

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered effective as of February 24, 2016, by and among UNIVERSITY OF HOUSTON SYSTEM, ("Seller"), KSBJ EDUCATIONAL FOUNDATION, INC., ("Buyer"), and SPECTRUM MEDIA, LLC ("Escrow Agent").

### WITNESSETH

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement (the "Purchase Agreement"), dated of even date herewith, for FCC licenses and certain assets held by Seller and used exclusively or useful in connection with broadcast station KUHA (FM), Houston, Texas, FCC Facility Id. 72685 and FM Translator Station K217GB, FCC Facility ID Number 93168 (collectively, the "Stations"), including the assets and personal and real property associated with the Stations, as delineated in the Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Purchase Agreement.

WHEREAS, pursuant to the Purchase Agreement, Buyer must deposit in escrow the sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) (the "Escrow Deposit").

WHEREAS, Escrow Agent has agreed to hold and disburse the Escrow Deposit pursuant to the terms of this Agreement.

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

1. **APPOINTMENT OF ESCROW AGENT.** Seller and Buyer each hereby appoint Spectrum Media, LLC as Escrow Agent to receive, hold, administer, and deliver the Escrow Deposit in accordance with this Agreement, and Escrow Agent hereby accepts its appointment for no escrow agent fee, all subject to and upon the terms and conditions set forth herein.

2. **ESCROW DEPOSIT.** Within five (5) business days of the execution of this Agreement and the Purchase Agreement, and any necessary approval of both by the Board of Regents of Seller, Buyer will deposit with the Escrow Agent the Escrow Deposit. Buyer shall be responsible for all wiring expenses associated with the Escrow Deposit. The Escrow Agent shall notify the parties hereto of the receipt of the Escrow Deposit and provide the parties with written proof of said receipt. The Escrow Deposit shall be held by Escrow Agent in an interest-bearing account for the benefit of Buyer and Seller as provided in this Agreement. The parties acknowledge that any interest that shall accrue with respect to the Escrow Deposit shall be for the benefit of Buyer. The Escrow Deposit shall be held and released by the Escrow Agent in accordance with the terms of this Agreement.

3. **BROKER.** Seller acknowledges that the Escrow Agent has represented Buyer in connection with the Purchase Agreement and is providing its services under this Agreement at the request of, and as an accommodation to, the parties. Seller agrees that the provision of these services does not create a client relationship with Seller or otherwise limit the ability of Escrow Agent to represent Buyer in connection with the Purchase Agreement. In the event that any litigation should arise in connection with this Agreement or the Purchase Agreement, Escrow Agent shall proceed as described in Section 9.

4. **DISBURSEMENT OF ESCROW.** Escrow Agent shall disburse the Escrow Deposit as follows:

(a) Joint Notice. Upon receipt by Escrow Agent of a joint notice from Seller and Buyer directing delivery of the Escrow Deposit, in whole or in part, Escrow Agent shall immediately pay, without deduction, set-off or counterclaim, the portion of the Escrow Deposit to its recipient as specified in the joint notice.

(b) Pursuant to a Determination by a Court Order. Upon receipt by Escrow Agent of a certified copy of a final order entered by a court of competent jurisdiction determining the disposition of the Escrow Deposit, as directed by such order.

5. **ESCROW AGENT'S DUTIES.** The Escrow Agent will be under no duty or obligation to give any notice, or to do or to omit the doing of any action with respect to the Escrow Deposit, except to give notice, make disbursements, and deposit the Escrow Deposit in accordance with the terms of this Agreement. To the extent authorized by the Constitution and laws of the State of Texas, the Escrow Agent will not be liable for any error in judgment or any act or steps taken or permitted to be taken in good faith, or for any mistake of law or fact, or for anything it may do or refrain from doing in connection with this Agreement, except for its own willful misconduct or negligence. The Escrow Agent will not be required in any way to resolve any controversy regarding the Escrow Deposit or take any action concerning such controversy. The Escrow Agent will not be required in any way to determine the validity or sufficiency, whether in form or substance, of any instrument, document, certificate, statement or notice referred to in this Agreement or contemplated by this Agreement, or the identity or authority of the persons executing it. The Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument, or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. The Escrow Agent may act in reliance upon any instrument or signature believed by it in good faith to be genuine and may assume that any person purporting to give any notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.

6. **RIGHT OF INTERPLEADER.** If any controversy arises between the Buyer and Seller with respect to this Agreement or the Escrow Deposit, or the Escrow Agent is in doubt as to what action to take, the Escrow Agent will: withhold delivery of the Escrow Deposit until the controversy is resolved or the conflicting demands are withdrawn or the doubt is resolved; or institute a bill of interpleader to determine the rights of the parties (in which case the Escrow Agent will withhold delivery of the Escrow Deposit until paid into the court in accordance with applicable law).

7. **INDEMNITY.** Subject to the Constitution and laws of the State of Texas, the parties and their respective successors and assigns agree, jointly and severally, to indemnify and hold Escrow Agent harmless against any and all losses, claims, damages, liabilities, and expenses, that may be imposed on Escrow Agent or incurred by Escrow Agent in connection with the performance of its duties under this Agreement; *provided, however,* neither Buyer nor Seller nor their successors and assigns need indemnify Escrow Agent for any loss, claim, damage, liability or expense caused by Escrow Agent's gross negligence or willful misconduct.

8. **DISCHARGE BY DELIVERY.** After the Escrow Agent has delivered the Escrow Deposit pursuant to the terms of this Escrow Agreement, the Escrow Agent shall have discharged all of its obligations hereunder and neither Seller nor Buyer shall thereafter have any claim against the Escrow Agent on account of this Agreement.

