened, any action by or before the Commission to revoke, cancel, rescind, modify or refuse to renew in the ordinary course any of the FCC Licenses, or any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability or of Forfeiture, or material complaint against Seller. In the event of any such action, or the filing or issuance of any such order, notice or complaint, or knowledge of the threat thereof, Riverfront shall notify Buyer of same in writing within five (5) business days, and shall take all reasonable measures to contest in good faith or seek removal or rescission of such action, order, notice or complaint,. All material reports, forms, and statements required to be filed by Riverfront with the FCC with respect to the Stations have been filed and are complete and accurate in all material respects. The Stations are operating in accordance with their respective FCC Licenses, and in material compliance with the Communications Act of 1934, as amended, and the FCC’s Rules. Should the Licenses be deficient in any manner with FCC rules or regulations, including its public inspection files, Seller may either correct the deficiencies if possible or terminate this Agreement and return Buyer’s Earnest Money Deposit, in Seller’s sole and absolute discretion.

5.9. Employment Matters. Seller is not a party to any representation or labor contract. Seller is not delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed by them to the date hereof or amounts required to be reimbursed to such employees; (ii) in the event of termination of the employment of any said employees, Seller will not, by reason of anything done prior to the Closing Date, be liable to any of said employees for so-called “severance pay” or any other payments; (iii) Seller is in compliance with all Federal, state and local laws and regulations respecting labor, employment and wages and hours; and (iv) there is no unfair labor practice complaint against Seller pending before the National Labor Relations Board or any comparable state or local agency.

5.10. Compliance. The use, operation and sale of the Property shown on Schedule 1.1(d) is, in all material respects, in compliance with applicable building codes, environmental, zoning, subdivision, and land use laws, and other applicable local, state and federal laws and regulations. Seller has received no notice from any private party or governmental authority advising Seller of or alleging a violation of any law or regulation referenced in this paragraph. Except as disclosed to Buyer in writing, Seller has now knowledge of any legal proceedings or actions of any kind (including without limitation, any condemnation, environmental, zoning or other land-use regulation proceeding), either instituted or planned to be instituted, which would

affect the Property or Seller's interest therein in any material respect, nor has Seller any knowledge of any assessments affecting the Property.

5.12 Title. Seller is the sole owner of the Property listed in Schedule 1.1(d) and at Closing will have good, valid and marketable title to the Property free and clear of all liens, encumbrances, rights, reservations, easements and other exceptions except of record. Without limiting the foregoing, there are no federal, state or local tax liens encumbering Seller's interest in the Property other than non-delinquent real estate taxes and assessments.

## **Section Six Representations and Warranties of Buyer**

Buyer represents, warrants and covenants to Riverfront that (for purposes of this Agreement, the term "knowledge" or "known" when used with regard to Buyer means the actual knowledge of Nancy Nedved or Steve Nedved on the date hereof and until the Closing or termination of the Option Agreement):

6.1. Organization and Standing. Buyer is duly organized, validly existing and in good standing under the laws of South Dakota. Buyer has full power and authority to own its properties and to transact the business in which it is currently engaged and to perform the obligations required to be performed by it under this Agreement and to consummate the transactions contemplated hereby.

6.2. Authorization and Binding Obligations. The execution, delivery and performance of this Agreement and the instruments contemplated by this Agreement have been duly and validly authorized by Buyer and constitute valid and binding agreements of Buyer enforceable in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other laws relating to or affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

6.3. No Contravention. The execution, delivery and performance of this Agreement and the other documents to be executed in connection with this Agreement, the consummation of the transactions contemplated hereby and thereby and the compliance with the provisions hereof and thereof by Buyer do not and will not, after the giving of notice, or the lapse of time, or otherwise: (i) conflict with or violate any provisions of the organization documents of Buyer; (ii) result in the breach of, conflict with, or constitute a default under, the provisions of any agreement or other instrument to which Buyer is a party or by which the property of Buyer is bound or affected; or (iii) violate or conflict with any laws, regulations, orders, writs, decrees, injunctions or judgments applicable to Buyer, including FCC regulations, or require any partner consent or consent under applicable law.

