

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (the "Pledge Agreement"), made this ____ day of _____, 2002, by and between Randy K. Holland ("Lender") and Donald A. Nordin, whose address is 2501 13th Avenue Southwest, Suite 203, Fargo, North Dakota 58103 ("Pledgor").

WITNESSETH:

WHEREAS, Pledgor, is indebted to Lender in the aggregate principal amount of Two Hundred Twenty-Eight Thousand Five Hundred Dollars (\$228,500), as evidenced by a certain Promissory Note (the "Note") of even date herewith, such Note made by Pledgor and payable to the order of Lender in the original principal amount of Two Hundred Twenty-Eight Thousand Five Hundred Dollars (\$228,500); and

WHEREAS, the Note has been made by Pledgor to Lender in connection with the sale by Lender to Pledgor of 25% of the Membership Interests of Randy K. Holland Investment, LLC (the "Company"), licensee of radio station KGBZ-FM, Harwood, North Dakota;

WHEREAS, in order to induce Lender to issue the Note, Pledgor has agreed to pledge all of its right, title and interest in the Company to Lender as security for Pledgor's obligations as evidenced by the Note and to the full extent set forth therein, on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the premises, the parties agree as follows:

1. **PLEDGE.** To secure Pledgor's obligations under the Note, Pledgor hereby pledges, transfers and assigns to Lender, and grants to Lender a first priority security interest in Pledgor's membership interest units of the Company as specifically identified on Schedule A hereto, together with all proceeds thereof and all distributions with respect thereto (all of the foregoing being collectively referred to herein as the "Collateral").

2. **REPRESENTATIONS AND WARRANTIES.** Pledgor hereby represents and warrants as follows:

(a) the Collateral is legally and equitably owned by Pledgor free and clear of any and all liens, security interests, claims, charges and other encumbrances whatsoever;

(b) that the Collateral constitutes twenty five percent (25%) of the membership interests of the Company;

(c) that upon filing of a Financing Statement in the appropriate filing office with respect to the Collateral, this Pledge Agreement will constitute a valid and perfected security interest in the Collateral, securing Pledgor's obligations hereunder for the benefit of Lender; and

(d) that Pledgor has the right to vote, pledge and grant a security interest in the Collateral as provided by this Pledge Agreement.

3. COVENANTS. So long as Pledgor remains obligated to Lender under the Note, Pledgor covenants and agrees that Pledgor will:

(a) not permit any issuance of additional membership interests of the Company, nor enter into any option, warrant, or agreement for purchase or sale with respect to the Company or its membership interests;

(b) defend all right and title to the Collateral against any and all claims and demands whatsoever;

(c) on demand of Lender to do the following: furnish further assurance of title, execute any written agreement and do all other acts necessary to effectuate the intent, purposes and provisions of this Pledge Agreement, execute any instrument or statement required by law or otherwise in order to perfect, continue or terminate the security interest of Lender in the Collateral and pay all filing or other costs incurred in connection therewith;

(d) unless otherwise required or agreed to in writing by Lender, retain legal and beneficial ownership of the Collateral and not to sell, exchange, assign, loan, deliver, mortgage or otherwise encumber or dispose of the Collateral or any portion thereof without the prior written consent of Lender; and

(e) keep the Collateral free and clear of all liens, charges, encumbrances, taxes and assessments (except as permitted herein), and to pay when due all taxes, payments and/or assessments in any way relating to the Collateral or any part thereof.

4. EVENTS OF DEFAULT. For purposes of this Pledge Agreement, each of the following shall constitute an "Event of Default" hereunder:

(a) if the Pledgor shall fail to pay or cause to be paid any sum due under the Note according to its terms;

(b) if Pledgor fails to comply with or perform any provision of this Pledge Agreement, or any Event of Default shall occur hereunder;

(c) if any representation or warranty made or given by Pledgor in connection with this Pledge Agreement shall prove to have been incorrect or misleading or breached in any material respect on or as of the date when made (or remade);

(d) if all or any part of the Collateral is subject to levy of execution or other judicial process; and

(e) if Pledgor suffers or permits any act which imperils the prospect of full performance or satisfaction of the Pledgor's obligations under the Note.

5. **REMEDIES UPON DEFAULT.** Upon the occurrence of any Event of Default and at the option of Lender, Lender may effect any or all of the remedies set forth below. Lender's remedies include the following:

(a) Lender shall have all of the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds thereof as are afforded to Lender by the applicable sections of the Uniform Commercial Code in effect in the State of North Dakota (as the same may be amended from time to time, the "UCC").

(b) Without limiting the scope of the foregoing clause (a), it is expressly understood and agreed that:

(i) Lender shall have the right to sell, resell, assign, and deliver the Collateral for sale, provided: that only such portion of the Pledgor's Collateral as is necessary to satisfy the obligations arising under the Note may be sold by Lender. Lender will give Pledgor at least ten (10) days' prior written notice by registered or certified mail (at the address of Pledgor set forth above) of the time and place of any sale of the Collateral or the time after which any private sale or any other intended disposition of the Collateral is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the UCC) that reasonable notification be given of the time and place of such sale or other disposition. Such notice may be given without any demand for performance or other demand, all such demands being hereby expressly waived by Pledgor.

