

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement") is dated as of May 22, 2003, by and among FIRST MEDIA RADIO, LLC, a Delaware limited liability company ("Buyer"), and MainQuad Communications, Inc., a North Carolina corporation ("MQC"), MainQuad Broadcasting, Inc., a North Carolina corporation ("MQB"), MainQuad, Inc. a North Carolina corporation ("MQI"), WEQQ, Inc., a North Carolina corporation ("WEQQ") and Carolina Airwaves, Inc., a North Carolina corporation ("Carolina Airwaves" and together with MQC, MQB, MQI and WEQQ sometimes hereinafter collectively referred to as the "Sellers" and individually as a "Seller"), and UNION BANK OF CALIFORNIA, N.A. (the "Escrow Agent").

RECITALS:

A. Sellers and Buyer have entered into an Asset Purchase Agreement on the date hereof (the "Purchase Agreement"), pursuant to which Sellers have agreed to sell, transfer and deliver to Buyer substantially all of the assets used or useful in the operation of Radio Stations WLGG(FM), Emporia, Virginia, WPTM(FM), Roanoke Rapids, North Carolina, WSMY(AM), Weldon, North Carolina, WSMY-FM, Alberta, Virginia, WZAX(FM), Nashville, North Carolina, WCBT(AM), Roanoke Rapids, North Carolina, WNVN-LP, Roanoke Rapids, North Carolina, WYTT(FM), Gaston, North Carolina and WKTC(FM), Pinetops, North Carolina.

B. The Purchase Agreement provides that the amount of Five Hundred Sixty Seven Thousand Five Hundred Dollars (\$567,500) (the "Pre-Closing Escrow Deposit") is to be delivered to Escrow Agent by Buyer on the date hereof to be held by Escrow Agent in accordance with the terms of this Agreement.

C. The Purchase Agreement further provides that at the closing of the Purchase Agreement (the "Closing"), Buyer and Sellers shall instruct the Escrow Agent to convert Five Hundred Sixty Seven Thousand Five Hundred Dollars (\$567,500) of the Pre-Closing Escrow Fund into a post closing indemnification fund (the "Post Closing Indemnification Deposit") to be held by the Escrow Agent in accordance with the terms of this Agreement.

AGREEMENTS:

In consideration of the above recitals and of the covenants and agreements contained herein, Buyer, Sellers and Escrow Agent agree as follows:

SECTION 1. ESCROW DEPOSIT

1.1 Delivery.

(a) On the date hereof, Buyer is delivering by wire transfer of immediately available funds the Pre-Closing Escrow Deposit to the Escrow Agent. The Pre-Closing Escrow Deposit and all interest and earnings thereon (collectively, the "Pre-Closing Escrow Fund") shall be held by the Escrow Agent pursuant to the terms of this Agreement.

(b) At the Closing, Buyer and Sellers shall instruct the Escrow Agent to convert Five Hundred Sixty Seven Thousand Five Hundred Dollars (\$567,500) of the Pre-Closing Escrow Fund into the Post-Closing Indemnification Deposit to fund claims by Buyer for indemnification under the Purchase Agreement. The Post-Closing Indemnification Deposit and all interest and earnings thereon (collectively, the “Post-Closing Escrow Fund”) shall be held by the Escrow Agent pursuant to the terms of this Agreement.

1.2 Receipt.

(a) The Escrow Agent hereby acknowledges receipt of the Pre-Closing Escrow Deposit and agrees to hold and disburse the Pre-Closing Escrow Fund in accordance with the terms and conditions of this Agreement and for the uses and purposes stated herein.

(b) Upon the receipt of the instructions from Buyer and Sellers at Closing, the Escrow Agent will convert the Pre-Closing Escrow Deposit into the Post-Closing Indemnification Deposit. The Escrow Agent agrees to hold and disburse the Post-Closing Escrow Fund in accordance with the terms and conditions of this Agreement and for the uses and purposes stated herein.