6.4. Litigation. Except for administrative rulemaking or other proceedings of general applicability to the broadcast industry, there is no proceeding or investigation of any nature pending or, to the best of Buyer's knowledge, threatened against or affecting Buyer that would adversely affect Riverfront, the Stations or Buyer's ability to consummate the transactions contemplated in this Agreement.

6.5. Financial Qualification and Ownership. Buyer is financially qualified to perform all obligations under this Agreement. Buyer has, or will have as of the Closing, available funds on hand and firm commitment letters from financial lenders for amounts sufficient to assure the availability and payment of the Purchase Price and any and all other amounts which Buyer will be obligated to pay to Riverfront under this Agreement or the Programming Agreement on or before the Closing. Buyer acknowledges and agrees that its obligations to consummate the transactions under this Agreement are not conditioned on obtaining financing. Buyer further represents that Buyer and its owners are legally, financially, and otherwise qualified to hold the FCC Licenses under the Communications Act and the rules, regulations, and policies of the FCC.

## **Section Seven Survival; Indemnification**

7.1. Survival. The several representations, warranties and covenants of the Parties contained in this Agreement shall be deemed to have been made on the date of this Agreement and on the Closing Date, shall survive the Closing Date and shall remain operative and in full force and effect for a period of twelve (12) months after the Closing, except that each Party's obligations under the Programming Agreement shall survive in accordance with the Programming Agreements terms (each an "Indemnification Cut-Off Date"). The Indemnification Cut-Off Date of any representation, warranty, covenant or agreement as provided in this Section 7.1 shall not affect the rights of a party in respect of any indemnification claim made by such party in writing prior to the Indemnification Cut-Off Date, and indemnification claims made after such Indemnification Cut-Off Date shall be barred.

7.2. Riverfront's Indemnification. After the Closing, and subject to this Section 7.2, Riverfront agrees to indemnify, defend and hold Buyer harmless from and against: any and all liabilities, actions, suits, proceedings, demands, assessments, judgments, costs and expenses (including reasonable legal and other expenses incident thereto) (collectively, "Losses") resulting from causes of action or claims of any kind (excluding any and all claims and liabilities arising or resulting from a breach of any of Buyer's agreements or warranties hereunder or from an inaccuracy in any of Buyer's representations hereunder) arising from (a) any untrue representation, breach of warranty, or nonfulfillment of any covenant by Riverfront contained herein, or (b) Riverfront's liabilities regarding operation of the Stations prior to and including the Closing Date other than the Assumed Liabilities. Notwithstanding the foregoing, the amount of any Loss for which indemnification is to be provided shall be reduced by the sum of: (i) any amounts recovered or recoverable by the indemnitee under insurance policies with respect to such Loss; and (ii) any net Tax benefits realizable by the indemnitee as a result of such Loss or the circumstances giving rise thereto. Any such insurance amounts or Tax benefits that may be received or realized by the indemnitee after indemnification for the Loss has been paid to it by the indemnitor shall be paid by the indemnitee to the indemnitor promptly upon receipt thereof.

a. Limitation of Riverfront Indemnification. Notwithstanding anything herein to the contrary:

- (i) Buyer shall not be entitled to indemnification for Losses in respect of claims made pursuant to clause (a) of Section 7.2 unless the total of all Losses in respect of such claims made by Riverfront shall exceed Twenty-

five Thousand Dollars (\$25,000.00) in the aggregate (the “Riverfront Deductible”), whereupon only such Losses in respect of such claims above such amount shall be recoverable by Buyer in accordance with the terms hereof;

- (ii) The maximum aggregate amount payable to Buyer for all Losses in respect of all claims made by Riverfront under Section 7.2 shall not exceed Three Hundred Fifty Thousand Dollars (\$350,000.00) in the aggregate (the “Riverfront Cap”);
- (iii) Riverfront shall not be obligated to provide indemnification with respect to any claim made by Buyer after the applicable Indemnification Cut Off Date;
- (iv) Riverfront shall not be liable for Losses under Section 7.2 resulting from any breach of representation, warranty or covenant with respect to which Buyer or any of its employees or agents had timely, actual knowledge at least five (5) days prior to the Closing of such breach or that the breach was threatened or for any actions or losses caused by Buyer while it was providing programming for the Stations pursuant to the Programming Agreement; and
- (v) Any liability for indemnification under Section 7.2 shall be determined without duplication of recovery by reason of the state of facts giving rise to such liability constituting a breach of more than one representation, warranty or covenant. Riverfront shall not in any event be liable under this Section 7.2, and no claim for indemnification may in any event be asserted against Riverfront under this Section 7.2, for any punitive, incidental or consequential damages by reason of a breach of any representation, warranty, covenant or indemnity contained herein.

