

## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of September 18, 2015, by and between Praise Broadcasting, a Minnesota non-profit corporation (“Seller”), and Northern Lights Broadcasting, LLC, a Minnesota limited liability company (“Buyer”).

### WITNESSETH:

WHEREAS, Seller owns and is the licensee of radio station KNOF (FM), Saint Paul, Minnesota (Facility ID No. 59624) (the “Station”), pursuant to authorizations issued by the Federal Communications Commission (the “FCC”);

WHEREAS, on the terms and conditions described herein, Seller desires to sell and Buyer desires to acquire certain assets owned or leased by Seller and used or useful in connection with the operation of the Station; and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, and for good and valuable consideration, the receipt and adequacy of which is acknowledged by the parties, the parties hereto, intending to be legally bound, hereby agree as follows:

### ARTICLE 1. PURCHASE OF ASSETS

1.1 Transfer of Assets. On the Closing Date, subject to the provisions hereof, Seller shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase from Seller, the specific assets, properties, interests and rights of Seller set forth in this Section 1.1 that are used or held for use in connection with the operation of the Station by Seller (collectively, the “Station Assets”), free and clear of all liens, encumbrances, debts, security interests, mortgages, trusts, claims, pledges, conditional sales agreements, charges, covenants, conditions or restrictions of any kind (collectively, “Liens”), except Permitted Liens (as defined herein). The Station Assets shall include the following (but excluding the assets specified in Section 1.2):

(a) The transferable licenses, permits, rights and other authorizations, including applications with respect thereto, relating to the Station issued to Seller by the FCC or any other governmental authority on or prior to the Closing Date, together with renewals or modifications thereof, identified on Schedule 1.1(a) attached hereto (the licenses, permits, authorizations issued by the FCC and applications pending before the FCC collectively are referred to herein as the “FCC Licenses”);

(b) That tangible personal property used in the operation of the Station identified on Schedule 1.1(b) (the “Tangible Personal Property”).

(c) To the extent assignable, Seller’s right, title and interest in and to those of Seller’s contracts, agreements and operating leases (but excluding any agreement for borrowed money, including any mortgage) written or oral, relating to the operation of the Station and identified on Schedule 1.1(c) hereto, together with all contracts, agreements

and operating leases which Buyer agrees in writing to assume at the Closing that Seller enters into or acquires between the date hereof and the Closing Date (collectively, the “Contracts”);

(d) Seller’s right, title and interest in and to the real property interests leased by Seller under that broadcast agreement for site access and use identified on Schedule 1.1(d) hereto (such real property interests, the “Leased Real Property” and such lease, the “Real Property Lease”); and

(e) Copies or originals of all files, records, and books of account relating to the Station, including, without limitation, technical information and engineering data, filings with the FCC, the public inspection file and copies of all freely transferable software programs and of software programs for which the licenses have been assigned to Buyer pursuant to Section 1.1(a) used at the Station in connection with the operation thereof.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, it is expressly understood and agreed that the Station Assets shall not include the following assets, along with all right, title and interest therein (collectively, the “Excluded Assets”):

(a) All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or in banks, all prepaid items and deposits, and all accounts receivable generated from broadcasts or other income producing activities by Seller prior to the Closing Date (“Accounts Receivable”);

(b) All contracts or agreements to which Seller is a party that (i) have been terminated in accordance herewith, (ii) have expired prior to the Closing Date in the ordinary course of business and/or according to the terms of said contracts, or (iii) Buyer has not assumed, as further described in Sections 2.1 and 2.2;

(c) Seller’s minute books, bylaws and other organizational documents, company record books and such other books and records relating to the formation, existence or capitalization of Seller, and duplicate copies of such records conveyed to Buyer as are necessary to enable Seller to file its tax returns and reports, as well as any other records or materials relating to Seller generally and not involving the Station Assets, including, without limitation, the Seller’s donor records, files and correspondence;

(d) Seller’s right, title and interest in and to the call letters KNOF, the PRAISE FM® trademark and all other trademarks, trade names, service marks, including registrations and applications for registration of any of them, jingles, logos and slogans, used exclusively in the conduct of the business and operation of the Station and either owned by Seller, Christian Heritage Broadcasting, Inc. (“CHBI”) or licensed to Seller or CHBI on the date hereof, together with any associated goodwill and any additions thereto between the date hereof and the Closing Date;

(e) Contracts of insurance and all insurance proceeds or claims made by Seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;

(f) Any and all claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof, except claims with respect to obligations to be assumed by Buyer pursuant to Section 2.1;

(g) Any ad valorem, sales, use, personal property, or other tax refunds, credits or tax benefits relating to periods before the Closing Date, or on or after the Closing Date that are unrelated to the Station Assets;

(h) All other tangible or intangible assets, rights and interests of Seller which are not included in the Station Assets being transferred hereunder;

(i) Any books and records relating to any of the foregoing, except to the extent that Buyer wishes to make, at its expense, a duplicate copy of such materials in order to facilitate its operation of the Station and conduct of its business; and

(j) The Mosley Starlink Codec located on the Leased Real Property that will connect Seller's transmission after Closing to Buyer's HD2 Subchannel pursuant to the terms of the Time Brokerage Agreement (defined below).

## **ARTICLE 2. ASSUMPTION OF OBLIGATIONS**

2.1 Assumption of Obligations. Subject to the provisions of Section 2.2, on the Closing Date, Buyer shall assume and undertake to pay, satisfy or discharge the liabilities and obligations of Seller first arising or to be performed on or after the Closing Date under the Contracts included on Schedule 1.1(c) and the Real Property Lease identified on Schedule 1.1(d) hereof and any other contract, agreement or lease (whether for real or personal property) that Buyer agrees in writing to assume, except obligations which arise after the Closing Date as a result of a default by Seller under any Contract or Real Property Lease prior to the Closing Date. (All of the foregoing assumed liabilities and obligations shall be referred to herein collectively as the "Assumed Liabilities.")

2.2 Retained Liabilities. Except as set forth in Section 2.1, Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liability, obligation, commitment, undertaking, expense or agreement of Seller of any nature whatsoever, including any agreement for borrowed money, whether known or unknown or absolute or contingent. All of such liabilities and obligations shall be referred to herein collectively as the "Retained Liabilities." Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to assume, and shall not assume, any liability or obligation of Seller to Seller's former or current employees, including without limitation any such liability or obligation in respect of wages, salaries, bonuses, severance, accrued vacation or sick pay.

**ARTICLE 3.  
CONSIDERATION**

3.1 Purchase Price. In consideration for the sale, assignment, transfer and conveyance of the Station Assets, the purchase price shall be equal to Seven Million Nine Hundred-Fifty Thousand Dollars (\$7,950,000.00) (the "Purchase Price"), subject to the escrow of a portion of the Purchase Price as set forth below and as adjusted as provided in Section 3.3.

(a) Closing Date Payment. The amount to be paid to the Seller on the Closing Date (the "Closing Date Purchase Price") shall be equal to the Purchase Price, less One Hundred Thousand Dollars (\$100,000), which amount shall be placed into, and remain in, escrow pursuant to the provisions of Section 3.1(c) below.

(b) Payment of Closing Date Purchase Price. At the Closing, Buyer shall remit to Seller an amount equal to the Closing Date Purchase Price, of which amount (i) \$7,600,000 will be remitted directly from Buyer by wire transfer of immediately available funds to (A) Seller's lender holding the Lien described on Schedule 3.1(b) attached hereto, in the amounts and in accordance with the instructions set forth in the payoff and/or release letters furnished by such lender, which payoff and/or release letters shall be reasonably approved by Seller and Buyer, with the remainder to (B) an account designated by Seller, and (ii) \$250,000 will be released to Seller from escrow pursuant to the provisions of Section 3.1(c) below.

(c) Escrow. On the date hereof, Buyer is depositing Three Hundred Fifty Thousand Dollars (\$350,000) (the "Escrow Amount") with Wilmington Trust, N.A., a national banking association, as escrow agent (the "Escrow Agent"), to be held in escrow pursuant to the terms of an escrow agreement among Buyer, Seller and the Escrow Agent (the "Escrow Agreement"), executed and delivered simultaneously with this Agreement and attached hereto as Exhibit A. The terms of the Escrow Agreement shall provide for the treatment of the Escrow Amount in the event the Closing does not occur under certain circumstances as well as in the event a Closing does occur as follows.

(i) Pre-Closing Treatment of the Escrow Amount. The Escrow Amount shall be released to (A) Seller, in the event this Agreement is terminated by Seller pursuant to Section 13.1(e), or (B) Buyer, in the event this Agreement is terminated by any party for any other reason. In the event of any termination of this Agreement, the parties shall promptly execute joint written instructions to the Escrow Agent authorizing release of the Escrow Amount in accordance with this Section 3(c)(i).

(ii) Post-Closing Escrow. In the event of a Closing, \$250,000 of the Escrow Amount shall be released to Seller as part of the Purchase Price and \$100,000 of the Escrow Amount shall be retained by the Escrow Agent as part of the Purchase Price, but subject to the terms and conditions of the Escrow Agreement. The Escrow Amount shall be available to any Buyer Indemnified Parties to

satisfy any Damages to which a Buyer Indemnified Party is entitled to indemnification under ARTICLE 12, in accordance with the terms of the Escrow Agreement. On the date that is twelve (12) months after the Closing Date (the "Escrow Termination Date"), the remaining balance of the Escrow Amount, together with all earnings, if any, in respect of that portion of the Escrow Amount that is being disbursed by the Escrow Agent as of that date, shall be paid to Seller by wire transfer of immediately available funds to an account designated by Seller, less such Damages paid to any Buyer Indemnified Party and less the amount of any pending claims for Damages. Earnings on the Escrow Amount shall be reported under the name of the party to whom such interest is disbursed. The fees and expenses of the Escrow Agent shall be paid one-half (1/2) by Seller and one-half (1/2) by Buyer.

3.2 Allocation of Purchase Price. Buyer and Seller shall exercise commercially reasonable efforts to determine a mutually agreeable allocation of the Purchase Price prior to Closing, and such allocation shall be attached as Schedule 3.2 hereto. In the event that Buyer and Seller shall be unable to mutually agree upon the allocation by Closing, Buyer and Seller shall negotiate in good faith for a period of twenty (20) days, and if such negotiations do not resolve the allocation matters, the parties shall select an independent certified public accountant with experience in the broadcast industry (the "CPA") within twenty (20) days after the Closing who shall make a determination of the allocation within sixty (60) days after his or her selection. Buyer and Seller agree that the allocation determined by their mutual agreement or otherwise by the independent certified public accountant, as the case may be, shall be conclusive and binding on Buyer and Seller for all purposes, including without limitation, reporting and disclosure requirements of the Internal Revenue Service. Buyer will be responsible for the preparation of IRS Form 8594, subject to Seller's approval, which shall not be unreasonably withheld, conditioned, or delayed.

3.3 Proration of Expenses.

(a) Except as otherwise provided herein, all expenses arising from Seller's ownership of the Station Assets to be conveyed hereunder and the conduct of the business of the Station that are customarily prorated shall be prorated between Buyer and Seller as of 12:01 a.m., Central time, on the Closing Date (the "Adjustment Time"), on the basis that all expenses which accrue prior to the Adjustment Time are for the account of Seller, and all expenses which accrue after the Adjustment Time are for the account of Buyer. Such prorations shall include, without limitation, all real property, ad valorem, and other property taxes (but excluding taxes arising by reason of the transfer of the Station Assets as contemplated hereby, which shall be paid as set forth in ARTICLE 11), contract payments, utility charges, business, programming, music and other license fees currently paid by Seller, FCC annual regulatory fees, deposits, and similar prepaid and deferred items attributable to the ownership of the Station or the Station Assets. Salaries, wages, sales commissions, fringe benefit accruals and termination or severance pay for Seller's

employees through the date of their termination by Seller shall not be pro-rated but shall be the sole responsibility of Seller.

(b) The prorations and adjustments contemplated by this Section, to the extent practicable, shall be made on the Closing Date to the Purchase Price. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within thirty (30) days following the Closing Date, with payment made by wire transfer of immediately available funds to an account designated by the party who is to receive such payment. In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at such time and such disputes shall be resolved by the CPA, and the fees and expenses of such CPA shall be paid one-half by Seller and one-half by Buyer. The decision of such CPA shall be rendered within ninety (90) days after the Closing and shall be conclusive and binding on the parties. All prorations and adjustments made after Closing shall be paid within five (5) business days of the determination thereof.

3.4 Time Brokerage Agreement. Effective upon the Closing, the Parties will enter into the time brokerage agreement in the form attached hereto as Exhibit B regarding the use by Seller of an HD side channel of Buyer's Station KTWN-FM, Edina, Minnesota (Facility ID No. 70705) (the "Time Brokerage Agreement").

#### **ARTICLE 4. GOVERNMENTAL CONSENTS**

4.1 FCC Consent. The transactions contemplated hereby are expressly conditioned on and subject to the prior consent and approval of the FCC ("FCC Consent") without the imposition of any conditions on the assignment of the FCC Licenses outside the ordinary course and which would reasonably have a material adverse effect on the results of operations of Buyer or the Station other than those generally applicable to stations of the same type and class.

4.2 FCC Application. After execution of this Agreement, each party shall prepare and load into the FCC's electronic files its respective portion of an application for assignment of the FCC Licenses ("FCC Application") from Seller to Buyer and Buyer's counsel shall promptly file the completed FCC Application with the FCC and shall tender the necessary filing fees. The FCC Application shall be completed and submitted within ten (10) business days of the date of this Agreement. The parties shall thereafter prosecute the FCC Application with all reasonable diligence and otherwise use commercially reasonable efforts to obtain the grant of the FCC Application as expeditiously as practicable (but no party shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect on the results of operations of a party or any affiliated entity). If the FCC Consent imposes any condition on a party hereto, such party shall use commercially reasonable efforts to comply with such condition; *provided, however*, that no party shall be required hereunder to comply with any condition that would have a material adverse effect on the results of operations of such party, its affiliates, or the Station. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review; *provided, however*, such party shall not be required to take any action which would have a material adverse effect on the results of operations of such party, its affiliates, or the Station.

Nothing in this Section 4.2 shall be construed to limit a party's right to terminate this Agreement pursuant to ARTICLE 13.

## **ARTICLE 5. CLOSING**

5.1 Closing Date. Except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the transactions contemplated herein (the "Closing" and such date the Closing occurs on, the "Closing Date") shall occur if FCC Consent issued by the FCC becomes Final (as hereinafter defined):

- (i) on or before December 1, 2015, then the Closing shall occur within five (5) business days after the FCC Consent issued by the FCC becomes Final, on a date to be designated by Seller in a notice given in writing to Buyer at least three (3) business days before such Closing is to occur,
- (ii) during the period between December 2, 2015 and December 30, 2015, then the Closing shall occur on December 31, 2015, and
- (iii) on or after December 31, 2015, then the Closing shall occur on a date mutually agreeable to the parties (assuming neither party has terminated this Agreement pursuant to Section 13.1(g) before FCC Consent has become Final),

but in each case of clauses (i)-(iii) above subject to satisfaction or waiver of the conditions to Closing set forth in ARTICLE 9.

All actions taken at the Closing will be considered as having been taken simultaneously and no such actions will be considered to be completed until all such actions have been completed. For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no request for stay, petition for rehearing, review, stay, appeal or certiorari or *sua sponte* action of the FCC with comparable effect shall be pending; and as to which the time for filing any such request, review, stay, petition, appeal, certiorari or for the taking of any such *sua sponte* action by the FCC shall have expired or otherwise terminated. Notwithstanding the foregoing, Buyer may elect to proceed with the Closing upon public notice of the grant of FCC Consent but prior to the date on which the FCC Consent shall have become Final, upon ten (10) days written notice with the Closing to occur on a date determined by clauses (i)-(iii) above of this Section. For clarity and the avoidance of doubt, in no event shall the Closing occur during the period between December 9, 2015 and December 30, 2015 in the event Buyer makes such election.