1.3 Investment and Income.

(a) Upon receipt of the Pre-Closing Escrow Deposit the Escrow Agent shall, pending the disbursement thereof pursuant to this Agreement, invest the Pre-Closing Escrow Fund in accordance with Buyer’s written instructions in (a) direct obligations of, or obligations fully guaranteed by, the United States of America or any agency thereof, (b) certificates of deposit issued by commercial banks having a combined capital, surplus and undivided profits of not less than One Hundred Million Dollars (\$100,000,000), (c) repurchase agreements collateralized by securities issued by the United States of America or any agency thereof, or by any private corporation the obligations of which are guaranteed by the full faith and credit of the United States of America, (d) prime banker’s acceptances, (e) money market funds investing in any of the above, or (f) other investments of equal or greater security and liquidity. Absent written direction, the Escrow Agent will invest funds in the Provident Cash Management Shares T-Fund, and the parties acknowledge that the Escrow Agent may render administrative services and receive additional fees from the administrator or distributor of said Fund.

(b) Upon the conversion of Five Hundred Sixty Seven Thousand Five Hundred Dollars (\$567,500) of the Pre-Closing Escrow Fund into the Post-Closing Indemnification Deposit, the Escrow Agent shall, pending the disbursement thereof pursuant to this Agreement, invest the Post-Closing Escrow Fund in accordance with Sellers’ written instructions in (a) direct obligations of, or obligations fully guaranteed by, the United States of America or any agency thereof, (b) certificates of deposit issued by commercial banks having a combined capital, surplus and undivided profits of not less than One Hundred Million Dollars (\$100,000,000), (c) repurchase agreements collateralized by securities issued by the United States of America or any agency thereof, or by any private corporation the obligations of which are guaranteed by the full faith and credit of the United States of America, (d) prime banker’s acceptances, (e) money market funds investing in any of the above, or (f) other investments of equal or greater security and liquidity. Absent written direction, the Escrow Agent will invest

funds in the Provident Cash Management Shares T-Fund, and the parties acknowledge that the Escrow Agent may render administrative services and receive additional fees from the administrator or distributor of said Fund.

SECTION 2. DISBURSEMENT OF ESCROW FUND

2.1 Disbursement of Pre-Closing Escrow Fund. The Escrow Agent shall release the Pre-Closing Escrow Fund only in accordance with this Section 2.1.

(a) Disbursement of Pre-Closing Escrow Fund at Closing. At the Closing under the Purchase Agreement, Buyer and Sellers shall send to the Escrow Agent telecopied instructions authorizing the Escrow Agent to convert Five Hundred Sixty Seven Thousand Five Hundred Dollars (\$567,500) of the Pre-Closing Escrow Fund into the Post-Closing Indemnification Deposit and to release all interest and earnings on the Pre-Closing Escrow Deposit (constituting all remaining amounts in the Pre-Closing Escrow Fund) to or at the direction of Buyer. The Escrow Agent shall promptly comply with such instructions received from Buyer and Sellers jointly.

(b) Entitlement of Sellers to Pre-Closing Escrow Deposit. In the event that Sellers shall give the Escrow Agent written notice stating that Sellers are entitled to the Pre-Closing Escrow Deposit in accordance with Section 9.3 of the Purchase Agreement and that Sellers have sent a copy of such written notice of such claim to Buyer, then the Escrow Agent shall also promptly give Buyer a copy of such written notice. At any time on or before the fifteenth (15th) day after the receipt by Buyer of such notice from the Escrow Agent, Buyer may contest Sellers' claim to the Pre-Closing Escrow Deposit by written notice delivered to Sellers and Escrow Agent setting forth the grounds for such dispute. Promptly after the expiration of the fifteen (15) day period from the date of Buyer's receipt of such notice from the Escrow Agent, if the Escrow Agent shall not have, during such fifteen-day period, received from Buyer written notice disputing Sellers' claim to the Pre-Closing Escrow Deposit, the Escrow Agent shall pay the Pre-Closing Escrow Deposit to Sellers and pay all interest and earnings on the Pre-Closing Escrow Deposit (constituting all remaining amounts in the Pre-Closing Escrow Fund) to or at the direction of Buyer. If Buyer shall give notice disputing Sellers' claim to the Pre-Closing Escrow Deposit, the Escrow Agent shall retain the Pre-Closing Escrow Deposit until the dispute is resolved in accordance with Section 2.3 hereof. All notices to be given or permitted to be given under this Section shall be given as provided in Section 6.1 of this Agreement.