(ii) In the event of any such sale or sales, the Collateral so purchased shall be held by the purchaser absolutely free from any and all claims or rights of Pledgor of every kind and nature whatsoever, including without limitation any equity of redemption or similar rights, all such equity of redemption and similar rights being hereby expressly waived and released by Pledgor. The proceeds of the sale of any Collateral, together with any other additional collateral security at the time received and held hereunder, shall be received and applied: first, to the payment of all costs and expenses of sale, including reasonable attorneys' fees; second, to the payment of the obligations of Pledgor under the Note, in such order of priority as Lender shall determine; and third, any remaining proceeds shall be paid to Pledgor, unless otherwise provided by law or directed by a court of competent jurisdiction.

(iii) Pledgor recognizes that Lender may be unable to effect a public sale of all or any part of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Securities Act"), or other applicable laws, rules or regulations, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will, among other things, be obliged to agree to acquire the Collateral or any part thereof for their own account, for investment and not with a view to the distribution or resale thereof. Pledgor agrees that private sales so made may

be at prices and on terms less favorable than if the Collateral were sold at public sales, and that Lender has no obligation to delay the sale of any Collateral for the period of time necessary to permit the Collateral to be registered for public sale under the Securities Act or any other applicable law, rule or regulation. Pledgor agrees that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner.

(c) The Lender's rights hereunder are subject to all applicable rules and regulations of the Federal Communications Commission ("FCC"). The Lender will not take any action pursuant to this Pledge Agreement which would constitute or result in any assignment of an FCC license or transfer of control of an FCC licensee, whether de jure or de facto, if such assignment or transfer of control would require under then existing law (including the written rules and regulations promulgated by the FCC), the prior approval of the FCC, without first obtaining such approval. The Lender specifically agrees that (a) voting rights in the ownership interests of the Company will remain with the holders thereof even in an Event of Default unless any required prior consent of the FCC shall first be obtained to the transfer of such voting rights; (b) in an Event of Default, there will be either a public or private arm's-length sale of the ownership interests of the Company; and (c) prior to the exercise of member or other equityholder rights by a purchaser at such sale, the prior consent of the FCC, pursuant to 47 U.S.C. §310(d), in each case only if required, will be obtained prior to such exercise. Pledgor agrees to take any action which the Lender may reasonably request in order to cause the Lender to obtain and enjoy the full rights and benefits granted to the Lender by this Agreement, including specifically, at the cost and expense of the Pledgor, the use of its best efforts to assist in obtaining approval of the FCC or other governmental authority for any action or transaction contemplated by this Pledge Agreement which is then required by law, and specifically, without limitation, upon request following an Event of Default, to prepare, sign and file (or cause to be filed) with the FCC or such other governmental authority the assignor's transferor's or controlling person's portion of any application or applications for consent to (i) the assignment of any FCC license or the transfer of control of the licensee of an FCC license, (ii) any sale or sales of property constituting any Collateral by or on behalf of the Lender or (iii) any assumption by the Lender or its designees of voting rights or management rights in property constituting any Collateral effected in accordance with the terms of this Pledge Agreement.

(d) Without limiting any of the rights granted to Lender elsewhere in this Pledge Agreement, and solely to the extent permitted by the rules, regulations and policies of the FCC, if applicable, Lender shall be entitled to (i) exercise the voting power appurtenant to the Collateral, (ii) receive and retain as collateral security for the Note any and all distributions at any time or from time to time declared or made upon any of the Collateral (all distributions payable in respect of the Collateral which are received by the Pledgor after the occurrence of an Event of Default shall be paid directly to Lender and, if received by Pledgor, shall be received in trust for the benefit of Lender, shall be segregated from other funds of Pledgor and shall be immediately paid over to Lender as Collateral in the same form as received, with any necessary endorsements), and (iii) exercise any and all rights of payment, conversion, exchange, subscription or other rights, privileges or options appurtenant to the Collateral, as if Lender were the absolute owner thereof, including without limitation the right to exchange, at its discretion, any and all of the Collateral upon the merger, consolidation, reorganization,

recapitalization or other readjustment of Lender. Upon the exercise of any such right, privilege or option pertaining to the Collateral, and in connection therewith, Lender may deliver and deposit any or all of the Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as Lender may determine, all without liability, except to account for property actually received, but Lender shall have no duty to exercise any of the aforesaid rights, privileges or options and shall not be responsible for any failure to do so or delay in so doing.

(e) Lender shall have the right, for and in the name, place and stead of Pledgor, to execute endorsements, assignments and other instruments of conveyance or transfer with respect to all or any of the Collateral.

6. SECURITY INTEREST ABSOLUTE. All rights of Lender and security interests hereunder, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of, and unaffected by any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgor in respect of the Note or this Pledge Agreement.

7. GENERAL PROVISIONS.

(a) Lender may exercise its rights with respect to the Collateral held hereunder without first or simultaneously resorting to any other collateral or sources of repayment or reimbursement; and without being obligated to consider or take notice of any right of contribution, reimbursement, subrogation or marshaling of assets which Pledgor may have or claim to have against any person or persons or with respect to any other collateral; and Lender may release any and all other collateral it may now or hereafter have to secure repayment of the Note, all without affecting or impairing its rights with respect to the Collateral. No delay or omission on the part of Lender in exercising any right hereunder shall operate as a waiver of such right or any other right under this Pledge Agreement. A waiver on any one occasion shall not be construed as a bar to or waiver of any right and/or remedy on any future occasion.

(b) If Pledgor shall default in the performance of any provision of this Pledge Agreement on Pledgor's part to be performed, Lender may perform the same for Pledgor's account and any monies expended in so doing shall be chargeable with interest (at the rate set forth in the Note) to Pledgor and added to the obligations secured hereby.

(c) If in connection with the exercise by Lender of any power, right, provision or remedy granted pursuant to this Pledge Agreement, or in order to effectuate the purposes and intent of this Pledge Agreement, any consent, approval, registration, filing, qualification or authorization of any governmental authority is required, Pledgor will execute and deliver all applications (specifically including an FCC Form 316 application for transfer of control of Company), certificates, instruments and other documents and papers that Lender may be required to obtain for such governmental consent, approval, registration, filing, qualification or authorization.

(d) The rights and powers granted to Lender hereunder are being granted in order to preserve and protect Lender's security interest in and to the Collateral granted hereby and shall not be interpreted to, and shall not, impose any duties on Lender in connection therewith.

(e) Lender shall have no duty as to the collection or protection of the Collateral held hereunder or of any income thereon, or as to the preservation of any rights pertaining thereto, beyond the safe custody of the Collateral. Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if it complies with Pledgor's requests in such regard made to Lender in writing, but failure to comply with any such request shall not in and of itself be deemed a failure to exercise reasonable care in such custody and preservation of the Collateral.

(f) Upon any default, Lender's reasonable attorneys' fees and the legal and other expenses of pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral shall be chargeable to the Pledgor.

(g) **PLEDGOR WAIVES (I) ANY RIGHT IT MAY HAVE UNDER THE CONSTITUTION OR LAWS OF THE STATE OF NORTH DAKOTA (OR UNDER THE CONSTITUTION OR LAWS OF ANY OTHER STATE, DISTRICT OR TERRITORY), AND/OR UNDER THE CONSTITUTION OR LAWS OF THE UNITED STATES OF AMERICA, TO NOTICE OR A JUDICIAL HEARING PRIOR TO THE EXERCISE BY LENDER OF ANY RIGHT OR REMEDY PROVIDED BY THIS PLEDGE AGREEMENT, AND PLEDGOR ALSO WAIVES ITS RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS PLEDGE AGREEMENT ON THE GROUNDS (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING, AND (II) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY A JURY AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST. PLEDGOR'S WAIVERS UNDER THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY AND AFTER PLEDGOR HAS BEEN APPRISED AND COUNSELED BY ITS ATTORNEYS AS TO THE NATURE THEREOF AND ITS POSSIBLE ALTERNATIVE RIGHTS.**

(h) The terms, warranties and agreements contained in this Pledge Agreement shall bind and inure to the benefit of the parties hereto, and their respective legal representatives, successors and assigns.

(i) This Pledge Agreement may not be changed orally, but may be changed only by an agreement in writing signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

(j) Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Pledge Agreement or the intent of any provision hereof.

(k) Any provision in this Pledge Agreement declared invalid under any law shall not invalidate any other provision of this Pledge Agreement. This Pledge Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota, without regard to its conflicts of law provisions.

(l) Notices to either party shall be in writing and shall be delivered personally or by certified mail, return receipt requested, mail addressed to the party at the address set forth above or as otherwise designated in writing.

(m) The parties submit to the jurisdiction of any state court of the State of North Dakota or federal court sitting in the State of North Dakota over any suit, action or proceeding arising out of or relating to this Pledge Agreement. The parties hereby agree that process may be served upon either of them in any suit, action or proceeding by sending the same by certified mail, return receipt requested, to the party being served at the address set forth above. Each of the parties agrees that any such service (i) shall be deemed to be effective service of process upon it in any such suit, action or proceeding, and (ii) shall to the fullest extent enforceable under law, be held to be valid personal service upon and personal delivery to it.

(n) This Pledge Agreement may be executed in two counterparts, each of which shall be deemed an original but both of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have respectively signed and sealed these presents on the day and year first above written.

WITNESS:

PLEDGOR

Name:

Donald A. Nordin

LENDER

Randy K. Holland

SCHEDULE A

MEMBERSHIP INTERESTS PLEDGED BY PLEDGOR

Any and all membership interests in Randy K. Holland Investments, LLC owned by Donald A. Nordin, currently equal to twenty five percent (25%) of the outstanding membership interests thereof.