5.2 Closing Place. The Closing shall be held at 10:00 AM on the Closing Date at the offices of the offices of Seller's attorney, Monroe Moxness Berg PA, 7760 France Avenue South Suite 700, Minneapolis, MN 55435, or alternatively, such reasonable location as may be

specified by Buyer, or such other time or place as the parties hereto may agree, or by mail, electronic mail, facsimile and/or courier service.

## **ARTICLE 6. REPRESENTATIONS AND WARRANTIES OF SELLER**

Except as set forth in the Schedules attached to this Agreement (it being understood that each representation and warranty contained in this ARTICLE 6 is qualified by the disclosures made on such Schedules and this ARTICLE 6 and such Schedules shall be read together as an integrated provision), Seller represents and warrants that the statements contained in this ARTICLE 6 are correct and complete as of the date hereof. Certain information is contained in the Schedules solely for information purposes, may not be required to be disclosed pursuant hereto and will not imply that such information or any other information is required to be disclosed. Inclusion of such information will not establish any level of materiality or similar threshold or be an admission that any of such information is material. Each matter disclosed in any Schedule in a manner that makes its relevance to one or more other Schedule reasonably apparent on the face of such disclosure will be deemed to have been appropriately included in each such other Schedule.

6.1 Organization and Qualification. Seller is a Minnesota non-profit corporation, duly organized, validly existing and in good standing under the laws of the State of Minnesota. Seller has all necessary corporate power to carry on its business as it is now being conducted.

6.2 Authority.

(a) Seller has all necessary corporate power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Seller (this Agreement and such other agreements, documents, certificates and instruments are referred to herein collectively as the “Seller Documents”), to perform its obligations thereunder, and to consummate the transactions contemplated thereby. The execution and delivery of the Seller Documents by Seller and the consummation by Seller of the transactions contemplated thereby have been, or will be prior to the Closing, as the case may be, duly authorized by all necessary corporate action on the part of Seller. Each of the Seller Documents has been, or at or prior to the Closing will be, as the case may be, duly executed and delivered by Seller and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Seller, enforceable against Seller in accordance with their respective terms, subject to the application of general equitable principles and principles of bankruptcy or other creditor’s rights laws.

(b) The execution and delivery by Seller of the Seller Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of the Articles of Incorporation or bylaws of Seller; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any Contract, or any other material

agreement, indenture, covenant, instrument, license or permit by which Seller is bound; (iii) create any Lien upon any of the Station Assets; (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Seller or any of its properties or assets, or (v) require the consent of any third party, except with respect to the FCC Consent and the consents to assignment identified on Schedule 1.1(c) with an asterisk, or violate the rights of any third party in any material respect.

(c) Except for the FCC Consent and the consents to assignment identified on Schedule 1.1(c) with an asterisk, no consent, approval, order or authorization of, notice to, or registration, declaration or filing with, any governmental entity is necessary in connection with the execution and delivery of the Seller Documents by Seller or the consummation of the transactions contemplated thereby by Seller, except for filing of required documents with the FCC.

### 6.3 FCC Licenses.

(a) Schedule 1.1(a) hereto contains a true and complete list of the FCC Licenses of the Station. Seller is the authorized legal holder of the FCC Licenses. The FCC Licenses are in full force and effect, unimpaired by any act or omission of Seller. Except as disclosed on Schedule 1.1(a), no proceedings are pending or, to the best of Seller's knowledge (as defined below), threatened (other than proceedings applicable to the radio industry as a whole) nor do any facts exist which may result in the revocation, adverse modification, non-renewal or suspension of any of the FCC Licenses.

(b) The FCC Licenses are all of the licenses, permits or other authorizations from the FCC necessary to operate the Station as such operations are currently conducted. There are no conditions upon the FCC Licenses except those conditions stated on the face thereof or conditions applicable generally to stations of the same class under the Communications Act of 1934, as amended (the "Act") and the rules, regulations and published policies of the FCC (the "FCC Rules"). Except as disclosed on Schedule 1.1(a), no proceedings are pending or, to the best of Seller's knowledge, threatened (other than proceedings applicable to the radio industry as a whole or to stations of the same class) which may be reasonably expected to result in the issuance of any cease and desist order or the imposition of any administrative actions by the FCC with respect to the FCC Licenses, including any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller with respect to the Station, or which may affect Buyer's ability to operate the Station in accordance with the FCC Licenses, the Act and the FCC Rules.

(c) Seller has complied in all material respects with all requirements of the FCC and the Federal Aviation Administration ("FAA"), including, without limitation, requirements with respect to the registration, construction and/or alteration of Seller's antenna structures, and "no hazard" determinations for each antenna structure have been obtained, where required. Seller uses no auxiliary licenses in its operation of the Station. The Station's audio is delivered to the transmitting site via T-1 line.

6.4 Tangible Personal Property. Schedule 1.1(b) lists the Tangible Personal Property included in the Station Assets. The Tangible Personal Property which is leased is identified as such on Schedule 1.1(b). Seller (i) is the lawful owner of all of the Tangible Personal Property it purports to own, (ii) has valid leasehold interests in the Tangible Personal Property it purports to lease, and (iii) has valid license rights (whether as a licensor or licensee) in the Tangible Personal Property it purports to license, in all cases free and clear of any Liens, except for Liens disclosed in Schedule 1.1(b) attached hereto, which shall be discharged at Closing as to all owned Tangible Personal Property, and except for Permitted Liens. Seller has delivered to Buyer a true, accurate and complete copy of each lease, license or sublicense regarding any Tangible Personal Property leased, licensed or sublicensed by Seller.

6.5 Contracts. Schedule 1.1(c) hereto contains a true and complete list of all Contracts existing on the date hereof that are to be conveyed to Buyer at the Closing. To its knowledge, Seller is not in violation or breach of, nor has Seller received in writing any claim or threat that it has breached any of the terms and conditions of, any Contract in any material respect. Neither Seller nor, to Seller's knowledge, any other party to any Contract is in material default thereunder or material breach thereof. Seller has delivered to Buyer a true, accurate and complete copy of each Contract, including all amendments, supplements or modifications thereto or waivers thereunder. Except as set forth on Schedule 1.1(c) attached hereto, neither the execution and delivery by Seller of this Agreement nor the consummation by Seller of the transactions contemplated under this Agreement requires the consent of any party to a material Contract or any other material agreement or obligation of Seller, whether or not such agreement or obligation is to be assigned to or assumed by Buyer, and any material Contract requiring consent to assignment by a third party is identified on Schedule 1.1(c) with an asterisk.

6.6 Compliance With Law. Except as otherwise disclosed in this Agreement or the Schedules hereto Seller has no knowledge of any material violation of any material statutes, laws, ordinances, regulations, rules or orders of any federal, state or local government, department or agency applicable to the Station or Station Assets.

6.7 Brokers. There is no broker or finder or other person who would have any valid claim for a commission or brokerage payable by Buyer in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Seller.

6.8 Litigation. Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting the Station or Station Assets. There is no third party claim, litigation, proceeding or investigation pending or, to the best of Seller's knowledge, threatened against Seller with respect to the Station in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes which might have a material adverse effect upon the business, assets or condition, financial or otherwise, of the Station or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

6.9 Real Properties.

(a) Seller has a valid leasehold interest in the Real Property Lease pursuant to which Seller holds a leasehold estate in, or is granted the right to use or occupy the

Leased Real Property (subject to the application of general principles of bankruptcy or other creditors' rights laws), free and clear of all Liens, except for (i) Liens for taxes not yet due and payable, mechanics' liens and similar liens incurred in the ordinary course of business which do not interfere in any material respect with the operation of the Station, or the validity or amount of which is being contested in good faith by appropriate proceedings and which are specifically identified in Schedule 3.1(b), (ii) such easements, covenants and non-monetary encumbrances granted in the ordinary course of business which do not interfere in any material respect with the operation of the Station, and covenants, conditions and restrictions set forth in the Contracts, (iii) any zoning, entitlement, conservation restrictions and other land use and environmental regulations of a governmental entity, (iv) other encumbrances on fee title, the payment or performance of which are not the responsibility of Seller as tenant or licensee under the Real Property Lease (collectively, "Permitted Liens"); and (v) other Liens described in Schedule 3.1(b) attached hereto. Seller represents that any Liens with respect to indebtedness for borrowed money shall be discharged at Closing. Seller enjoys peaceful and undisturbed possession under the Real Property Lease. Seller further represents and warrants that, except as otherwise disclosed in Schedule 6.9(a), (1) to the knowledge of Seller, no other party to the Real Property Lease is in default thereunder or breach thereof, or is subject to a pending bankruptcy proceeding; (2) Seller has no knowledge of any defect in the proper execution and authorization of the Real Property Lease; (3) the Real Property Lease is in full force and effect; (4) Seller's interests under the Real Property Lease include all necessary easements and rights of access, including easements for utilities, to permit the operation and maintenance of the Station as currently conducted; and (5) to the best of Seller's knowledge, Seller's use of the Leased Real Property, as presently conducted, does not materially violate any law, ordinance, judicial or administrative decision or regulation affecting the Leased Real Property and does not interfere with and Seller has not experienced any interference from the signal of any other tenant or occupant of the tower. To Seller's knowledge, the tower guy wires do not encroach upon the property rights of any third party. The Leased Real Property is all the real estate used in or necessary for the lawful operation of the transmitter and tower location of the Station as currently conducted. To Seller's knowledge, there are no encroachments upon the Leased Real Property by any buildings, structures, or improvements located on adjoining real estate that would materially interfere with Buyer's operation of the transmitter, tower and other tangible personal property upon the Leased Real Property. To Seller's knowledge, none of the buildings, structures, or improvements (including without limitation all ground radials, guy wires and guy anchors) constructed on the Leased Real Property encroaches upon adjoining real estate, and to Seller's knowledge, all such buildings, structures, and improvements are constructed in conformity with all "set back" lines, easements and other restrictions or rights of record, and all applicable building or safety codes and zoning ordinances. To Seller's knowledge, there are no pending or contemplated condemnation or eminent domain proceedings that may affect the Leased Real Property. Except as set forth on Schedule 6.9(a) attached hereto, Seller's use and occupancy of the Leased Real Property complies in all material respects with all applicable regulations, codes, ordinances, and statutes relating to health and sanitation, environmental protection, occupational safety, and the use of electrical power; and to

Seller's knowledge, there are no structural defects in the buildings, structures, and improvements located on the Leased Real Property.

#### 6.10 Environmental Matters

(a) "Environmental Law" shall mean any federal, state, or local law, ordinance, order, rule, or regulation relating to pollution, protection of the environment, or actual or threatened releases, discharges, or emissions into the environment.

(b) To Seller's knowledge, there are no investigations, inquiries, administrative proceedings, actions, suits, claims, legal proceedings or any other proceedings pending or, threatened against Seller that involve, or relate to, noncompliance with Environmental Law by Seller.

(c) To Seller's knowledge, Seller has not released, stored, used or otherwise held any hazardous materials on, under or about the Leased Real Property in violation of Environmental Law.

#### 6.11 Taxes.

(a) Seller has paid all Taxes (as hereinafter defined) required to be paid by Seller, to the extent the same are due and payable.

(b) There are no pending or, to the best knowledge of Seller, threatened, investigations or claims against Seller for or relating to any liability in respect of Taxes.

(c) All Taxes required to be withheld by Seller from its employees' compensation on or before the date hereof have been withheld and paid (or will be paid) when due to the appropriate agency or authority.

(d) For the purposes of this Agreement, "Taxes" and "Tax" shall mean all taxes and any tax, including without limitation, all foreign, federal, state, county and local income, sales, employment, profit, payroll, use, trade, capital, occupation, property, excise, value added, unitary, withholding, stamp, transfer, registration, recordation and license tax, taxes measured on or imposed by net worth, and other taxes, levies, imposts, duties, deficiencies and assessments, together with all interest, penalties and additions imposed with respect thereto, including any transferee liability for taxes.

6.12 Insurance. Set forth on Schedule 6.12 attached hereto is a full and correct list of all insurance policies of Seller now in effect in connection with the Station.

6.13 No Other Agreements to Sell the Station. Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the Station Assets (whether through a merger, reorganization or sale of stock or otherwise) or to enter into any agreement with respect thereto, including, without limitation, any valid right of first refusal or option held by a third party.

6.14 Disclaimer of Other Express and Implied Warranties. Except for the representations and warranties set forth above in this ARTICLE 6, Seller makes no other representations or warranties, express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Station or the Station Assets, or any representation or warranty as to the accuracy or completeness of any information regarding the Station or the Station Assets furnished or made available to Buyer (including any information, documents or material delivered to Buyer and its representatives through management presentations, due diligence, site visits or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of the Station or the Station Assets. Buyer acknowledges and agrees that, except for the representations and warranties set forth above in this ARTICLE 6, Buyer shall accept the Station Assets in their existing “As Is” condition based solely on Buyer’s own investigations, inspections, reviews and studies, without representation or warranty of any kind by Seller.

6.15 Knowledge Qualifiers. Wherever herein a representation is made “to Seller’s knowledge”, “the best of Seller’s knowledge”, “to the knowledge of Seller” or any similar phrase means with respect to any fact or matter, with respect to Seller, the actual knowledge of Seller’s Executive Director David McIver. The words “know”, “knowing”, “knowingly” and “known” shall be construed accordingly.

## **ARTICLE 7. REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as follows:

7.1 Organization, Standing and Power. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota. Buyer has all necessary limited liability company power to carry on its business as it is now being conducted and as it is currently contemplated to be conducted as of and immediately following the Closing.

7.2 Authority.

(a) Buyer has all necessary limited liability company power and authority to enter into this Agreement and all other agreements, documents, certificates and instruments delivered or to be delivered hereunder by Buyer (this Agreement and such other agreements, documents, certificates and instruments are referred to herein collectively as the “Buyer Documents”), to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution and delivery of the Buyer Documents by Buyer and the consummation by Buyer of the transactions contemplated thereby have been duly authorized by all necessary limited liability company action on the part of Buyer. Each of the Buyer Documents has been, or will be at or prior to the Closing, as the case may be, duly executed and delivered by Buyer and constitutes, or will constitute at the Closing, as the case may be, a valid and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms,

subject to the application of general equitable principles and principles of bankruptcy or other creditor's rights laws.

(b) The execution and delivery by Buyer of the Buyer Documents does not or will not, and the consummation of the transactions contemplated thereby will not: (i) conflict with, or result in a violation of, any provision of the organizational documents of Buyer; (ii) constitute or result in a breach of or default (or an event which with notice or lapse of time, or both, would constitute a default) under, or result in the termination or suspension of, or accelerate the performance required by, or result in a right of termination, cancellation or acceleration of any material contract, agreement, indenture, covenant, instrument, license or permit by which Buyer is bound; (iii) create any Lien upon any of Buyer's assets; (iv) constitute, or result in, a violation of any judgment, ruling, order, writ, injunction, decree, statute, law, rule or regulation applicable to Buyer; or (v) require the consent of any third party, except with respect to the FCC Consent, or violate the rights of any third party in any material respect.

(c) Except for the FCC Consent, no consent, approval, order or authorization of, notice to, or registration, declaration or filing with, any governmental entity is necessary in connection with the execution and delivery of any of the Buyer Documents by Buyer or the consummation by Buyer of the transactions contemplated thereby, except for filing of required documents with the FCC.

7.3 Litigation. There is no third party claim, litigation, proceeding or investigation pending or, to the best of Buyer's knowledge, threatened against Buyer in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes which might have a material adverse effect upon the business, assets or condition, financial or otherwise, of Buyer, or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken in connection with this Agreement.

7.4 Qualification. Buyer is qualified to be the assignee of the Station's FCC Licenses under the Act and the FCC Rules. To Buyer's knowledge, there are no matters with respect to Buyer which might reasonably be expected to result in the FCC's denial or delay of approval of the FCC Application.

7.5 Brokers. There is no broker or finder or other person who would have any valid claim for a commission or brokerage payable by Seller in connection with this Agreement or the transactions contemplated hereby as a result of any agreement, understanding or action by Buyer.

7.6 Disclosure. This Agreement and the documents made pursuant hereto do not and will not contain any untrue statement of material fact by Buyer or omit to state a material fact required to be made in order to make the statements of Buyer herein and therein not misleading in light of the circumstances in which they are made.

7.7 Disclaimer of Other Express and Implied Warranties. Except for the representations and warranties set forth above in this ARTICLE 7, Buyer makes no other representations or warranties, express or implied.

## **ARTICLE 8. COVENANTS**

8.1 Operation of Business. Between the date of this Agreement and the Closing Date, Seller shall:

- (a) without Buyer's consent, not enter into any material agreement with respect to the Station or the Station Assets, including any option or agreement to sell, assign or transfer the Station or control of Seller to any other party;
- (b) not take or, to the extent in Seller's control, permit any other action inconsistent with Seller's obligations hereunder and the consummation of the transactions contemplated hereby;
- (c) maintain the current insurance policies in full force and effect, with policy limits and scope of coverage not less than is currently provided;
- (d) maintain and preserve Seller's rights under the FCC Licenses, operate the Station in accordance in all material respects with the Act, the FCC Rules and the FCC Licenses; and
- (e) conduct the Station's business in the ordinary course consistent with Seller's practices on the date of this Agreement or as otherwise required by this Agreement.

By way of amplification and not limitation, without the prior written consent of Buyer, which shall not be unreasonably withheld, conditioned or delayed, between the date of this Agreement and the Closing Date, with respect to the Station, Seller shall not:

- (ii) enter into any agreement, contract or lease with an aggregate liability of more than \$25,000, unless cancelable without penalty prior to the Closing Date;
- (iii) place or allow to be placed on any of the Station Assets any Lien other than a Permitted Lien;
- (iv) sell or otherwise dispose of any Station Asset except in accordance with Section 1.1;
- (v) commit any act or omit to do any act which will cause a breach of any material Contract or Real Property Lease in Seller's name, or terminate or fail to renew any material Contract or Real Property Lease;
- (vi) violate in any material respect any law, statute, rule, governmental regulation or order of any court or governmental or regulatory authority (whether Federal, State or local); or

- (vii) cause or permit by any act, or failure to act, any of the FCC Licenses to expire, be surrendered, adversely modified, or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the FCC Licenses, or fail to prosecute with due diligence any pending applications to the FCC.

8.2 No Other Bids. From the date hereof to the earlier of the Closing Date and the termination of this Agreement, Seller shall not, and shall not authorize or permit any officer, director or employee of Seller, or any investment banker, attorney, accountant or other advisor or representative retained by Seller to, solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, the Station. Upon a violation of this Section, in addition to any other remedies available hereunder or at law, Buyer shall be entitled to injunctive relief.

8.3 Access to Information. From the date hereof to the earlier of the Closing Date and the termination of this Agreement, Seller shall afford, and shall cause its respective officers, directors, employees and agents to afford, to Buyer and the officers, employees and agents of Buyer reasonable access during normal business hours, and in a manner so as not to interfere with the normal business operations of Seller, to Station's employees, independent contractors, agents, properties, facilities, books, records and contracts, and shall furnish Buyer with copies of all existing Station financial, operating and other data and information as Buyer, through its respective officers, employees or agents, may reasonably request as it may pertain to the Station.

8.4 Confidentiality.

(a) Each party shall hold, and shall cause its officers, employees, agents and representatives, including, without limitation, its attorneys, accountants, consultants and financial advisors who obtain such information to hold, in confidence, and shall not disclose to any third party or use for any purpose other than completing the transactions contemplated by this Agreement or enforcing such party's rights hereunder, any confidential information of the other party obtained in connection with the transactions contemplated hereby, which for the purposes hereof shall not include any information which (i) is or becomes generally available to the public other than as a result of disclosure in contravention of this Section, (ii) becomes available to a party on a nonconfidential basis from a source, other than the party which alleges the information is confidential or its affiliates, which has represented that such source is entitled to disclose it, or (iii) was known to a party on a nonconfidential basis prior to its disclosure to such party hereunder. If this Agreement is terminated, each party shall deliver, and cause its officers, employees, agents, and representatives, including, without limitation, attorneys, accountants, consultants and financial advisors who obtain confidential information of another party pursuant to investigations permitted hereunder to deliver to such other party all such confidential information that is written (including copies or extracts thereof), whether such confidential information was obtained before or after the execution hereof. Notwithstanding any other provision of this Agreement, the obligations set forth herein

shall survive the Closing or termination of this Agreement for the full period of the statute of limitations applicable to this Agreement.

(b) If a party or a person to whom a party transmits confidential information of another party is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any of such confidential information, such party or person will, to the extent permitted by the legal authority compelling disclosure, provide the other applicable party with prompt written notice so that such party may seek a protective order or other appropriate remedy or waive compliance with Section 8.4(a). If such protective order or other remedy is not obtained, or if the applicable party waives compliance with Section 8.4(a), the party subject to the request will furnish only that portion of such confidential information which is legally required, by the advice of legal counsel, and will exercise its reasonable best efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.

(c) The provisions of this Section 8.4 shall survive a termination of this Agreement pursuant to Section 13.1.

8.5 Consents and Approvals. Seller shall use commercially reasonable efforts to obtain, at Seller's expense, any and all consents, transfers, authorizations, or approvals required for the consummation of the transactions contemplated by this Agreement. Buyer will use commercially reasonable efforts to cooperate with Seller in obtaining and providing all information necessary to obtain such consents.

8.6 Employees. Buyer shall be under no obligation to hire any employee of Seller. Buyer will assume no liability for any of Seller's employees, and Seller will fully discharge any obligation to any present or past employee of the Stations for retirement, pension, bonus, termination, severance, vacation, sick leave or other pay, or for life or other insurance or other employee benefits arising from any period of employment prior to the Closing.

8.7 Control of Station. Buyer shall not, directly or indirectly at any time prior to the Closing Date, control, supervise or direct the operation of the Station. Subject to the covenants of Seller contained herein, such operation, including complete control and supervision of all Station programs, employees and policies, shall be the sole responsibility of Seller.

8.8 News Releases. Prior to the Closing Date, and except as required by law, any news releases pertaining to the transactions contemplated hereby shall be reviewed and approved by Buyer and Seller, or their respective representatives, and shall be acceptable to them prior to the dissemination thereof.

## **ARTICLE 9. CONDITIONS**

9.1 Conditions Precedent to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior

to or at the Closing, of each of the following conditions, except to the extent Buyer shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Seller in this Agreement shall be true and correct in all material respects as of the date of this Agreement and on the Closing Date as though such representations and warranties were made on such date.

(b) Seller shall have performed and complied in all material respects with all covenants, agreements, conditions and undertakings required by this Agreement to be performed or complied with by Seller prior to the Closing.

(c) No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced, and no investigation by any governmental or regulatory authority shall have been commenced, seeking to restrain, enjoin, rescind, prevent or change the transactions contemplated hereby or questioning the validity or legality of any of such transactions or seeking damages in connection with any of such transactions.

(d) Seller shall have delivered to Buyer all of the documents required by Section 10.1.

(e) The FCC Consent shall have been issued and, unless waived by Buyer, become Final.

(f) Seller shall have obtained and delivered to Buyer all required third-party consents to the assignment of all material Contracts (as identified on Schedule 1.1(c)) and customary written consent and estoppel certificates (the "Estoppel Certificates") duly executed by the lessors under the Real Property Lease (as identified on Schedule 1.1(d) hereto) to be conveyed, which consents and Estoppel Certificates shall not have as a condition thereof any modifications to the terms thereof or any payment by Buyer to consummate the assignment without Buyer's prior approval, and Seller shall have exercised commercially reasonable efforts to obtain any consent to assignment required by Contracts which are not material.

(g) There shall not be any Liens on the Station Assets (other than Permitted Liens) or any financing statements of record with respect to Seller or the Station Assets except those to be released at the Closing or with respect to Permitted Liens, and Buyer shall have obtained lien search reports (the "Lien Search"), in form and substance satisfactory to Buyer and dated no earlier than ten (10) days prior to the Closing, reflecting the results of UCC, tax and judgment lien searches conducted at Secretary of State office of the State of Minnesota, provided, that the cost of such Lien Search shall be paid by Buyer.

(h) Seller shall have paid to Escrow Agent one-half (1/2) of the Escrow Agent's fees and expenses.

9.2 Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior

to or at the Closing, of each of the following conditions, except to the extent Seller shall have waived in writing satisfaction of such condition:

(a) The representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects as of the date of this Agreement and on the Closing Date as though such representations and warranties were made on such date.

(b) Buyer shall have performed and complied in all material respects with all covenants, agreements, conditions and undertakings required by this Agreement to be performed or complied with by it prior to the Closing.

(c) No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced, no investigation by any governmental or regulatory authority shall have been commenced, seeking to restrain, enjoin, rescind, prevent or change the transactions contemplated hereby or questioning the validity or legality of any such transactions or seeking damages in connection with any of such transactions.

(d) The FCC Consent shall have been issued.

(e) Buyer shall have delivered to Seller the Purchase Price and all of the documents required by Section 10.2.

(f) Buyer shall have paid to Escrow Agent one-half (1/2) of the Escrow Agent's fees and expenses.

## **ARTICLE 10. CLOSING DELIVERIES**

10.1 Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Buyer the following, duly executed (where applicable):

(a) a Bill of Sale for the Tangible Personal Property, in form and substance reasonably satisfactory to Buyer and Seller;

(b) an Assignment and Assumption of the FCC Licenses, in form and substance reasonably satisfactory to Buyer and Seller;

(c) an Assignment and Assumption of Contracts, in form and substance reasonably satisfactory to Buyer and Seller;

(d) executed third party written consents to assignment of each material Contract to be assumed by Buyer for which such consent is required thereunder, and such other consents as Seller has obtained;

(e) an Assignment and Assumption of the Real Property Lease in form and substance reasonably satisfactory to Buyer and Seller;

- (f) the Time Brokerage Agreement;
- (g) a side letter agreement in the form attached hereto as Exhibit C regarding certain additional commitments between Seller and Buyer (the “Side Letter Agreement”);
- (h) written consents or pay off letters from any party that is a Secured Party identified on any UCC-1 Financing Statement of record with respect to Seller, the Station or Station Assets, agreeing to amendment or termination of the Liens (other than Permitted Liens) evidenced thereby upon conditions set forth in such consent; and such instruments of amendment, termination or release of Liens (other than Permitted Liens), all in form and substance reasonably satisfactory to counsel for Buyer, as are necessary to vest in Buyer good and marketable title in and to the Station Assets;
- (i) A certificate, executed by an officer of Seller certifying to the fulfillment or satisfaction of the conditions set forth in Sections 9.1(a) and 9.1(b). The delivery of such certificate shall constitute a representation and warranty of Seller as to the statements set forth therein as of the Closing Date;
- (j) Updated Schedules to the Agreement reflecting any changes necessary to render the certification contained in such certificate true and accurate on the Closing Date; provided, however, that in the event such updated Schedules reflect any material adverse change related to the Station Assets, Buyer shall have the right to terminate this Agreement without penalty upon written notice to Seller;
- (k) Resolutions of the Board of Directors or other governing body of Seller authorizing the execution, delivery and performance of the Seller Documents by Seller, certified by an authorized officer of Seller, and a certificate of good standing from the Secretary of State of Minnesota; and
- (l) Originals or copies of all existing program, operations, transmissions, or maintenance logs and any other records required to be maintained by the FCC with respect to the Station, including the Station’s public file, that are located at the Station shall be delivered to Buyer at the Closing.

10.2 Buyer’s Deliveries. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following, duly executed (where applicable):

- (a) The Purchase Price required under Section 3.1;
- (b) The Assignment and Assumption of FCC Licenses;
- (c) The Assignment and Assumption of Contracts;
- (d) The Assignment and Assumption of Leases, for the Real Property Lease;
- (e) The Time Brokerage Agreement;
- (f) The Side Letter Agreement;

(g) A certificate, executed by an officer of Buyer, certifying to the fulfillment or satisfaction by Buyer of the conditions set forth in Sections 9.2(a) and 9.2(b). The delivery of such certificate shall constitute a representation and warranty of Buyer as to the statements set forth therein as of the Closing Date; and

(h) Resolutions of Buyer's board of directors authorizing the execution, delivery and performance of the Buyer Documents by Buyer, certified by the secretary of Buyer, and a certificate of good standing from the Secretary of State of Minnesota.

## **ARTICLE 11. TRANSFER TAXES, FEES AND EXPENSES**

11.1 Expenses. Except as set forth in Sections 11.2 and 11.3, each party hereto shall be solely responsible for all costs and expense incurred by it in connection with the negotiation and preparation of the Agreement and the transactions contemplated hereby.

11.2 Transfer Taxes and Similar Charges. Any fees for recordation, transfer and documentary taxes, and any excise, sales or use taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with or imposed by reason of the consummation of the transactions contemplated by this Agreement shall be shared equally by Buyer and Seller. The parties will, at their own expense, file all necessary tax returns and other documentation with respect to all such taxes, fees and charges, and, if required by applicable law, each party will join in the execution of any such tax returns and other documentation.

11.3 Governmental Filing or Grant Fees. The FCC Application fee and any other filing or grant fees imposed by any governmental authority the consent of which is required to the transactions contemplated hereby shall be paid by Buyer.

## **ARTICLE 12. INDEMNIFICATION**

12.1 Survival of Representations and Warranties. All representations and warranties made in this Agreement shall survive the Closing for a period of twelve (12) months from the Closing Date, except for the representations and warranties set forth in Section 6.1 [Organization and Qualification], Section 6.2 [Authority], the first three sentences of Section 6.3(a) [FCC Licenses], Section 7.1 [Organization and Qualification] and Section 7.2 [Authority] (collectively, the "Core Representations"), which shall survive indefinitely. The right of any party to recover Damages (as defined in Section 12.2) on any claim shall not be affected by the termination of any representations and warranties as set forth above provided that notice of the existence of such claim (and describing in reasonable detail such claim) has been given by the Indemnified Party (as hereinafter defined) to the Indemnifying Party (as hereinafter defined) prior to such termination.

12.2 Indemnification of Buyer by Seller. From and after the Closing, Seller shall indemnify and hold Buyer and its attorneys, affiliates, representatives, agents, partners, successors or permitted assigns (collectively, the "Buyer Indemnified Parties") harmless from and against any liability, loss, cost, expense, judgment, order, settlement, obligation, deficiency,

claim, suit, proceeding (whether formal or informal), investigation, Lien or other damage, including, without limitation, reasonable attorney's fees and expenses, (all of the foregoing items for purposes of this Agreement are referred to as "Damages" and are not limited to matters asserted by third-parties against a party, but includes Damages incurred or sustained by a party caused by breach or default by the other party), resulting from, arising out of or incurred with respect to:

(a) A breach of any representation, warranty, covenant or agreement of Seller contained herein, subject to notice of a claim being given before the expiration of the applicable period specified in Section 12.1 with respect to the representations or warranties by Seller contained herein; *provided, however*, that (A) Seller shall not have any obligation to indemnify the Buyer Indemnified Parties from and against any Damages resulting from, arising out of, relating to, in the nature of, or caused by the breach of any representation or warranty of Seller contained in this Agreement until the Buyer Indemnified Parties have suffered Damages by reason of all such breaches for any Station in excess of Fifteen Thousand Dollar (\$15,000.00) threshold (after which point Seller will be obligated to indemnify the Buyer Indemnified Parties only for the amount of such Damages in excess of such threshold amount); *provided, however*, that the threshold will not apply with respect to breaches of the Core Representations, breach of covenant or agreement, or Damages arising related to Seller's fraud or intentional misrepresentation, and (B) there will be an aggregate ceiling equal to fifty percent (50%) of the Purchase Price (the "Cap") on the obligation of Seller to indemnify the Buyer Indemnified Parties from and against Damages resulting from, arising out of, relating to, in the nature of, or caused by breaches of the representations and warranties of Seller contained in this Agreement, after which point Seller will have no obligation to indemnify the Buyer Indemnified Parties from and against further such Damages; *provided, however*, that the ceiling will not apply with respect to Damages arising related to Seller's fraud or intentional misrepresentation;

(b) Except as provided at Section 1.3(b) above, liability arising with respect to the operation of the Station before the Closing Date, provided that Buyer shall perform all obligations first arising after the Closing Date under the Assumed Liabilities; and

(c) the Retained Liabilities.

**12.3 Indemnification of Seller by Buyer.** From and after the Closing, Buyer shall indemnify and hold Seller and its respective attorneys, affiliates, representatives, agents, officers, directors, successors or assigns (the "Seller Indemnified Parties"), harmless from and against any Damages resulting from, arising out of, or incurred with respect to:

(a) A breach of any representation, warranty, covenant or agreement of Buyer contained herein, subject to notice of a claim being given before the expiration of the applicable period specified in Section 12.1 with respect to the representations and warranties made by Buyer herein, *provided, however*, that (A) Buyer shall not have any obligation to indemnify the Seller Indemnified Parties from and against any Damages resulting from, arising out of, relating to, in the nature of, or caused by the breach of any representation or warranty of Buyer contained in this Agreement until the Seller

Indemnified Parties have suffered Damages by reason of all such breaches in excess of a Fifteen Thousand Dollar (\$15,000.00) threshold (after which point Buyer will be obligated to indemnify the Seller Indemnified Parties only for the amount of such Damages in excess of such threshold amount); *provided, however*, that the threshold will not apply with respect to breaches of the Core Representations, breach of covenant or agreement, or Damages arising related to Buyer's fraud or intentional misrepresentation, and (B) there will an aggregate ceiling equal to the Cap on the obligation of Buyer to indemnify the Seller Indemnified Parties from and against Damages resulting from, arising out of, relating to, in the nature of, or caused by breaches of the representations and warranties of Buyer contained in this Agreement, after which point Buyer will have no obligation to indemnify the Seller Indemnified Parties from and against further such Damages; provided, however, that the ceiling will not apply with respect to Damages arising related to Buyer's fraud or intentional misrepresentation.

(b) The Assumed Liabilities; and

(c) Any and all claims, liabilities or obligations of any nature, absolute or contingent, relating to the business and operation of the Station as conducted by Buyer on and after the Closing Date.

#### 12.4 Procedures.

(a) Promptly after the receipt by any party (the "Indemnified Party") of notice of (a) any claim or (b) the commencement of any action or proceeding which may entitle such party to indemnification under this Section, such party shall give the other party (the "Indemnifying Party") written notice of such claim or the commencement of such action or proceeding and shall permit the Indemnifying Party to assume the defense of any such claim, or any litigation or proceeding resulting from such claim. The failure to give the Indemnifying Party timely notice under this subsection shall not preclude the Indemnified Party from seeking indemnification from the Indemnifying Party unless, and then only to the extent, such failure has materially prejudiced the Indemnifying Party's ability to defend the claim, litigation or proceeding. If such claim does not arise from the claim of a third party, the Indemnifying Party shall have 30 days after such notice to cure the conditions giving rise to such claim to the Indemnified Party's satisfaction. The Indemnifying Party may assume the defense of any such claim, litigation or proceeding by a third party within 30 days after receipt of notice thereof from the Indemnified Party (or notify the Indemnified Party why it refuses to assume such defense), with counsel of its choice reasonably satisfactory to the Indemnified Party; *provided, however*, that the Indemnifying Party must conduct the defense of such claim, litigation or proceeding actively and diligently thereafter in order to preserve its rights in this regard; and *provided further* that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of such claim, litigation or proceeding, provided that the Indemnifying Party shall direct and control the defense of such claim, litigation or proceeding.

(b) So long as the Indemnifying Party has assumed and is conducting the defense of any such claim, litigation or proceeding resulting therefrom (A) the

Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to such claim, litigation or proceeding without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties, does not impose an injunction or other equitable relief upon the Indemnified Party, and provides a release for the benefit of the Indemnified Party; and (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to such claim, litigation or proceeding without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed). The Indemnified Party shall cooperate and make available all books and records reasonably necessary and useful in connection with the defense.

(c) If the Indemnifying Party shall not assume the defense of any such claim, litigation or proceeding resulting therefrom, the Indemnified Party may, but shall have no obligation to, defend against such claim, litigation or proceeding in such manner as it may deem appropriate; *provided*, that the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to such claim, litigation or proceeding without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed).

12.5 Exclusive Remedy. Buyer and Seller acknowledge and agree that the sole and exclusive remedy of the Buyer Indemnified Parties and the Seller Indemnified Parties with respect to Damages resulting from the breach of any representation, warranty, covenant or agreement made herein shall be solely in accordance with, and limited by, the indemnification provisions set forth in this ARTICLE 12. Notwithstanding anything in this Section 12.5 to the contrary, nothing in this Agreement shall limit (a) any claims by Buyer for specific performance as contemplated in Section 13.4, or any claims by Buyer or Seller for injunctive or declaratory relief or other equitable remedies, or (b) claims for fraud or intentional misrepresentation. All remedies provided in this Agreement are cumulative and not exclusive.

### **ARTICLE 13. TERMINATION RIGHTS**

13.1 Termination. This Agreement may be terminated, by written notice given by any party (provided such party is not then in material breach of any of its representations, warranties, covenants or duties hereunder) to the other party hereto, at any time prior to the Closing Date as follows, and in no other manner.

(a) By mutual written consent of the parties;

(b) By Buyer or Seller, if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable;

(c) By Buyer, if Seller fails to perform or breaches in any material respect any of its representations, warranties, covenants or duties under this Agreement, and Seller has not cured such failure to perform or breach within thirty (30) days after delivery of written notice from Buyer (“Seller’s Breach”);

(d) By Buyer, as specifically provided in Section 10.1(j) and Section 14.1;

(e) By Seller, if Buyer fails to perform or breaches in any material respect any of its obligations, representations, warranties, covenants or duties under this Agreement, and Buyer has not cured such failure to perform or breach within thirty (30) days after delivery of written notice from Seller (“Buyer’s Breach”);

(f) By any party, if the FCC denies the FCC Application, or if the FCC Application is designated for a hearing;

(g) By either party, if the Closing has not occurred by December 31, 2015 through no fault of the party seeking to terminate;

(h) By any party, if the satisfaction of a condition to the terminating party’s obligations to consummate the transactions contemplated by this Agreement shall become reasonably impracticable; *provided, however*, that a party may not terminate this Agreement under this subsection if such party’s breach, misrepresentation or failure to fulfill any material obligation under this Agreement is the cause of, or has resulted in, the condition being reasonably impracticable to satisfy.

13.2 Liability of Buyer. Upon a termination of this Agreement (except for reason of a Buyer’s Breach), Buyer shall have no further liability hereunder.

13.3 Liability of Seller. Upon termination of this Agreement (except for reason of a Seller’s Breach), Seller shall not have any liability or obligation hereunder.

13.4 Specific Performance as Remedy for Seller’s Breach. Seller acknowledges and agrees that the Station Assets are unique assets not readily available on the open market, and if the Closing does not occur due to a Seller’s Breach as described in the provisions of Section 13.1(c), Buyer will suffer immediate and irreparable harm and damage for which money damages alone cannot adequately compensate Buyer for its injury. In such event, Buyer shall be entitled to specific performance of this Agreement and of Seller’s obligation to consummate the transactions contemplated hereby, and Seller shall waive any and all defenses that Buyer has an adequate remedy at law.

13.5 Limitation of Liability. Except with respect to Damages arising related to fraud or intentional misrepresentation, in no event shall either party be liable to the other for Damages in excess of the Cap individually or in the aggregate. In no event will either party be liable for punitive damages.

**ARTICLE 14.**  
**ADDITIONAL AGREEMENTS**

14.1 Risk of Loss. The risk of loss to any of the Station Assets prior to the Closing shall be upon Seller. In such event Seller shall use all commercially reasonable efforts to repair or replace any damaged or lost Station Asset valued in excess of \$10,000, *provided, however*, that in the event that Station Assets with a value of greater than Fifty Thousand Dollars (\$50,000) are damaged or lost as of the date otherwise scheduled for Closing, Buyer may, at its option either: (i) postpone the Closing for a period of up to sixty (60) days as Seller attempts to cure such condition, and if such cure occurs within such period, then the parties shall consummate the transaction at the earliest practicable date thereafter, subject to satisfaction or waiver of the conditions set forth in ARTICLE 9, (ii) close with the Assets in their current condition, in which case Seller shall assign all proceeds from insurance on such lost or damaged Station Assets to Buyer, and Buyer shall assume the responsibility to repair or replace the Station Assets thereafter, or (iii) terminate this Agreement without penalty upon written notice to Seller.

14.2 Video Software System. Buyer will purchase for, or otherwise transfer title to, Seller, at no additional cost to Seller, a fully automated video software system, including cameras and video encoder (the "Video Software System"), with a value not to exceed Fifty Thousand Dollars (\$50,000), within six (6) months following Closing. Buyer will also provide Seller one year of in-house Buyer technical support from the date of delivery of the Video Software System, during normal business hours and in a manner that does not interfere with Buyer's normal business operations, as reasonably requested by Seller. Neither the Video Software System, nor the technical support, will include any internet service or hosting.

**ARTICLE 15.**  
**MISCELLANEOUS PROVISIONS**

15.1 Benefit and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. No party may voluntarily or involuntarily assign this Agreement or any right or obligation hereunder without the prior written consent of the other party. Notwithstanding anything to the contrary, no such assignment by Buyer shall relieve Buyer of any of its obligations hereunder, and Seller shall remain entitled to enforce any of its rights under this Agreement against Buyer as if no such assignment had been made.

15.2 Headings. The headings set forth in this Agreement are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

15.3 Governing Law. This Agreement and the rights of the parties hereto shall be governed, construed and interpreted in accordance with the internal laws of the State of Minnesota, without giving effect to the choice of law principles thereof.

15.4 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

15.5 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

15.6 Construction. The language used in this Agreement will be deemed to be language chosen by the parties to express their mutual intent. In the event an ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any person or entity by virtue of the authorship of any of the provisions of this Agreement.

15.7 Attorneys' Fees. Should any party hereto institute any action or proceeding at law or in equity to enforce any provision of this Agreement, including an action for declaratory relief, or for damages by reason of an alleged breach of any provision of this Agreement, or otherwise in connection with this Agreement, or any provision hereof, the prevailing party shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs for services rendered to the prevailing party in such action or proceeding.

15.8 Notices. Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing. Assuming that the contents of a notice meet the requirements of the specific Section of this Agreement which mandates the giving of that notice, a notice shall be validly given or made to another party if served either personally or if deposited in the United States mail, certified or registered, postage prepaid, or if transmitted by telegraph, telecopy or other electronic written transmission device or if sent by overnight courier service, and if addressed to the applicable party as set forth below. If such notice, demand or other communication is served personally, service shall be conclusively deemed given at the time of such personal service. If such notice, demand or other communication is given by mail, service shall be conclusively deemed given seventy-two (72) hours after the deposit thereof in the United States mail. If such notice, demand or other communication is given by overnight courier, or electronic transmission, service shall be conclusively deemed given at the time of confirmation of delivery. The addresses for the parties are as follows:

If to Buyer to:

Northern Lights Broadcasting, LLC  
Attn: Joe Pohlada, EVP.  
420 North Fifth Street Suite 150  
Minneapolis, MN 55401  
Fax: 612-313-2795  
Email: jpohlada@go963mn.com

With copies (which shall not constitute notice) to:

Briggs and Morgan, P.A.  
80 South 9<sup>th</sup> Street

Suite 2200  
Minneapolis, MN 55402  
Attn: Dennis L. Knoer  
Fax: 612-977-8650  
Email: [dknoer@briggs.com](mailto:dknoer@briggs.com)

Womble Carlyle Sandridge & Rice, LLP  
1200 19<sup>th</sup> Street, NW, Suite 500  
Washington, DC 20036-2421  
Attn: Gregg P. Skall  
Fax: 202-261-0041  
Email: [gskall@wcsr.com](mailto:gskall@wcsr.com)

If to Seller to:

Praise Broadcasting  
Attn: David McIver  
Executive Director  
Email: [david@praisefm.org](mailto:david@praisefm.org)

With copies (which shall not constitute notice) to:

Monroe Moxness Berg PA  
7760 France Avenue South  
Suite 700  
Minneapolis, MN 55435  
Attn: Mark J. Moxness  
Fax: 952-885-5969  
Email: [mmoxness@mmblawfirm.com](mailto:mmoxness@mmblawfirm.com)

Matthew H. McCormick  
Fletcher, Heald & Hildreth, P.L.C.  
1300 N. 17th Street, 11th Floor  
Arlington, VA 22209  
Fax: 703-812-0486  
Email: [mccormick@fhhlaw.com](mailto:mccormick@fhhlaw.com)

Any party hereto may change its or his address for the purpose of receiving notices, demands and other communications as herein provided, by a written notice given in the aforesaid manner to the other parties hereto.

15.9 Entire Agreement. This Agreement, the Schedules and Exhibits attached hereto and the ancillary documents provided for herein, constitute the entire agreement and understanding of the parties hereto relating to the matters provided for herein and supersede any and all prior agreements, arrangements, negotiations, discussions and understandings relating to the matters provided for herein. All Exhibits and Schedules attached hereto or to be delivered in connection herewith are incorporated herein by this reference.

15.10 Waivers. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

15.11 No Third Party Beneficiaries. Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person or entity, other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

15.12 Counterparts. This Agreement and any ancillary document hereto may be executed in counterpart signature pages, and each such counterpart signature page shall constitute one and the same original signature page. The exchange of copies of this Agreement and of signature pages hereto by facsimile or electronic mail in portable document format (PDF) shall constitute effective execution and delivery of this Agreement. Signatures of the parties transmitted by facsimile or electronic mail in portable document format shall be deemed to be the parties' original signatures for all purposes.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties hereto have executed this Asset Purchase Agreement as of the date and year first above written.

**PRAISE BROADCASTING**

By:   
Name: David McIver  
Title: Executive Director

**NORTHERN LIGHTS BROADCASTING,  
LLC**

By:   
Name: Joe Pohlad  
Title: Executive Vice President

**EXHIBIT A**  
**Escrow Agreement**

[see attached]

## ESCROW AGREEMENT

This Escrow Agreement dated this 18<sup>th</sup> day of September, 2015 (the "**Escrow Agreement**"), is entered into by and among Northern Lights Broadcasting, LLC, a Minnesota limited liability company ("**Buyer**"), Praise Broadcasting, a Minnesota non-profit corporation ("**Seller**"), and Wilmington Trust, N.A., as escrow agent ("**Escrow Agent**"). Buyer and Seller are sometimes referred to individually as a "**Party**", and collectively, as the "**Parties**." All capitalized terms not otherwise defined herein shall have the meaning given to them in the Purchase Agreement (as defined below).

### RECITALS

**WHEREAS**, Buyer and Seller are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "**Purchase Agreement**"), providing for, among other things, the purchase by Buyer of certain assets, properties, interests and rights of Seller that are used or held for use in connection with the operation of the Station by Seller; and

**WHEREAS**, pursuant to Section 3.1(c) of the Purchase Agreement, Buyer and Seller agreed to place in escrow certain funds, and the Escrow Agent desires to hold and distribute such funds in accordance with the terms of this Escrow Agreement.

**WHEREAS**, Escrow Agent is willing act as the escrow agent hereunder, including, but not limited to, holding and disbursing the Escrow Property on the terms and conditions set forth herein.

**WHEREAS**, the Parties and the Escrow Agent desire to more specifically set forth their rights and obligations with respect to the Escrow Property and the distribution and release thereof.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the foregoing Recitals, each of which is incorporated herein as an essential term hereof, and of the promises and agreements of the Parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties and the Escrow Agent agree as follows:

#### ARTICLE 1 ESCROW DEPOSIT

Section 1.1. Receipt of Escrow Property. Upon execution hereof, Buyer shall deliver to the Escrow Agent the amount of three hundred fifty thousand dollars (\$350,000) (the "**Escrow Property**") in immediately available funds. Escrow Agent agrees to hold the Escrow Property in a separate and distinct account (the "**Escrow Account**"), subject to the terms and conditions of this Escrow Agreement. Escrow Agent shall not distribute or release the Escrow Property except in accordance with the express terms and conditions of this Escrow Agreement.

Section 1.2. Investments.

(a) The Escrow Agent shall invest the Escrow Property, including any and all interest and investment income, in accordance with the joint written instructions provided to the Escrow Agent and signed by the Parties. In the absence of written investment instructions from the Parties, the Escrow Agent shall deposit and invest the Escrow Property, including any and all interest and investment income, in the M&T Bank Corporate Deposit Account, which is further described herein on Exhibit A. Any investment earnings and income on the Escrow Property shall become part of the Escrow Property, and shall be disbursed in accordance with Section 1.3 or Section 1.5 of this Escrow Agreement.

(b) The Escrow Agent is hereby authorized and directed to sell or redeem any such investments as it deems necessary to make any payments or distributions required under this Escrow Agreement. The Escrow Agent shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Escrow Agreement. The Escrow Agent is hereby authorized, in making or disposing of any investment permitted by this Escrow Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Escrow Agent or for any third person or dealing as principal for its own account. The Parties acknowledge that the Escrow Agent is not providing investment supervision, recommendations, or advice.

#### Section 1.3. Disbursements.

(a) The Escrow Agent shall disburse the Escrow Property only (i) in accordance with the instructions set forth in a joint written notice executed by each of the Parties and delivered to the Escrow Agent in accordance herewith, or (ii) pursuant to, and in accordance with the terms of, any Final Order upon receipt of a written notice from any Party, with a copy to each other Party, executed by such Party certifying that a Final Order has been issued (with a copy of such Final Order attached to such written notice) and directing the Escrow Agent to make such disbursement of all or a portion of the Escrow Property in accordance with the Final Order. "**Final Order**" shall mean a final judgment of the state or federal court of competent jurisdiction in the State of Minnesota having the authority to determine the amount of, any liability with respect to, any claims for which indemnification is sought under the Purchase Agreement and the denial of, or expiration of all rights to, appeal related thereto. In the event of a Closing under the Purchase Agreement, the Parties shall execute and deliver to the Escrow Agent a joint written notice instructing the Escrow Agent to release to Seller \$250,000 of the Escrow Property as part of the Purchase Price.

(b) In the event that the Escrow Agent makes any payment to any Party pursuant to this Escrow Agreement and for any reason such payment (or any portion thereof) is required to be returned to the Escrow Account or another Party or is subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a receiver, trustee or other party under any bankruptcy or insolvency law, other federal or state law, common law or equitable doctrine, then the recipient shall repay to the Escrow Agent upon written request the amount so paid to it.

(c) If the Escrow Agent complies with any written notice delivered pursuant to Section 1.3(a), then it shall not be liable to any Party or any other person by reason of such compliance.

(d) In the event that a Party gives funds transfer instructions (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call-back to the authorized person or persons of such Party, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated provided no call back is required if the Escrow Agent receives original instructions. The persons and telephone numbers for callbacks may be changed only in a writing actually received and acknowledged by the Escrow Agent. The Parties agree that such security procedure is commercially reasonable.

(e) The Escrow Agent will furnish monthly statements to the Parties setting forth the activity in the Escrow Account.

#### Section 1.4. Income Tax Allocation and Reporting.

(a) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Escrow Property shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported as having been earned one hundred percent (100%) by Seller unless such income was disbursed during such calendar year in which case it shall be reported as having been earned by the Party to whom such interest or other income was disbursed.

(b) Prior to the Closing, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Property.

(c) To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the investment of the Escrow Property, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Property. The Parties, jointly and severally, shall indemnify, defend and hold the Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against the Escrow Agent on or with respect to the Escrow Property and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of the Escrow Agent. The indemnification provided by this Section 1.4(c) is in addition to the indemnification provided in Section 3.1 and shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

Section 1.5. Termination. Upon the disbursement of all of the Escrow Property, including any interest and investment earnings thereon, this Escrow Agreement shall terminate

and be of no further force and effect except that the provisions of Sections 1.4(c), 3.1 and 3.2 hereof shall survive termination.

## ARTICLE 2 DUTIES OF THE ESCROW AGENT

Section 2.1. Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

Section 2.2. Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 3.1 for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

Section 2.3. Reliance. The Escrow Agent shall not be liable for any action taken or not taken by it in accordance with the direction or consent of the Parties or their respective agents, representatives, successors, or assigns. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of this Escrow Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms in the form of **Exhibit B-1** and **Exhibit B-2** to this Escrow Agreement.

## ARTICLE 3 PROVISIONS CONCERNING THE ESCROW AGENT

Section 3.1. Indemnification. The Parties hereby agree, jointly and severally, to indemnify Escrow Agent, its directors, officers, employees and agents (collectively, the "**Indemnified Parties**"), and hold the Indemnified Parties harmless from any and against all

liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature, including, without limitation, reasonable attorney's fees and expenses, which an Indemnified Party may incur or with which it may be threatened by reason of acting as or on behalf of Escrow Agent under this Agreement or arising out of the existence of the Escrow Account, except to the extent the same shall be caused by Escrow Agent's gross negligence or willful misconduct. The terms of this paragraph shall survive termination of this Agreement.

Section 3.2. Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

Section 3.3. Resignation or Removal. The Escrow Agent may resign by furnishing written notice of its resignation to the Parties, and the Parties may remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal along with payment of all fees and expenses to which it is entitled through the date of termination. Such resignation or removal, as the case may be, shall be effective thirty (30) days after the delivery of such notice or upon the earlier appointment of a successor, and the Escrow Agent's sole responsibility thereafter shall be to safely keep the Escrow Property and to deliver the same to a successor escrow agent as shall be appointed by the Parties, as evidenced by a joint written notice filed with the Escrow Agent or in accordance with a court order. If the Parties have failed to appoint a successor escrow agent prior to the expiration of thirty (30) days following the delivery of such notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the Parties.

Section 3.4. Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as **Exhibit C**, which compensation shall be paid half by each of the Parties. The fee agreed upon for the services rendered hereunder is intended as compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; provided, however, that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is

hereby granted, a prior lien upon the Escrow Property with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Property. The terms of this paragraph shall survive termination of this Agreement.

Section 3.5. Disagreements. If any conflict, disagreement or dispute arises between, among, or involving any of the Parties hereto concerning the meaning or validity of any provision hereunder or concerning any other matter relating to this Escrow Agreement, or the Escrow Agent is in doubt as to the action to be taken hereunder, the Escrow Agent may, at its option, retain the Escrow Property until the Escrow Agent (i) receives a final non-appealable order of a court of competent jurisdiction or a final non-appealable arbitration decision directing delivery of the Escrow Property, (ii) receives a written agreement executed by each of the Parties involved in such disagreement or dispute directing delivery of the Escrow Property, in which event the Escrow Agent shall be authorized to disburse the Escrow Property in accordance with such final court order, arbitration decision, or agreement, or (iii) files an interpleader action in any court of competent jurisdiction, and upon the filing thereof, the Escrow Agent shall be relieved of all liability as to the Escrow Property and shall be entitled to recover attorneys' fees, expenses and other costs incurred in commencing and maintaining any such interpleader action. The Escrow Agent shall be entitled to act on any such agreement, court order, or arbitration decision without further question, inquiry, or consent.

Section 3.6. Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

Section 3.7. Attachment of Escrow Property; Compliance with Legal Orders. In the event that any Escrow Property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Property, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

Section 3.8. Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligation under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military

disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.9. Compliance with Legal Orders. Escrow Agent shall be entitled to consult with legal counsel in the event that a question or dispute arises with regard to the construction of any of the provisions hereof, and shall incur no liability and shall be fully protected in acting in accordance with the advice or opinion of such counsel.

Section 3.10. Disagreements. In the event Escrow Agent receives conflicting instructions hereunder, Escrow Agent shall be fully protected in refraining from acting until such conflict is resolved to the satisfaction of Escrow Agent.

Section 3.11. No Financial Obligation. Escrow Agent shall not be required to use its own funds in the performance of any of its obligations or duties or the exercise of any of its rights or powers, and shall not be required to take any action which, in Escrow Agent's sole and absolute judgment, could involve it in expense or liability unless furnished with security and indemnity which it deems, in its sole and absolute discretion, to be satisfactory.

#### ARTICLE 4 MISCELLANEOUS

Section 4.1. Successors and Assigns. This Escrow Agreement shall be binding on and inure to the benefit of the Parties and the Escrow Agent and their respective successors and permitted assigns. No other persons shall have any rights under this Escrow Agreement. No assignment of the interest of any of the Parties shall be binding unless and until written notice of such assignment shall be delivered to the other Party and the Escrow Agent and shall require the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld).

Section 4.2. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Property escheat by operation of law.

Section 4.3. Notices. All notices, requests, demands, and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) by electronic mail transmission with written confirmation of receipt, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five (5) business days after the date such notice is deposited in the United States mail. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to notify the Escrow Agent and the other Party

in writing of any name or address changes. In the case of communications delivered to the Escrow Agent, such communications shall be deemed to have been given on the date received by the Escrow Agent.

If to Buyer:

Northern Lights Broadcasting, LLC  
420 North Fifth Street Suite 150  
Minneapolis, MN 55401  
Attention: Joe Pohlad, EVP  
Facsimile: \_\_\_\_\_  
Email: [jpohlad@go963mn.com](mailto:jpohlad@go963mn.com)

With a copy to:

Briggs and Morgan, P.A.  
2200 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
Attention: Dennis L. Knoer  
Facsimile: 612-977-8650  
Email: [dknoer@briggs.com](mailto:dknoer@briggs.com)

If to Seller:

Praise Broadcasting  
910 Elliot Avenue  
Minneapolis, MN 55404  
Attention: David McIver  
Facsimile: \_\_\_\_\_  
Email: [david@praisefm.org](mailto:david@praisefm.org)

With a copy to:

Monroe Moxness Berg PA  
7760 France Avenue South, Suite 700  
Minneapolis, MN 55435  
Attention: Mark J. Moxness  
Facsimile: 952-885-5969  
Email: [mmoxness@mmlawfirm.com](mailto:mmoxness@mmlawfirm.com)

If to the Escrow Agent:

Wilmington Trust, N.A.  
Corporate Client Services  
50 South Sixth Street, Ste. 1290  
Minneapolis, MN 55402  
Attn: Aaron R. Soper  
Facsimile: (612) 217-5651  
Email: [ASoper@WilmingtonTrust.com](mailto:ASoper@WilmingtonTrust.com)

Section 4.4. Governing Law. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

Section 4.5. Entire Agreement. This Escrow Agreement sets forth the entire agreement and understanding of the parties related to the Escrow Property.

Section 4.6. Amendment. This Escrow Agreement may be amended, modified, superseded, rescinded, or canceled only by a written instrument executed by the Parties and the Escrow Agent.

Section 4.7. Waivers. The failure of any party to this Escrow Agreement at any time or times to require performance of any provision under this Escrow Agreement shall in no manner affect the right at a later time to enforce the same performance. A waiver by any party to this Escrow Agreement of any such condition or breach of any term, covenant, representation, or warranty contained in this Escrow Agreement, in any one or more instances, shall neither be construed as a further or continuing waiver of any such condition or breach nor a waiver of any other condition or breach of any other term, covenant, representation, or warranty contained in this Escrow Agreement.

Section 4.8. Headings. Section headings of this Escrow Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions of this Escrow Agreement.

Section 4.9. Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 4.10. Waiver of Jury Trial. **EACH OF THE PARTIES HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN RESOLVING ANY CLAIM OR COUNTERCLAIM RELATING TO OR ARISING OUT OF THIS ESCROW AGREEMENT.**

[The remainder of this page left intentionally blank.]

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed as of the date first written above.

**BUYER:**

**NORTHERN LIGHTS BROADCASTING,  
LLC**

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

Name: Joe Pohlad

Title: Executive Vice President

**SELLER:**

**PRAISE BROADCASTING**

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

Name: David McIver

Title: Executive Director

**WILMINGTON TRUST, NATIONAL  
ASSOCIATION, as Escrow Agent**

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

Name: \_\_\_\_\_

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

EXHIBIT A

**Agency and Custody Account Direction  
For Cash Balances  
Manufacturers & Traders Trust Company Deposit Accounts**

Direction to use the following Manufacturers & Traders Trust Company (also known as M&T Bank) Deposit Account for Cash Balances for the escrow account or accounts (the "**Account**") established under the Escrow Agreement to which this Exhibit A is attached.

You are hereby directed to deposit, as indicated below, or as I shall direct further in writing from time to time, all cash in the Escrow Account in the following deposit account of M&T Bank:

**M&T Corporate Deposit Account**

I acknowledge that amounts on deposit in the M&T Bank Deposit Account are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per issued bank. This includes principal and accrued interest up to a total of \$250,000.

I acknowledge that I have full power to direct investments of the Escrow Account.

I understand that I may change this direction at any time and that it shall continue in effect until revoked or modified by me by written notice to you.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

EXHIBIT B-1

**Certificate as to Authorized Signatures**

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Buyer and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-1 is attached, on behalf of Buyer.

<u>Name / Title / Phone Number</u>	<u>Specimen Signature</u>
_____ Joseph C. Pohlad Name	_____ Signature
_____ Executive Vice President Title	
_____ (612) 659-4845 Phone Number	

EXHIBIT B-2

**Certificate as to Authorized Signatures**

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Seller and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under the Escrow Agreement to which this Exhibit B-2 is attached, on behalf of Seller.

<u>Name / Title / Phone Number</u>	<u>Specimen Signature</u>
_____ David McIver Name	_____ Signature
_____ Executive Director Title	
_____ 612-343-3500 Phone Number	
_____ Name	_____ Signature
_____ Title	
_____ Phone Number	



Exhibit C

**Fees of Escrow Agent**

**Acceptance Fee:**

**WAIVED**

Initial Fees as they relate to Wilmington Trust acting in the capacity of Escrow Agent – includes review of the Escrow Agreement; acceptance of the Escrow appointment; setting up of Escrow Account(s) and accounting records; and coordination of receipt of funds for deposit to the Escrow Account(s). **Acceptance Fee payable at time of Escrow Agreement execution.**

**Escrow Agent Administration Fee:**

**\$3,000**

For ordinary administrative services by Escrow Agent – includes daily routine account management; investment transactions; cash transaction processing (including wire and check processing); monitoring claim notices pursuant to the agreement; disbursement of funds in accordance with the agreement; and mailing of trust account statements to all applicable parties.

***Wilmington Trust's bid is based on the following assumptions:***

- Number of Escrow Accounts to be established: One (1)
- Est. Term: 12 months
- Investment in M&T/Wilmington Trust Deposit Products

**Out-of-Pocket Expenses:**

**Billed At Cost**

**EXHIBIT B**

**Time Brokerage Agreement**

[see attached]

## **TIME BROKERAGE AGREEMENT**

This Time Brokerage Agreement (“Agreement”) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between **Northern Lights Broadcasting, LLC**, a Minnesota limited liability company (“Broker”), and **Praise Broadcasting**, a Minnesota non-profit corporation (“Programmer”).

### **RECITALS**

**WHEREAS**, Broker acquired station KNOF-FM, St. Paul/Minneapolis, MN from Programmer immediately prior to the effectiveness of this Agreement pursuant to the terms of that certain Asset Purchase Agreement dated as of September 18, 2015 (the “Asset Purchase Agreement”);

**WHEREAS**, Broker is also the Licensee of station KTWN-FM, Edina, MN FCC Facility ID No. 70705 (the “Station”);

**WHEREAS**, the Station broadcasts in-band on-channel digital radio and analog radio broadcast signals simultaneously on the same FM radio channel, using iBiquity’s HD Radio technology;

**WHEREAS**, in connection with the transactions contemplated by the Asset Purchase Agreement, Programmer desires, in conformity with the rules and policies of the Federal Communications Commission (“FCC”) and this Agreement, to produce and present, over the Station’s, HD2 Subchannel, (the “HD2 Subchannel”) radio programming;

**WHEREAS**, Broker desires to accept the programming produced by Programmer and to make broadcasting time on the Station’s HD2 Subchannel available to Programmer on terms and conditions which conform to FCC rules and policies and to this Agreement;

**NOW, THEREFORE**, in consideration of the above recitals and mutual promises and covenants contained herein, the parties, intending to be legally bound, agree as follows:

### **SECTION 1.**

#### **Sale of Station Air Time**

1.1 **Scope.** Beginning on the date of this Agreement, (hereinafter “Commencement Date”), Broker shall make available to Programmer substantially all the air time on the Station’s HD2 Subchannel, as set forth in this Agreement, for broadcast or programming produced by Programmer, which programming shall be limited to a Christian religious format together with commercial matter, news public service announcements. Programmer shall not alter the format of the HD2 Subchannel without the prior written approval of Broker. Broker may set aside such time as it may require (up to two hours per week) during the hours of midnight to 6 a.m. Monday through Saturday and midnight to 7 a.m. Sunday, for the broadcast of its own regularly scheduled news, public affairs, and other programming.

1.2 **HD Broadcast Facilities.** Broker agrees that the HD transmission equipment installed will be capable of operating at six percent of the station’s authorized analog effective radiated

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power. Broker further agrees that the HD2 Subchannel will be provided at a minimum bit rate of 24 kilobits per second. Until such time as Broker is ready to begin operation of a HD3 channel, Broker will allow Programmer to utilize the HD2 Subchannel at a bit rate of 48 kilobits per second.

### 1.3 **Revenue Generation.**

(a) During the Term, Programmer will be exclusively responsible for the sale of advertising (if any), as well as solicitations of donations, gifts, and other fundraising on the HD2 Subchannel during the programs (“Programs”) provided by Programmer pursuant to this Agreement (“Programmer Marketing”) and for the collection of accounts receivable arising therefrom, and Programmer shall be entitled to all revenue from the Programmer Marketing on the HD2 Subchannel. Programmer shall not be entitled to any revenue derived from the Station's other analog or digital channels, or from the Station's website, or from any other sources other than the HD2 Subchannel.

(b) Programmer shall not discriminate in advertising arrangements on the HD2 Subchannel on the basis of race or ethnicity. Programmer further covenants that all of the advertising sales agreements with respect to the HD2 Subchannel will contain an appropriate nondiscrimination clause in compliance with FCC policies concerning nondiscrimination in advertising.

1.4 **Term.** This Agreement shall commence on the Commencement Date and, unless earlier terminated pursuant to Section 5.1 of this Agreement, shall expire on the fifth anniversary of the Commencement Date (the “Initial Term”); provided, however, that Programmer shall have the right to extend the Initial Term for up to two (2) additional one year terms (each, an “Extension Term”) by written notice delivered to Broker at least ninety (90) days prior to the conclusion of the Initial Term or the first Extension Term, as applicable, accompanied by payment of Five Thousand Dollars (\$5,000) per Extension Term (the “Extension Term Payments”).

1.5 **Consideration.** In addition to the Extension Term Payments, Programmer shall pay to Broker the amount of Operating Expenses incurred by Broker and reimbursable by Programmer pursuant to Section 2.1 hereof.

1.6 **Authorization.** Broker and Programmer each represent that it is legally qualified, empowered, and able to enter into this Agreement and that this Agreement has been approved by all necessary action. Broker and Programmer each represent that execution and effectuation of this Agreement will not constitute a breach or default under any other agreement to which it is a party.

1.7 **Certifications.** Pursuant to Section 73.3555(a)(2)(ii) of the FCC’s rules, Broker certifies it maintains ultimate control over the station’s facilities, including specifically control over station finances, personnel and programming, and Programmer certifies this Agreement complies with the provision of Sections 73.3555(a)(1) and (e)(1) of FCC’s rules.

## SECTION 2.

### Operation

#### 2.1 Broker's Responsibilities and Operational Expenses.

(a) **Expenses.** Programmer will be responsible for (i) the salaries, taxes, insurance and related costs for all personnel used in the production of the Programs supplied to Broker, (ii) the costs of delivering the Programs to Broker, and (iii) all license fees (i.e., ASCAP, BMI and SESAC) related to Programmer's Programs (collectively, the "Programmer Expenses"). Broker will pay for the maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the HD2 Subchannel broadcast operations in accordance with FCC rules and policies and applicable law. Broker will also pay for all utilities supplied to its transmitter site. Broker will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries, taxes, insurance and related costs for all such personnel. On or before the fifteenth (15th) of each month, Broker shall deliver to Programmer an invoice for the Programmer Expenses associated with the HD2 Subchannel for the previous month which have not been paid directly by the Programmer, supported by copies of all invoices or other statements, which together constitute the invoice to Programmer. The invoice shall be paid by Programmer not later than five (5) business days after delivery.

(b) **Regulatory Compliance.** Broker shall be responsible for the Station's compliance with all applicable provisions of the Communications Act of 1934, as amended, the rules and policies of the FCC and all other applicable laws, including, without limitation, laws relating to equal employment opportunity, human exposure to radiofrequency radiation, and the safety of air navigation. Broker shall at all times be solely responsible for meeting all of the Commission's requirements with respect to public service programming, for maintaining the political and public inspection files and the station logs, and for the preparation of issues/programs lists; provided, however, that Programmer shall use its best efforts to assist Broker in complying with such requirements, to the extent reasonably requested by Broker. Broker shall, on a regular basis, assess the needs of its community and address those needs in connection with the preparation of its public affairs programming. Broker shall also record those needs and place the issue/programs list in the Station public inspection file. Further, promptly upon Broker's request, Programmer shall provide Broker with all information reasonably available to Programmer with respect to Programmer's programs which are responsive to public needs and interests so as to assist Broker in the preparation of required programming in the satisfaction of its community service needs. Programmer shall also provide, upon Broker's reasonable request, such other information necessary to enable Broker to prepare any other records and reports required by the FCC and local, state or other federal governmental authorities.

(c) **FCC Licenses.** Broker shall maintain all authorizations required for the operation of the Station in full force and effect during the terms of this Agreement, unimpaired by any acts or omissions of Broker.

(d) **Remote Programming.** Broker shall cooperate with Programmer, at Programmer's expense, in making such arrangements as Programmer shall reasonably request to deliver Programmer's programming from any remote location to the Station's transmitter site. Programmer will transmit its Programs to the transmitting facilities of the HD2 Subchannel via Internet Protocol, satellite or equivalent method. The Programs shall be transmitted to the transmitting facilities of the HD2 Subchannel in a manner that ensures that the Programs meet technical and quality standards at least equal to those of the Station's broadcasts prior to commencement of the Term.

2.2 **Programmer's Responsibilities.** Programmer shall employ and be responsible for the salaries, taxes, insurance, and related costs for all personnel used in the production of the programs supplied to the Station hereunder, and all other costs incurred by Programmer for the production of such programs. Programmer shall be responsible for any expenses incurred in the origination and/or delivery of programming from any remote location to the Station's transmitter sites, and for any publicity or promotional expenses incurred by Programmer. Programmer shall use due care in the use of any equipment or other property of Broker. Programmer will use the HD2 Subchannel in compliance with all applicable laws and regulations, and will use industry standard practices to maintain the security and integrity of Broker's signals and transmissions as they relate to Programmer's use of the HD2 Subchannel. Programmer represents and warrants that it owns or has valid licenses for the content of the Programs. During the Term, Programmer shall be solely responsible for obtaining and maintaining in full force and effect all necessary music licenses with respect to the Programs on the HD2 Subchannel. In the event that it is required to obtain or maintain music licenses with respect to the Programs during the Term, Programmer shall reimburse Broker as otherwise provided at Section 2.1, above within ten (10) business days of being presented with any invoice for such music licenses.

2.3 **Advertising and Programming.** Programmer shall be entitled to all revenue from the Programmer Marketing on the HD2 Subchannel related to the Programs on or after Commencement Date, except for revenues from advertising or program time sold by Broker for broadcast during the hours reserved for Broker's programming.

2.4 **Political Advertising.** At least seventy (70) days prior to any primary or general election, Programmer will provide Broker with information as to the lowest unit rate for all classes and categories of time in the programming that Programmer offers for sale to commercial advertisers, and shall provide copies of advertising contracts and other documents used by Programmer to determine the lowest unit rate applicable to each class or category of time. Additionally, Programmer will promptly notify Broker of any changes in its lowest rates which occur during the forty-five (45) day period before any primary election and the sixty (60) days period before any general election. Broker shall have the right to sell the candidates for federal political office as much time for political advertisements as Broker reasonably believes is necessary in order for

Broker to satisfy its obligations to afford federal candidates reasonable access to the facilities of the station and to comply with its obligations to afford such candidates equal opportunities, and Programmer shall assist Broker in such sales and shall insert such political advertisements in its programming; provided that to the extent practicable and consistent with Broker's obligations as the Broker of the station, Broker will consult with Programmer regarding the number and scheduling of political advertisements to be inserted in the Programmer's programming, and provided further that Programmer will be entitled to the net revenue received by Broker from the sale of political advertisements inserted in the Programmer's programming.

### SECTION 3.

#### **Compliance with Regulations**

3.1 **Broker Authority.** Nothing in this Agreement shall abrogate the unrestricted authority of the Broker to discharge its obligations to the public and to comply with the law, and the rules and policies of the FCC. Without limiting the generality of the foregoing, Programmer recognizes that Broker will have certain obligations to broadcast programming which covers issues of public importance in Edina, MN, and the service area of Station. The parties intend that Broker will use a substantial portion of the air time reserved to it under Section 1.1 above to satisfy its programming obligations.

3.2 **Station Identification Announcements/EBS Tests/Duty Operators.** During all hours when Programmer is delivering the programming for broadcast over the HD2 Subchannel, Programmer shall include in its programming, at the appropriate times, the hourly Station identification announcements required to be broadcast over the HD2 Subchannel. If an EBS test or alert is received during the hours when Programmer is delivering its programming for broadcast over the Station, Programmer shall cause the appropriate EBS test or alert message to be transmitted over the Station; shall, in the event of an actual activation of the Emergency Broadcast System, cause all steps that the Station are required to take in such an event to be taken, and shall be responsible for assuring that the receipt and broadcast of all EBS tests and alerts are properly recorded in the Station's log.

3.3 **Additional Broker Obligations.** Broker retains the right to cut into Programmer's programming in case of an emergency, although both parties shall cooperate in the broadcast of emergency information over the Station. Broker shall coordinate with Programmer the Station's hourly Station identification announcements so that such announcements are aired in accord with FCC rules. In addition, Broker and Programmer shall coordinate the broadcast of such sponsorship identification announcements as are necessary and appropriate concerning the programming supplied by Programmer hereunder.

3.4 **Access to Programmer Materials.** Broker, solely for the purpose of ensuring Programmer's compliance with the law, FCC rules, and the Station's policies, shall be entitled to review on a confidential basis any of Programmer's programming material. Programmer shall provide Broker with copies of all correspondence relating to the Station's broadcasts and all complaints received from the public.

3.5 **Regulatory Changes.** In the event of any order or decree of an administrative agency or court of competent jurisdiction, including without limitation any material change or clarification in FCC rules, policies, or precedent, that would cause this Agreement to be invalid or violate any applicable law, and such order or decree has become effective and has not yet been stayed, the parties will use their respective best efforts and negotiate in good faith to modify this Agreement to the minimum extent necessary as so to comply with such order or decree without material economic detriment to either party, and this Agreement, as so modified, shall then continue in full force and effect.

## SECTION 4.

### **Station Broadcast**

4.1 **Station Broadcast Guidelines.** Broker has adopted and will enforce certain guidelines (“Guidelines”), a copy of which appears as Attachment A hereto. Programmer agrees and covenants to comply in all material respects with the Guidelines and to all rules and policies of the FCC with respect to the programming supplied to the Station by Programmer.

4.2 **Broker Control of Programming.** Programmer recognizes that the Broker has full authority to control the operation of the Station. The parties agree that Broker’s authority includes, but is not limited to, the right to reject or refuse such portions of Programmer’s programming which Broker reasonably believes to be contrary to the public interest, substituting programs that Broker believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local communities, inserting information into the Programs deemed necessary by Broker in its sole discretion, including but not limited to Emergency Alert Service System (“EAS”) information. Without limiting the preceding sentence, Broker reserves the right to (i) refuse to broadcast any Programs containing matter which violates any right of any third party, which in the view of Broker contains indecent material or constitutes a personal attack, or which does not meet the requirements of the rules, regulations and policies of the FCC, (ii) preempt any Programs in the event of a local, state, or national emergency, and (iii) delete any commercial announcements or other programming that does not comply with the requirements of the FCC's sponsorship identification policy. Broker acknowledges that it is familiar with the type of Programs Programmer currently produces and has determined that the broadcast of such programming on the HD2 Subchannel would serve the public interest. Programmer agrees that the contents of the Programs it transmits to Broker shall conform to all FCC rules, regulations, and policies. Programmer agrees that it will consult with Broker in the selection of the Programs it transmits to Broker to ensure that the Program’s content contains matters responsive to issues of public concern in the local communities. Broker shall use its best efforts to give Programmer prior notice of Broker’s objection to Programmer’s proposed programming, including the basis for such objection, and a reasonable opportunity to substitute acceptable programming.

4.3 **Preemption of Programming.** Programmer may elect to terminate this Agreement at any time during the term hereof in the event that Broker preempts Programmer’s programs during fifteen percent (15%) or more of the total hours of operation of the Station during any calendar

month. In the event Programmer elects to terminate this Agreement pursuant to this provision, it shall give Broker notice of such election at least thirty (30) days prior to the termination date.

4.4 **Failures to Broadcast.** Broker shall have the right to take the Station off the air for up to four hours per week for regular maintenance, during the hours of 1:00 a.m. to 5:00 a.m. Monday through Sunday.

4.5 **Interruption of Normal Operations.** Broker shall notify Programmer if either of the following (a “Specified Event”) shall occur: (i) the regular broadcast transmissions of the Station in the normal and usual manner are interrupted or discontinued (except for regular maintenance pursuant to Section 4.4); or (ii) the Station is operated at less than its authorized antenna height above average terrain or at less than ninety percent (90%) of their authorized effective radiated power. If any Specified Event persists for more than seventy-two (72) hours (or, in the event of force majeure or utility failure affecting generally the market served by the station, ninety-six (96) hours), whether or not consecutive, during any period of thirty (30) consecutive days, then Programmer may, at its option, terminate this Agreement by written notice given to Broker not more than ten (10) days after the expiration of such thirty (30) day period, provided, however, that if Broker is making good faith efforts to correct promptly such Specified Event, Programmer may not terminate this Agreement if the Specified Event is corrected to the reasonable satisfaction of Programmer within forty (40) days after the expiration of the thirty (30) day period noted above. In the event of termination of this Agreement by Programmer pursuant to this Section, the parties shall be released and discharged from any further obligation hereunder. Nothing herein shall be deemed to override, supersede or alter the rights of the parties under the Asset Purchase Agreement.

## SECTION 5.

### **Termination**

5.1 **Circumstances Permitting Termination.** In addition to other remedies available at law or equity, this Agreement may be terminated as set forth below by either Broker or Programmer by written notice to the other, if the party seeking to terminate is not then in material default or breach hereof, upon the occurrence of any of the following:

(a) This Agreement is declared invalid or illegal in whole or substantial part by an order or decree of an administrative agency or court of competent jurisdiction, if such order or decree has gone into effect and has not been stayed, and if the parties are unable, after negotiating in good faith pursuant to Section 3.5 for a period of at least thirty (30) days, to modify this Agreement to comply with applicable law.

(b) The other party is in material breach of its obligations hereunder and has failed to cure such breach (i) within five (5) business days after receipt of written notice from Broker of Programmer’s failure to pay any amount due pursuant to Sections 1.3, 2.1 or 2.2 hereof, or Programmer’s breach of the Guidelines or any FCC rule or policy concerning the material broadcast by Programmer over the

station; or (ii) within ten (10) days after receiving written notice thereof from the non-breaching party in the case of any other breach; provided, however, that, with respect to clause (ii), if the breach is one that cannot be cured with reasonable diligence within ten (10) days, but could be cured within an additional thirty (30) days and the breaching party is diligently attempting to cure the breach, then the non-breaching party may not terminate this Agreement on account of such breach until such additional thirty (30) day period has elapsed without a cure with respect to the interruption of normal operations, Section 4.5. shall apply and not this Section 5.1.(b).

(c) As provided in Sections 4.3. and 4.5.

(d) Broker shall have the right to terminate this Agreement in the event Programmer does not commence usage of the HD2 Subchannel within twelve (12) months following the date of this Agreement, or in the event that Programmer does not use the HD2 Subchannel for any continuous 90 day period during the Initial Term or any Extension Term;

(e) Broker shall have the right to terminate this Agreement in the event that (i) after Broker initially acquires and installs the HD equipment used by the Station, any material technology developments related to iBiquity's HD Radio technology require Broker to incur additional material out-of-pocket costs to continue to provide access to the HD2 Subchannel, (ii) Broker provides Programmer a written estimate of such out-of-pocket costs, supported by documentation reasonably supporting that estimate, and (iii) Programmer, within thirty (30) days after receipt of the above-referenced written estimate and documentation, fails to provide Broker a written commitment that Programmer will pay directly or promptly reimburse Broker such out-of-pockets expenses;

(f) Broker shall have the right to terminate this Agreement in the event that Programmer's usage of the HD2 Subchannel interferes with the business and operations of Broker or any of Broker's affiliates in an adverse manner, as reasonably determined by Broker; provided, however, that prior to any such termination Broker will provide Programmer with written notice and a period of three (3) months to cure such interference to Broker's reasonable satisfaction and Broker will engage in good faith discussions with Programmer during such period to determine the most appropriate resolution;

(g) Broker shall have the right to terminate this Agreement upon Broker signing a letter of intent, or upon Broker reaching an agreement in principle, to sell the Station or transfer control of the Station by providing Programmer written notice of termination in connection therewith. Unless otherwise agreed by the parties, the actual termination of this Agreement in connection with a notice of termination under this Section 5.1(g) will become effective immediately prior to: (i) the consummation of a transaction requiring the grant by the FCC of an

application filed on FCC Form 314 (or any successor form used for a non-pro forma assignment), or (ii) a transfer of control of Broker if the transaction requires the grant by the FCC of an application on FCC Form 315 (or any successor form used for a non-pro forma transfer of control), as applicable; provided, however, in no event will the termination of this Agreement under this Section 5.1(g) become effective earlier than 30 days after the Broker provides notice of termination to Programmer; or

(h) The mutual consent of both parties.

5.2 **Liabilities Upon Termination.** Upon any termination of this Agreement, Broker shall cooperate reasonably with Programmer to the extent permitted to enable Programmer to fulfill advertising or other programming contracts then outstanding upon termination of this Agreement; provided, however, that Broker shall receive as compensation for the carriage of such advertising and programming the net amounts which otherwise would have been received by Programmer hereunder (payments to Programmer minus commissions, agency fees, station rep fees and the like). Thereafter, neither party shall have any liability to the other except as otherwise provided by this Agreement and the Asset Purchase Agreement.

## SECTION 6.

### **Indemnification**

6.1 **Programmer's Indemnification.** Programmer shall indemnify, defend, and hold harmless Broker from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto) or every kind, nature, and description, arising out of (i) Programmer's broadcasts under this Agreement; (ii) Programmer's use of Broker's equipment or other property; (iii) any misrepresentation or breach of any warranty of Programmer contained in this Agreement; and (iv) any breach of any covenant, agreement, or obligation of Programmer contained in this Agreement.

6.2 **Broker's Indemnification.** Broker shall indemnify, defend, and hold harmless Programmer from and against any and all claims, losses, costs, liabilities, damages, FCC forfeitures, and expenses (including reasonable legal fees and other expenses incidental thereto) of every kind, nature and description, arising out of (i) Broker's broadcasts under this Agreement; (ii) any misrepresentation or breach of any warranty of Broker contained in this Agreement; and (iii) any breach of any covenant, agreement or obligation of Broker contained in this Agreement.

6.3 **Procedure for Indemnification.** The party seeking indemnification under this Section ("Indemnitee") shall give the party from whom it seeks indemnification ("Indemnitor") prompt notice, pursuant to Section 7.6, of the assertion of any such claim, provided, however, that the failure to give notice of a claim within a reasonable time shall only relieve the Indemnitor of liability to the extent it is materially prejudiced thereby. Promptly after receipt of written notice, as provided herein, of a claim by a person or entity not a party to this Agreement, the Indemnitor shall assume the defense of such claim; provided, however, that (i) if the Indemnitor fails, within a

reasonable time after receipt of written notice of such claim, to assume the defense, compromise, and settlement of such claim on behalf of and for the account and risk of the Indemnitor, the Indemnitee shall, subject to the right of the Indemnitor (upon notifying the Indemnitee of its election to do so) to assume the defense of such claim at any time prior to the settlement, compromise, judgment, or other final determination thereof, have the right to undertake the defense compromise and settlement of such claim on behalf of and for the account and risk of Indemnitor (ii) if in the reasonable judgment of the Indemnitee, based on the advice of its counsel, a direct or indirect conflict of interest exists between the Indemnitee and Indemnitor, the Indemnitee shall (upon notifying the Indemnitor of its election to do so) have the right to undertake the defense, compromise, and settlement of such claim on behalf of and for the account and risk of the Indemnitor (it being understood and agreed that the Indemnitor shall not be entitled to assume the defense of such claim), (iii) if the Indemnitee in its sole discretion so elects, it shall (upon notifying the Indemnitor of its election to do so) be entitled to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of counsel so employed shall (except as contemplated by clauses (i) and (ii) above) be borne solely by the Indemnitee, (iv) the Indemnitor shall not settle or compromise any claim or consent to the entry of any judgment that does not include as an unconditional term thereof the grant by the claimant or plaintiff to each Indemnitee of a release from any and all liability in respect thereof, and (v) the Indemnitor shall not settle or compromise any claim in any manner, or consent to the entry of any judgment, that could reasonably be expected to have a material adverse effect on the Indemnitee.

6.4 **Dispute Over Indemnification.** If upon presentation of a claim for indemnity hereunder, the Indemnitor does not agree that all, or part, of such claim is subject to the indemnification obligations imposed upon it pursuant to this Agreement, it shall promptly so notify the Indemnitee. Thereupon, the parties shall attempt to resolve their dispute, including where appropriate, reaching an agreement as to that portion of the claim, if any, which both concede is subject to indemnification. To the extent that the parties are unable to reach some compromise, the parties agree to submit the matter for binding arbitration pursuant to the rules and procedures of JAMS and to share equally in the costs of such arbitration.

## **Section 7**

### **Miscellaneous**

6.5 **Assignment.** Broker shall have the right to assign its rights and obligations under this Agreement on written notice to Programmer. Programmer may not assign its rights or obligations hereunder without the prior written consent of Broker.

6.6 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

6.7 **Entire Agreement.** This Agreement and the Attachments hereto embody the entire agreement and understanding of the parties and supersede any and all prior agreements, arrangements, and understandings relating to the matters provided for herein. No amendment,

waiver of compliance with any provision or conditions hereof, or consent pursuant to this Agreement will be effective unless evidenced by an instrument in writing signed by the party to be charge therewith.

6.8 **Headings.** The headings are for convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

6.9 **Governing Law.** The obligations of Broker and Programmer are subject to applicable federal, state and local law, rules and regulations, including, but not limited to, the Communications Act of 1934, as amended, and the rules and regulations of the FCC. The construction and performance of the Agreement will be governed by the laws of the state of Minnesota except for the choice of law rules used in that jurisdiction.

6.10 **Notices.** Unless applicable law requires a different method of giving notice, any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing. Assuming that the contents of a notice meet the requirements of the specific Section of this Agreement which mandates the giving of that notice, a notice shall be validly given or made to another party if served either personally or if deposited in the United States mail, certified or registered, postage prepaid, or if transmitted by telegraph, telecopy or other electronic written transmission device or if sent by overnight courier service, and if addressed to the applicable party as set forth below. If such notice, demand or other communication is served personally, service shall be conclusively deemed given at the time of such personal service. If such notice, demand or other communication is given by mail, service shall be conclusively deemed given seventy-two (72) hours after the deposit thereof in the United States mail. If such notice, demand or other communication is given by overnight courier, or electronic transmission, service shall be conclusively deemed given at the time of confirmation of delivery. The addresses for the parties are as follows:

If to Broker to:

Northern Lights Broadcasting, LLC  
Attn: Joe Pohlada, EVP.  
420 North Fifth Street Suite 150  
Minneapolis, MN 55401  
Fax: 612-313-2795  
Email: jpohlada@go963mn.com

With copies (which shall not constitute notice) to:

Briggs and Morgan, P.A.  
80 South 9<sup>th</sup> Street  
Suite 2200  
Minneapolis, MN 55402  
Attn: Dennis L. Knoer  
Fax: 612-977-8650

Email: dknoer@briggs.com

Womble Carlyle Sandridge & Rice, LLP  
1200 19<sup>th</sup> Street, NW, Suite 500  
Washington, DC 20036-2421  
Attn: Gregg P. Skall  
Fax: 202-261-0041  
Email: gskall@wcsr.com

If to Programmer to:

Praise Broadcasting  
Attn: David McIver  
Executive Director  
Email: [david@praisefm.org](mailto:david@praisefm.org)

With copies (which shall not constitute notice) to:

Mark Moxness  
Monroe Moxness Berg PA  
7760 France Ave South  
Suite 700  
Minneapolis, MN 55435-5844  
Fax: (952) 885-5969  
Email: [MMoxness@mmlawfirm.com](mailto:MMoxness@mmlawfirm.com)

and

Matthew H. McCormick  
Fletcher, Heald & Hildreth, P.L.C.  
1300 N. 17th Street, 11th Floor  
Arlington, VA 22209  
Fax: (703) 812-0486  
Email: [mccormick@fhhlaw.com](mailto:mccormick@fhhlaw.com)

Any party hereto may change its or his address for the purpose of receiving notices, demands and other communications as herein provided, by a written notice given in the aforesaid manner to the other parties hereto.

6.11 **Attorneys' Fees.** If either party initiates any litigation against the other involving this Agreement, the prevailing party in such action shall be entitled to receive reimbursement from the other party for all reasonable attorneys' fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgment or final order issued in that proceeding.

6.12 **Venue.** Any litigation seeking to enforce any provision of, or based on any right arising out of this Agreement shall be brought either in a court of the state of state or in the United States District Court for the District of Minnesota, if it has or can acquire jurisdiction. The parties agree that those courts shall be the exclusive forums for all such actions, and hereby waive any objection to venue in those courts based on the doctrine of *forum non conveniens* or otherwise.

6.13 **Broker's Representations, Warranties and Covenants.** Broker hereby further represents, warrants and covenants:

(a) **Authorizations.** Except as scheduled in the Asset Purchase Agreement, Broker owns and holds all licenses and other permits and authorizations necessary for the operation of the Station as presently conducted (including licenses, permits and authorizations issued by the FCC) ("Operating Authorizations"). There is not now pending or, to Broker's knowledge threatened any action by the Commission or other party to revoke, cancel, suspend, refuse to renew or materially and adversely modify any of such Operating Authorizations and, to Broker's knowledge, no event has occurred which allows or, after notice or lapse of time or both, would allow, the revocation or termination of such Operating Authorizations or the imposition of any restrictions thereon of such a nature that may limit in any material respect the operation of the station as presently conducted. Broker has no knowledge that any such Operating Authorizations will not be renewed in due course during the term of this Agreement and to the best of its knowledge, otherwise, Broker is not in violation of any material respect of any statute, ordinance, rule, regulation, policy, order or decree of any federal, state, local or foreign government entity, court or authority having jurisdiction over it or its operations or assets, which would have a material adverse effect on Broker or its assets or on its ability to perform this Agreement.

(b) **Facilities.** The Station operating equipment will be maintained and comply in all material respects with the facilities permitted by the Operating Authorizations and will be maintained, in all material respects, in accordance with good engineering standards necessary to deliver a high quality technical signal to the area served by station and, in all material respects, with all applicable laws and regulations (including the requirements of the Act and the rules, regulations, policies and procedures of the FCC promulgated thereunder). All expenditures reasonably required to maintain the quality of station' signals shall be made promptly and shall be deemed "Operating Expenses."

(c) **Insurance.** Broker will maintain in full force and effect throughout the term of this Agreement insurance with responsible and reputable insurance companies or associations covering such risks (including fire, and other risks insured against by extended coverage, public liability insurance, insurance for claims against personal injury or death or property damage, and such other insurance as may be required by law and as is customary and usual in the broadcast industry) and in such amounts and on such terms as is conventionally carried by

broadcasters operating radio station with facilities comparable to those of the station. Any insurance proceeds received by Broker in respect of damaged property will be used to repair or replace such property so that the operation of station conforms with this Agreement.