7.3 Buyer’s Indemnification. After the Closing, Buyer agrees to indemnify, defend and hold Riverfront harmless from and against any and all Losses resulting from causes of action or claims of any kind (excluding any and all claims and liabilities arising or resulting from a breach of any of Riverfront’s agreements and warranties hereunder or from any inaccuracy in any of Riverfront’s representations hereunder) arising from (a) any untrue representation, breach of warranty, or nonfulfillment of any covenant by Buyer contained herein, (b) Buyer’s liabilities and obligations regarding the operation of the Stations after the Closing Date or under the Programming Agreement, or (c) the Assumed Liabilities and any and all liabilities and obligations of Buyer before and after the Closing.

- a. Limitation of Buyer’s Indemnification. Notwithstanding anything herein to the contrary:
  - i. Riverfront shall not be entitled to indemnification for Losses in respect of claims made pursuant to clause (a) of Section 7.3 unless the total of all Losses in respect of such claims made by Riverfront shall exceed Twenty-

five Thousand Dollars (\$25,000.00) in the aggregate (the “Buyer Deductible”), whereupon only such Losses in respect of such claims above such amount shall be recoverable by Riverfront in accordance with the terms hereof;

- ii. Buyer shall not be obligated to provide indemnification hereunder with respect to any claim made by Riverfront after the applicable Indemnification Cut Off Date.
- iii. Buyer shall not be liable for Losses under Section 7.3 resulting from any breach of representation, warranty or covenant with respect to which Riverfront had timely, actual knowledge at least five (5) days prior to the Closing of such breach or that the breach was threatened; and
- iv. Any liability for indemnification under Section 7.3 shall be determined without duplication of recovery by reason of the state of facts giving rise to such liability constituting a breach of more than one representation, warranty or covenant. Buyer shall not in any event be liable under this Section 6.3, and no claim for indemnification may in any event be asserted against Buyer under this Section 6.3, for any punitive, incidental or consequential damages by reason of a breach of any representation, warranty, covenant or indemnity contained herein.

7.4 Exclusive Remedy. After the Closing, except for the rights and remedies of the parties under the Programming Agreement, the exclusive remedy of the Parties with respect to any claim of the type described in Sections 7.2 and 7.3 shall be a claim for indemnification pursuant to the terms and conditions of this Section.

## **Section Eight Default; Termination**

8.1. Default and Cure. If prior to Closing either Party believes the other party to be in material breach or default of its representations, warranties, covenants or obligations hereunder, or in material default under the Programming Agreement, the non-defaulting party may provide the defaulting party with notice specifying in reasonable detail the nature of such breach or default. If such breach or default cannot be cured, or has not been cured, by the earlier of (i) the Closing Date or (ii) within fifteen (15) calendar days after delivery of such notice, then the non-defaulting party giving such notice may (x) terminate this Agreement subject to and in accordance with Section 8.2 below or (y) extend the Closing Date by ten (10) business days to permit such cure (but no such extension shall constitute a waiver of the non-defaulting party’s right to terminate as a result of such default). Such rights are contingent upon the giving of such notice. Notwithstanding the foregoing, no such cure period shall apply or be required in the event the breach or default is Buyer’s failure to timely pay the Purchase Price as set out in Section 2.2 of this Agreement.