(c) Buyer's Rights to Return of the Pre-Closing Escrow Fund. In the event that Buyer shall give Escrow Agent written notice stating that Buyer is entitled to the Pre-Closing Escrow Fund in accordance with Section 9.3 of the Purchase Agreement and that Buyer has sent a copy of such written notice to Sellers, then the Escrow Agent shall also promptly give Sellers a copy of such written notice. At any time on or before the fifteenth (15th) day after the receipt by Sellers of such notice from the Escrow Agent, Sellers may contest Buyer's claim to the Pre-Closing Escrow Fund by written notice delivered to Buyer and the Escrow Agent setting forth the grounds for such dispute. Promptly after the expiration of the fifteen (15) day period from the date of Sellers' receipt of such notice from the Escrow Agent, if the Escrow Agent shall not have, during such fifteen-day period, received from Sellers written notice disputing Buyer's claim to the Pre-Closing Escrow Fund, the Escrow Agent shall pay the Pre-Closing Escrow Fund

to Buyer. If Sellers shall give notice disputing Buyer's claim to the Pre-Closing Escrow Fund, the Escrow Agent shall retain the Pre-Closing Escrow Fund until the dispute is resolved in accordance with Section 2.3 hereof. All notices to be given or permitted to be given under this Section shall be given as provided in Section 6.1 of this Agreement.

2.2 Disbursement of Post-Closing Escrow Fund. The Escrow Agent shall release the Post-Closing Escrow Fund only in accordance with this Section 2.2

(a) Payment of Post-Closing Escrow Fund Thirteen Months Following Closing. Thirteen months and one day following the Closing of the Purchase Agreement (the date which is thirteen months following the Closing shall be referred to herein as the "Expiration Date"), Buyer and Sellers shall send to the Escrow Agent joint written instructions authorizing the Escrow Agent to deliver to Sellers an amount equal to the then remaining balance of the Post-Closing Escrow Fund less the aggregate amount of all unresolved claims made by Buyer under Section 2.2(b) of this Agreement, which amount shall remain in escrow until resolved in accordance with Section 2.3.

(b) Entitlement of Buyer to Indemnifiable Damages. In the event that Buyer gives the Escrow Agent written notice stating that Buyer is entitled to all or a portion of the Post-Closing Escrow Fund under the Purchase Agreement and that Buyer has sent a copy of such written notice of such claim to Sellers, then the Escrow Agent shall also promptly give Sellers a copy of such written notice. At any time on or before the fifteenth (15th) day after the receipt by Sellers of such notice from the Escrow Agent, Sellers may contest Buyer's claim to the Post-Closing Escrow Fund by written notice delivered to Buyer and Escrow Agent setting forth the grounds for such dispute. Promptly after the expiration of fifteen (15) days from the date of Sellers' receipt of such notice from the Escrow Agent, if the Escrow Agent shall not have, during such fifteen-day period, received from Sellers written notice disputing Buyer's claim to the Post-Closing Escrow Fund, the Escrow Agent shall pay the undisputed amount of the Post-Closing Escrow Fund to Buyer. If Sellers shall give notice disputing Buyer's claim to the Post-Closing Escrow Fund, the Escrow Agent shall retain the disputed portion of the Post-Closing Escrow Fund until the dispute is resolved in accordance with Section 2.3 hereof. All notices to be given or permitted to be given under this section shall be given as provided in Section 6.1 of this Agreement.