9. **SUCCESSOR ESCROW AGENT(S).** The Escrow Agent (and any successor escrow agent) may at any time resign as such by delivering a written notice of resignation to the other parties hereto and by delivering the Escrow Deposit to any successor escrow agent jointly designated in writing by Seller and Buyer or, if such successor is not so designated, to any court of competent jurisdiction, whereupon the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of the Escrow Agent shall take effect upon the earlier of the appointment of a successor escrow agent or thirty (30) days after the date of delivery of the Escrow Agent's written notice of resignation to the other parties hereto. In the event that a successor escrow agent has not been appointed at the expiration of such thirty (30) day period, the Escrow Agent's sole responsibility hereunder shall be the safekeeping of the Escrow Deposit and to pay such amount as may be specified in a written agreement signed by Seller and Buyer or as any court of competent jurisdiction may order. If, at any time, the Escrow Agent receives a written notice signed by Seller and Buyer stating that they have selected another escrow agent, the Escrow Agent shall deliver the Escrow Deposit to such successor escrow agent within 10 business days of receiving the aforesaid notice.

10. **TERMINATION.** This Agreement shall terminate upon the disbursement of the entire Escrow Deposit by the Escrow Agent in accordance with the terms of this Agreement.

11. **MISCELLANEOUS.**

(a) Binding Effect. This Agreement will be binding upon, inure to the benefit of, and be enforceable by the respective successors and permitted assigns of the parties hereto.

(b) Entire Agreement; Amendments. This Agreement, as read in conjunction with the Purchase Agreement, contains the entire understanding of the parties with respect to the subject matter hereof, and there are no other agreements, representations, warranties or understandings, oral or written, between the parties with respect to the subject matter hereof. No alteration, amendment, modification or change of this Agreement shall be valid unless by like written instrument.

(c) Notices. Any notices required by this Agreement shall be in writing, shall be sent on the same date to all parties to this agreement with proof included of such sending to each party, and shall be deemed to have been duly delivered and received on the first business day after delivery to a nationally recognized overnight delivery service for next business day delivery and shall be addressed to the following addresses, or to such other address as any party may request by notifying the other parties hereto:

If to Seller: University of Houston System  
c/o Renu Khator  
Chancellor, University of Houston System  
President, University of Houston  
4302 University Drive  
Houston, TX 77204-2018

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

Dona H. Cornell  
VC/VP Legal Affairs, General Counsel  
University of Houston System  
4302 University Dr., Suite 317  
Houston, Texas 77204-2028

and

Margaret L. Miller, Esq.  
Gray Miller Persh LLP  
1200 New Hampshire Ave., N.W.  
Suite 410  
Washington, DC 20036-6802

If to Buyer: KSBJ Educational Foundation  
1722 Treble Dr.  
Humble, TX 77338  
Attn: Tim McDermott

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

Davina Sashkin, Esq.  
Fletcher, Heald & Hildreth, PLC  
1300 17th St. N, 11th Floor  
Arlington, VA 22209

If to Escrow Agent: Spectrum Media, LLC  
1 Aviation Lane  
Unit 8, Hangar 6  
Greenville, SC 29607  
Attn: Scott M. Knoblauch

(d) Governing Law. This Agreement shall be governed by the laws of the State of Texas, without regard to its rules for conflict of laws.

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(f) Severability. Any provision of this Agreement that is determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions hereof, and its prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable the same provision in any other jurisdiction. It is expressly understood, however, that the parties hereto intend every provision of this Agreement to be valid and enforceable and hereby knowingly waive all rights to object to any provision of this Agreement.

(g) Headings. The headings of the sections and subsections contained herein are for ease of reference only and shall not in any way affect the meaning and interpretation of this Agreement.

*[Remainder of page intentionally left blank. Signatures on next page.]*

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed and delivered by the parties hereto as the date first above written.

SELLER: **UNIVERSITY OF HOUSTON SYSTEM**

*dhc* By: Renu Khator  
Name: Renu Khator  
Title: Chancellor

BUYER: **KSBJ EDUCATIONAL FOUNDATION, INC.**

By: \_\_\_\_\_  
Name: Tim McDermott  
Title: President/GM

ESCROW AGENT: **SPECTRUM MEDIA, LLC**

By: \_\_\_\_\_  
Name: Scott M. Knoblauch  
Title: Managing Member

IN WITNESS WHEREOF, this Escrow Agreement has been duly executed and delivered by the parties hereto as the date first above written.

**SELLER: UNIVERSITY OF HOUSTON SYSTEM**

By: \_\_\_\_\_  
Name: Renu Khator  
Title: Chancellor

**BUYER: KSBJ EDUCATIONAL FOUNDATION, INC.**

By:   
Name: Tim McDermott  
Title: President/GM

**ESCROW AGENT: SPECTRUM MEDIA, LLC**

By: \_\_\_\_\_  
Name: Scott M. Knoblauch  
Title: Managing Member

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IN WITNESS WHEREOF, this Escrow Agreement has been duly executed and delivered by the parties hereto as the date first above written.

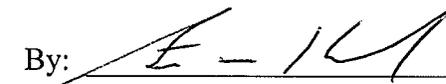
**SELLER: UNIVERSITY OF HOUSTON SYSTEM**

By: \_\_\_\_\_  
Name: Renu Khator  
Title: Chancellor

**BUYER: KSBJ EDUCATIONAL FOUNDATION, INC.**

By: \_\_\_\_\_  
Name: Tim McDermott  
Title: President/GM

**ESCROW AGENT: SPECTRUM MEDIA, LLC**

By:  \_\_\_\_\_  
Name: Scott M. Knoblauch  
Title: Managing Member

4843-9160-9134, v. 1