8.2. Termination. This Agreement may be terminated at any time prior to Closing as follows:

- a. Mutual Consent. This Agreement may be terminated by mutual written consent of the parties.
- b. Riverfront. This Agreement may be terminated on notice by Riverfront (i) pursuant to Section 8.1 hereof provided Riverfront is not then in material breach of this Agreement, or (ii) if both the Riverfront and Buyer agree that any condition set forth in Sections 3.1 or 3.2 cannot be met and has not been waived.
- c. Buyer. This Agreement may be terminated on notice by Buyer (i) pursuant to Section 8.1 hereof provided Buyer is not then in material breach of this Agreement, or (ii) if both the Riverfront and Buyer agree that any condition set forth in Sections 3.1 or 3.2 cannot be met and has not been waived.
- d. FCC Denial. By written notice from Buyer to Seller, or from Seller to Buyer, if the FCC denies the FCC Application.
- e. Passage of Time. This Agreement will terminate automatically, unless extended by mutual agreement of the Parties hereto, if Closing does not occur on or before June 1, 2017, provided that at that time, neither party is in material breach of any provision of this Agreement.

8.3. Effect of Termination. In the event of termination of this Agreement pursuant to Section 8.2, this Agreement shall forthwith become void and the parties shall be released and discharged from any further obligation hereunder except that (i) the agreements, rights and obligations contained in this Article Eight (Termination) and Articles Nine (Confidentiality) and Ten (Miscellaneous) hereof shall survive the termination hereof, and (ii) a party in breach under this Agreement as of the time of such termination shall not be released from liability for such breach. Upon termination of this Agreement, Programming Agreement shall also terminate. In the event of a termination due to Seller's default or the failure to obtain FCC Consent, the Earnest Money Deposit shall be returned to Buyer.

## **Section Nine Confidentiality**

9.1 Maintenance of Confidentiality. In addition to the rights and obligations of Buyer under that certain Confidentiality Agreement, dated as of June 27, 2016, (the "Confidentiality Agreement"), the parties also agree that they shall at all times prior to and for one (1) year after the Closing maintain confidential and not use for any purpose other than the operation of the Stations, any information relating to this transaction, the Stations, and the other confidential and proprietary information of the other party (other than information in the public domain not as the result of a breach of this Agreement), except: (i) for disclosure to authorized representatives of a party, provided that any such person shall agree to maintain confidential any such information; (ii) as reasonably necessary to the performance of this Agreement; (iii) as authorized in writing by the other party; or (iv) to the extent that disclosure is required by law or the order of any governmental authority under color of law; provided, that, prior to disclosing any information pursuant to this clause (iv), the party from whom disclosure is requested shall have given reasonable prior written notice thereof to the other party and provided such party with the

opportunity to contest such disclosure at such party's expense. Neither party shall issue any press releases or communications to the press or general public relating to the transactions contemplated by this Agreement or the terms or existence of this Agreement, without the prior written approval of the other party. The parties agree that to the extent the provisions of this Section Nine conflict with the Confidentiality Agreement, the provisions of the Confidentiality Agreement shall control.

## **Section Ten Miscellaneous**

10.1 Costs, Expenses. Each party will be responsible for and bear all of its own costs and expenses (including any expenses of its representatives) incurred at any time in connection with pursuing or consummating the transactions contemplated by this Agreement.

10.2 Taxes. The payment of all sales, use, transfer or similar Taxes, documentation stamps, or other charges imposed by any and all Governmental Authorities (excluding any income or gain Taxes) with respect to the option assignment hereunder and the other transactions anticipated hereby shall be the responsibility of the party required by law to pay any such taxes, or if not specified by law, such shall be paid pursuant to custom in a transaction of this nature; or if no custom, then equally divided between the parties.

10.3 Further Assurances. Each Party shall, from time to time, upon the request of the other Party, execute, acknowledge and deliver to the other party such other documents or instruments, and take any and all actions as are reasonably necessary for the implementation and consummation of the transactions contemplated by this Agreement.

10.4 Notices. Any notice, request, demand or consent required or permitted to be given under this Agreement shall be in writing and shall be effective when transmitted and confirmation of receipt is obtained for facsimile transmissions; when delivered personally; one (1) Business Day after sent by recognized overnight courier; and five (5) calendar days after sent by mail, first class, postage prepaid; in each case to the following address or telephone number, as applicable:

If to Buyer to:                   Nedved Media LLC  
\_\_\_\_\_  
\_\_\_\_\_

With a copy to:                   MorganTheeler LLP  
Attn: Trudy A. Morgan  
1718 North Sanborn Blvd., P.O. Box 1025  
Mitchell, SD 57301  
Fax: (605) 996-6129

If to Riverfront to: Riverfront Broadcasting, LLC  
3008 Mulligan Drive  
Yankton, SD 57078  
Attention: Carolyn L. Becker

With a copy to: Johnson, Miner, Marlow, Woodward & Huff, Prof. LLC  
Attn: Sheila Woodward  
200 West Third Street  
PO Box 667  
Yankton, SD 57078  
Fax: (605) 665-4788

or at such other address as either party shall specify by notice to the other.