(c) Sellers' Right to the Post-Closing Escrow Fund. In the event that on or after the Expiration Date, Sellers shall give Escrow Agent written notice stating that Sellers are entitled to all or a portion of the Post-Closing Escrow Fund under the Purchase Agreement and that Sellers have sent a copy of such written notice to Buyer, then the Escrow Agent shall also promptly give Buyer a copy of such written notice. At any time on or before the fifteenth (15th) day after the receipt by Buyer of such notice from the Escrow Agent, Buyer may contest Sellers' claim to the Post-Closing Escrow Fund by written notice delivered to Sellers and the Escrow Agent setting forth the grounds for such dispute. Promptly after the expiration of fifteen (15) days from the date of Buyer's receipt of such notice from the Escrow Agent, if the Escrow Agent shall not have, during such fifteen-day period, received from Buyer written notice disputing Sellers' claim to the Post-Closing Escrow Fund, the Escrow Agent shall pay the undisputed amount of the Post Closing Escrow Fund to Sellers. If Buyer shall give notice disputing Sellers' claim to the Post-Closing Escrow Fund, the Escrow Agent shall retain in escrow the disputed

portion of the Post Closing Escrow Fund until the dispute is resolved in accordance with Section 2.3 hereof. All notices to be given or permitted to be given under this Section shall be given as provided in Section 6.1 of this Agreement.

2.3 Dispute. In the event of any dispute among any of the parties to this Agreement with respect to either party's claim to the Pre-Closing Escrow Fund and/or the Post-Closing Escrow Fund, the Escrow Agent shall not comply with any such claims or demands from either Buyer or Sellers as long as any such dispute may continue, and in so refusing, the Escrow Agent shall make no delivery or other disposition of any property then held by it under this Agreement other than to a court of competent jurisdiction in an action for interpleader until it has received a final court order from a court of competent jurisdiction or joint instructions from Buyer and Sellers directing disposition of such property.

2.4 Disbursement of Proceeds In Accordance with Joint Instructions. Notwithstanding the provisions of Sections 2.1 through 2.3 above, the Escrow Agent, upon receipt of written instructions signed by both Buyer and Sellers with respect to the delivery of the Pre-Closing Escrow Fund and/or the Post-Closing Escrow Fund, shall deliver such amount in accordance with such instructions.

SECTION 3. ESCROW AGENT

3.1 Appointment and Duties. Buyer and Sellers hereby appoint Escrow Agent to serve hereunder and the Escrow Agent hereby accepts such appointment and agrees to perform all duties which are expressly set forth in this Agreement.

3.2 Compensation. The Escrow Agent's compensation shall be set forth on Exhibit A hereto. Such compensation shall be equally shared by Sellers on the one hand and Buyer on the other hand. Sellers and Buyer will jointly and severally indemnify the Escrow Agent and hold it harmless from any and all claims, expenses and costs arising out of or because of this Agreement except as such may arise because of the Escrow Agent's gross negligence or willful misconduct in performing its specified duties as Escrow Agent. As between Buyer and Sellers, such indemnification obligations shall be equally shared.

3.3 Resignation. Escrow Agent may resign at any time by giving the other parties hereto thirty (30) days' prior written notice to that effect. In such event, the successor shall be such person, firm or corporation as shall be mutually selected by Buyer and Sellers. It is understood and agreed that such resignation shall not be effective until a successor agrees to act hereunder; provided, however, if no successor is appointed and acting hereunder within thirty (30) days after such notice is given, Escrow Agent may pay and deliver the Pre-Closing Escrow Fund and/or the Post-Closing Escrow Fund into a court of competent jurisdiction.