(d) **No Partnership or Joint Venture Created.** Nothing in this Agreement shall be construed or interpreted to make Broker and Programmer partners or joint venturers, or to make one an agent or representative of the other, or to afford any rights to any third party other than as expressly provided herein. Neither Programmer nor Broker is authorized to bind the other to any contract, agreement or understanding. Programmer and Broker acknowledged that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties, and that neither party shall obtain any ownership interest in the other party's intellectual property by virtue of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Time Brokerage Agreement on the day and year first written above.

**Broker:**

**NORTHERN LIGHTS  
BROADCASTING, LLC**

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

**Programmer:**

**PRAISE BROADCASTING**

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

## Attachment A

### Guidelines

Programmer will take care to observe and exercise reasonable diligence to comply with the following guidelines in the preparation, writing and broadcasting of programs on the station:

1. **Payola.** Programmer shall not broadcast any material in violation of applicable laws and regulations governing “payola.” Programmer shall verify its compliance with such laws by executing and delivering an affidavit in the form attached hereto to Broker at such times as Broker may reasonably request. Programmer shall provide in advance any information regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for including any material as a part of any programming or commercial material to be broadcast unless the party making or accepting such payment is identified in the programming or commercial material as having paid for or furnished such consideration.
2. **No Gambling.** Any form of gambling on the program is prohibited.
3. **Required Announcements.** Programmer will broadcast (i) an announcement in a form satisfactory to Broker at the beginning of each hour to identify the station, and (ii) any other announcements required by applicable law or the station’ policy.
4. **No Illegal Announcements.** No announcements or promotions prohibited by law of any lottery or game will be made over the station.
5. **Programming Prohibitions.** Programmer will not knowingly broadcast any of the following programs or announcements:
  - (a) **False Claims.** False or unwarranted claims for any product or service.
  - (b) **Unfair Imitation.** Infringements of another advertiser’s rights through plagiarism or unfair imitation of either program idea or copy or any other unfair competition.
  - (c) **Profanity.** Any programs or announcements that are slanderous, obscene, profane, or indecent, either in them or in treatment.
  - (d) **Unauthorized Testimonials.** Any testimonials which cannot be authenticated.
6. **Political Advertising.** With respect to the sale of political advertising, see Section 2.4 of the Time Brokerage Agreement.

County of

State of

**ANTI-PAYOLA AFFIDAVIT**

David McIver, being first duly sworn, deposes and says as follows:

1. I am \_\_\_\_\_ of Praise Broadcasting (“Programmer”).
2. So far as I am aware, no programming furnished by Programmer to station KTWN-FM, Edina, MN, for which services, money or other valuable consideration or accepted by Programmer or any other person unless at the time of broadcast, such programming has been announced or otherwise indicated as paid or furnished by payor.
3. Programmer confirms that, in the future, it will not pay, promise to pay, request or receive any service, money or any other valuable consideration, direct or indirect, from a third party in exchange for the influencing of, or the attempt to influence, the preparation or presentation of broadcast matter on station KTWN-FM, Edina, MN, unless accompanied by proper sponsorship identification announcements.
4. Except as may be reflected in Paragraph 5 hereof, neither Programmer nor any of Programmer’s officers, directors, stockholders or employees, or any member of the immediate family of any of Programmer’s officers, directors, stockholders or employees, has any present direct or indirect ownership interest in any entity engaged in the following businesses or activities (other than an investment in a corporation whose stock is publicly held), serves as an officer or director of, whether with or without compensation, or serves as an employee of, any entity engaged in the following business or activities:
  - (a) The publishing of music;
  - (b) The production, distribution (including wholesale and retail sales outlets), manufacturer or exploitation of music, films, tapes, recordings or electrical transcriptions of any program material intended for radio broadcast use;
  - (c) The exploitation, promotion or management of persons rendering artistic, production and/or other services in the entertainment field; or

(d) The wholesale or retail sale of records intended for public purchase.

5. A full disclosure of any such interest referred to in Paragraph 4 above, is as follows:

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

Subscribed and sworn to before me

This \_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

**EXHIBIT C**

**Side Letter Agreement**

[see attached]

\_\_\_\_\_, 2015

Praise Broadcasting d/b/a Praise FM  
910 Elliot Ave.  
Minneapolis, MN  
Attn: Dave McIver

Re: Certain Additional Commitments

Dear Dave:

Contemporaneously herewith Northern Lights Broadcasting, LLC d/b/a Go Media, a Minnesota limited liability company ("Northern Lights"), and Praise Broadcasting d/b/a Praise FM, a Minnesota non-profit corporation ("Praise"), are entering into that certain Asset Purchase Agreement pursuant to which Praise is selling its license of radio station KNOF-FM, St. Paul, MN, and substantially all of its assets related to such license, to Northern Lights (the "Asset Purchase Agreement"). Capitalized terms used in this letter, but not defined herein shall have the meanings assigned to such terms in the Asset Purchase Agreement.

This letter sets forth certain additional commitments between Northern Lights and Praise related to the transactions contemplated by the Asset Purchase Agreement. Following the Closing, Northern Lights agree to provide the following to Praise at no additional cost to Praise.

**1. Minnesota Twins Events.**

- a. Northern Lights will coordinate with the Minnesota Twins to present Faith Night at Target Field and/or Target Field Station during the 2016-2020 MLB regular seasons, inclusive, on terms consistent with the 2015 Faith Night program, on dates to be determined by the Minnesota Twins.
  - i. Northern Lights and Praise to work together annually to develop pre or post-game program participants, promotions plan, etc.
- b. Northern Lights will make arrangements for one Praise concert each calendar year 2016 and 2017 to be hosted at Target Field Station.
  - i. Northern Lights and Praise to work together annually to determine dates(s) (subject to approval by the Minnesota Twins), promotions plan, etc.
  - ii. Northern Lights will be responsible for audio costs.

- iii. Praise will be responsible for food/beverage, operational costs (e.g., staffing), event set-up and post event clean-up.
  - c. Northern Lights will make arrangements for Praise to have access to group hospitality space (up to 20 people) at Target Field for a TBD MLB Regular Season Game for each of calendar years 2016-2020, inclusive.
    - i. Package to include game tickets, light snacks and non-alcoholic beverages.
  - d. Northern Lights to coordinate with the Minnesota twins to provide Praise with TBD meeting/banquet space (up to 50 people) at Target Field for one event per year in calendar years 2016-2020, inclusive.
    - i. Includes use of space and audio needs.
    - ii. Praise responsible for catering and operational costs (e.g., staffing).
  - e. Northern Lights to coordinate with the Minnesota Twins to provide Praise with a restroom and StadiumVision (IPTV) advertising package at Target Field for MLB regular seasons 2016 and 2017, at a value not to exceed \$12,000 annually.
- 2. **Web Site Redesign.** Northern Lights will engage a third party developer to redesign the Praise website, and develop mobile application packages for Praise, as mutually agreed by Praise and Northern Lights, at a cost to Northern Lights not to exceed \$50,000 (the "Website Redesign").
- 3. **Syndication Services.**
  - a. Northern Lights will make arrangements with a streaming provider to distribute Praise audio and video via an IP based delivery system by setting up a low-latency application for streaming audio and video unidirectionally from a Praise encoder to destinations through the internet (the "Syndication Platform") as follows:
    - i. Northern Lights will, at its expense, purchase and install a Barix encoder device at the Praise studio location (or primary studio), install appropriate software, and connect the encoder to a content delivery network/internet hosting company utilized by Northern Lights.
    - ii. Praise will make arrangements with stations that it wishes to receive the streaming audio and video for such stations to install a Barix decoder device at their location/studios, at the expense of

[go96.3 letterhead]

Praise or the receiving studio, which allows the recipients to pull the audio and video from the sender.

- iii. Northern Lights will pay for the monthly internet hosting fees for up to ten (10) stations to receive the streaming audio and video during the term of the Time Brokerage Agreement being entered into between Northern Lights and Praise concurrently herewith (the "TBA").
- iv. Northern Lights will provide assistance to Praise in connection with technical questions, issues and concerns during the term of the TBA, as reasonably requested by Praise, during normal business hours, and in a manner that does not interfere with Northern Lights normal business operations.
- v. Praise will be responsible for all license and performance fees (e.g., SoundExchange fees) associated with the Syndication Platform.

[Signature page follows]

[go96.3 letterhead]

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

Sincerely,

NORTHERN LIGHTS BROADCASTING, LLC

By: \_\_\_\_\_  
Joe Pohlad, Executive Vice President

ACKNOWLEDGED AND AGREED TO BY:

PRAISE BROADCASTING

By: \_\_\_\_\_  
Dave McIver, Executive Director

**SCHEDULE 1.1(A)**

**CURRENT FCC LICENSES AND AUTHORIZATIONS  
KNOF (FM) AND ASSOCIATED AUXILIARY STATIONS**

**Main Station KNOF (FM), Saint Paul, MN**

**Facility ID Number: 59624**

*Licensee: Praise Broadcasting*

**FRN: xxxxxxxxxxxx**

<b>TYPE OF AUTHORIZATION</b>	<b>FCC FILE NUMBER</b>	<b>GRANT DATE</b>	<b>CURRENT EXPIRATION DATE</b>
<b>LICENSE RENEWAL APPLICATION</b>	BRH-20121129ADA	03/22/2013	04/01/2021
<b>FM BROADCAST STATION LICENSE</b>	BLH-20130619AAE	06/25/13	04/01/2021
<b>FM BROADCAST STATION AUXILIARY FACILITY LICENSE</b>	BMXLH-20130619AAF	07/31/2013	04/01/2021
<b>VOLUNTARY ASSIGNMENT OF LICENSE</b>  <b>FROM: SELBY GOSPEL BROADCASTING CORPORATION</b>  <b>TO: PRAISE BROADCASTING</b>	BALH-20140718ACD	09/02/2014	

## **SCHEDULE 1.1(B)**

### **Tangible Personal Property**

The following KNOF (FM) transmitter equipment located on the Leased Real Property:

1. Nautel VS2.5EIA 2.5 kW FM transmitter with integral digital exciter
2. Emerson Network Power BC-2-250 Islatron Single phase 50 amp power protector
3. Orban 8500FM Optimod digital audio processor
4. Burk VRC2500 Remote Control system w/voice interface, wiring interface, command relay & IP converter
5. Broadcast Devices, Inc. DPS-100D-7/8 RF Power Meter
6. Andrew HJ7 1 5/8" dielectric coax & miscellaneous fittings/parts
7. Radio Frequency Systems dehydrator
8. Eaton Powerware UPS
9. Middle Atlantic Products stand alone rack with rear door, integrated 10 outlet 15 amp power strip, fan & miscellaneous parts
10. Broadcast Devices pressure sensor, temperature sensor & interface
11. Broadcast Tools Sentinel 4 AES Audio Switcher
12. Broadcast Tools SS4.1+ Analog Audio Switcher
13. Broadcast Tools 2x10 Distribution Amp
14. Shively single bay antenna & radome
15. Shively band pass filter
16. Miscellaneous Shively parts

**SCHEDULE 1.1(C)**

**Station Contracts**

1. Broadcast Agreement for Site Access and Use dated September 21, 2012, between Selby Gospel Broadcasting Corporation and Broadcast Services, Inc., as assigned to Seller effective on November 1, 2014.\*
2. Service Agreement dated September 24, 2014, between Seller and Popp.com, Inc.\*

\* Consent to assignment by a third party is identified above with an asterisk.

**SCHEDULE 1.1(D)**

**Real Property Leases**

1. Broadcast Agreement for Site Access and Use dated September 21, 2012, between Selby Gospel Broadcasting Corporation and Broadcast Services, Inc., as assigned to Seller effective on November 1, 2014.

**SCHEDULE 3.1(B)**

**Liens**

1. UCC Financing Statement filed with Minnesota Secretary of State's office, Filing Number: 201438422673. File date: March 31, 2014.

## SCHEDULE 3.2

### Allocation of Purchase Price

<b>8594 Asset Class</b>	<b>Preliminary Amount</b>	
Class I	-	
Class II	-	
Class III	-	
Class IV	-	
Class V	30,000	Transmitter equipment
Class VI and VII	8,128,400	Intangibles and goodwill
<b>Total</b>	<b>\$ 8,158,400</b>	(see below for detail)

  

	<b>Preliminary Amount</b>	
Purchase Price Per Agreement	\$ 7,950,000	Cash Payment per Section 3.1
Side Letter - Minnesota Twins Events		
Estimated Value Faith Nights (1 event/year for 5 years)	75,000	
Estimated Value of Praise Concerts (1 concert/year for 2 years)	5,400	
Estimated Value of Group Hospitality Space (1 game/year for 5 years)	17,500	
Estimated Value of Meeting/Banquest Space (1 event/year for 5 years)	-	
Estimated Value of Restroom and StadiumVision advertising (2 years)	24,000	
Side Letter - Website Redesign		
Estimated Value of Website Redesign	50,000	
Side Letter - Syndication Services		
Estimated Value of Barix Encoder	1,500	
Estimated Value of Internet Hosting Fees	30,000	
Estimated Value of Other Syndication Services	-	
Time Brokerage Agreement		
Estimated Value of HD Side Channel (5 years)	5,000	
Estimated Value of Other Services in TBA	-	
<b>Total Purchase Price</b>	<b>\$ 8,158,400</b>	

**SCHEDULE 6.9(A)**

**Real Properties**

Selby Gospel Broadcasting Corporation, the predecessor owner of the Station, did not install a separate electrical meter when the Station's transmission equipment was moved to the Leased Real Property prior to the Seller's ownership of the Station and the Station Assets. The electrical consumption of Seller's transmitter on the Leased Real Property is minimal and the lessor of the Leased Real Property, Broadcast Services, Inc., has not required reimbursement from Seller for such usage.

## **SCHEDULE 6.12**

### **Insurance**

The Seller's insurance policies are described on the attached Certificate of Liability of Insurance dated March 18, 2015. The Seller has previously furnished Buyer with copies of such insurance policies.

MMB: 4828-0370-6663, v. 7



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/18/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CMIC Specialty Services, Inc. 3000 Schuster Lane PO Box 767 Merrill WI 54452	CONTACT NAME: Heather Wolff
	PHONE (A/C, No, Ext): (800) 951-8860 FAX (A/C, No): (715) 539-4958 E-MAIL ADDRESS: hwolff@churchmutual.com
INSURED CHRISTIAN HERITAGE BROADCASTING, DBA: PRAISE TEAM 402 EAST PIKE ST PO BOX 247 OSAKIS MN 56360	INSURER(S) AFFORDING COVERAGE
	INSURER A: GRANITE STATE INSURANCE COMPANY
	INSURER B:
	INSURER C:
	INSURER D:
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1531800680 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X		02CA0846077010	2/25/2015	2/25/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS			02CA0846077010	2/25/2015	2/25/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB			02UD0111657920	2/25/2015	2/25/2016	EACH OCCURRENCE \$ 9,000,000 AGGREGATE \$ 9,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Evidence of General Liability, Auto Liability and Umbrella Liability for use of IDS Center located at 80 S 8th Street, Minneapolis, MN 55402. Commercial General Liability Additional Insured - Broadcast Services, Inc.; BRI 1855 IDS Center LLC; Accesso Services LLC; Accesso Partners LLC. Subject to the coverage provided by the referenced policy.

CERTIFICATE HOLDER  Broadcast Services, Inc. 4801 Industrial Parkway Indianapolis, IN 46226	CANCELLATION  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  40240142
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