10.5 Amendment. This Agreement may not be amended, modified or changed orally, but only in writing signed by the party against whom enforcement of any amendment, modification, change, waiver, extension or discharge is sought.

10.6 Binding Effect and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their successors and permitted assigns. Neither this Agreement nor any obligation hereunder shall be assignable by either Party except with the prior written consent of the other Party.

10.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which taken together shall constitute one agreement.

10.8 Electronic Execution. The exchange of copies of this Agreement and of signature pages by facsimile transmission or by electronic transmission in PDF format 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 transmission or by electronic transmission in PDF format shall be deemed to be their original signatures for all purposes. At the request of any party, any facsimile or electronic document shall be re-executed in original form by the parties who executed the facsimile or electronic document.

10.9 Exhibits, Schedules and Appendices. The Exhibits, Schedules and Appendices attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall control.

10.10 Governing Law. This Agreement, and the rights and obligations of Riverfront and Buyer hereunder, shall be governed by and construed in accordance with the laws of the State of South Dakota applicable to contracts made and to be performed therein.

10.11 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance, is held invalid, such invalidity shall not affect any other provision that

can be given effect without the invalid provision or application. Any such invalid provision shall be given effect to the extent possible or shall be reformed so as to make it enforceable and valid while preserving the original intent of the Parties.

10.12 Third Party Rights. Neither Buyer nor Riverfront assumes any duty hereunder to any other person or entity, and this Agreement shall operate exclusively for the benefit of the parties hereto and their respective affiliated corporations and not for the benefit of any other person or entity.

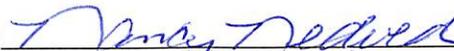
10.13 Time of Essence. Time is of the essence in the performance of this Agreement.

10.14 Drafting Ambiguities. Each party to this Agreement and its counsel have reviewed and revised this Agreement. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or of any amendments, schedules, appendices or exhibits to this Agreement.

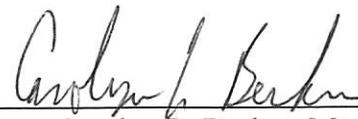
10.15 Entire Agreement. This Agreement, the Confidentiality Agreement, and the Exhibits, Schedules and Appendices hereto constitute the entire contract between the parties hereto pertaining to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings between the parties with respect to such subject matter.

IN WITNESS WHEREOF, each party has caused this Agreement to be duly executed and delivered in its name and on its behalf, all as of the date and year first above written.

Buyer: NEDVED MEDIA, LLC

By:   
NAME: NANCY NEDVED, NEDVED MEDIA

Riverfront: RIVERFRONT BROADCASTING LLC

By:   
Name: Carolyn L. Becker, Managing Member

## Appendix I

### Defined Terms

“Agreement” means this Sale Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

“FCC” means the Federal Communications Commission.

“Governmental Authority” means any court or federal, state, municipal or other governmental authority, department, commission, board, agency or instrumentality, foreign or domestic.

“Parties” shall mean the parties to this Agreement set forth in the recitals hereto and their successors and permitted assignees.

“Person” shall mean any natural person, corporation, partnership, limited liability company, firm, joint venture, joint-stock company, trust, association, unincorporated entity of any kind, trust, governmental or regulatory body or other entity.

“Stations” has the meaning set forth in the recitals hereto.

“Tax” or “Taxes” means all federal, state, local, foreign and other taxes of a Governmental Authority or other similar governmental charges.

**Other Definition Provisions.** The masculine form of words includes the feminine and the neuter and vice versa, and, unless the context otherwise requires, the singular form of words includes the plural and vice versa. The words “herein,” “hereof,” “hereunder” and other words of similar import when used in this Agreement refer to this Agreement as a whole, and not to any particular section or subsection.