SECTION 4. LIABILITIES OF ESCROW AGENT

4.1 Limitations. The Escrow Agent shall be liable only to accept, hold and deliver the Pre-Closing Escrow Fund and the Post-Closing Escrow Fund in accordance with the provisions of this Agreement and amendments thereto, provided, however, that the Escrow Agent shall not incur any liability with respect to (a) any action taken or omitted in good faith upon the advice of its counsel given with respect to any questions relating to its duties and responsibilities as

Telephone: (919) 968-8041

WEQQ, Inc.
3012 Highwoods Blvd., Suite 201
Raleigh, NC 27604
Attention: Donald Curtis
Telecopier: (919) 790-6654
Telephone: (919) 876-6464

Carolina Airwaves, Inc.
10228 Governors Drive
Chapel Hill, NC 27517
Attention: Daniel Berman
Telecopier: (919) 968-8047
Telephone: (919) 968-8041

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

Garvey, Schubert & Barer, LLP
Fifth Floor, Flour Mill Building
Washington, DC 20007
Telecopier: (202) 965-1729
Telephone: (202) 298-2528

and

Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
Suite 1600
First Union Capital Center
Raleigh, NC 27601
Attention: Wade Hargrove
Telecopier: (919) 839-0304
Telephone: (919) 839-0300

If to Buyer:

First Media Radio, LLC
306 Port Street
Easton, MD 21601
Attention: Alex Kolobielski
Telecopier: (302) 422-2739
Telephone: (410) 822-3301

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

William E. Prettyman, Jr.
5393 Royal Mile Boulevard
Salisbury, MD 21801
Telecopier: (410) 546-9901
Telephone: (410) 742-6026

and

First Media Radio Holdings, LLC
11400 Skipwith Lane
Potomac, Maryland 20854
Attention: Ralph W. Hardy, Jr.
Telecopier: (301) 983-2425
Telephone: (301) 983-2424

and

Dow, Lohnes & Albertson, PLLC
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, D.C. 20036-6802
Attention: Patricia A. Francis
Telecopier: (202) 776-2222
Telephone: (202) 776-2509

To Escrow Agent: Union Bank of California, N.A.
120 S. San Pedro Street, Suite 400
Los Angeles, California 90012
Attention: Andrew Ball, Corporate Trust Department
Telecopier: (213) 972-5694
Telephone: (213) 972-5676

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section 6.1.

6.2 Benefit and Assignment. The rights and obligations of each party under this Agreement may not be assigned without the prior written consent of all other parties, except to the same extent assignment of the rights and obligations of the parties under the Purchase Agreement is permitted without consent of the other parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6.3 Entire Agreement; Amendment. This Agreement contains all the terms agreed upon by the parties with respect to the subject matter hereof. This Agreement may be amended or modified only by written agreement executed by Sellers and Buyer and if the amendment in any way affects the compensation, duties and/or responsibilities of the Escrow Agent, by a duly authorized representative of the Escrow Agent. No waiver of any provision hereof or rights hereunder shall be binding upon a party unless evidenced by a writing signed by such party.

6.4 Headings. The headings of the sections and subsections of this Agreement are for ease of reference only and do not evidence the intentions of the parties.

6.5 Governing Law. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF NORTH CAROLINA (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF) PROVIDED THAT THE RIGHTS AND DUTIES OF THE ESCROW AGENT SHALL BE GOVERNED, CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF CALIFORNIA.

6.6 Counterparts. This Agreement may be signed upon any number of counterparts with the same effect as if the signatures on all counterparts are upon the same instrument.

6.7 Earnings. All income and earnings upon the Pre-Closing Escrow Deposit shall be deemed for tax reporting purposes to have accrued for the account of Buyer. All income and earnings upon the Post-Closing Escrow Fund shall be deemed for tax reporting purposes to have accrued for the account of Sellers.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

Buyer:

FIRST MEDIA RADIO, LLC

By: _____
Alex Kolobielski
President and Chief Executive Officer

Sellers:

MAINQUAD COMMUNICATIONS, INC.

By: _____
Name:
Title:

MAINQUAD BROADCASTING, INC.

By: _____
Name:
Title:

MAINQUAD, INC.

By: _____
Name:
Title:

WEQQ, INC.

By: _____
Name:
Title:

CAROLINA AIRWAVES, INC.

By: _____
Name:
Title:

Escrow Agent:

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name:
Title: