

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the “Agreement”) is made as of this 8 day of May, 2023, by and among COLUMBUS COUNTY SCHOOLS, a North Carolina local governmental entity (“Seller”); and WUNC PUBLIC RADIO, LLC, a North Carolina not-for-profit limited liability company (“Buyer”); and BROOKS, PIERCE, McLENDON, HUMPHREY & LEONARD, LLP (“Escrow Agent”).

W I T N E S S E T H:

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement dated as of May 9, 2023 (the “Asset Purchase Agreement”), providing for the sale of certain assets used or useful in the operation of FM Radio Station WZCO, 89.9 MHz, Chadbourn, NC, FCC Facility ID No. 175138 (the “Station”), from Seller to Buyer; and

WHEREAS, as an indication of Buyer’s good faith, the parties hereto wish to provide for the deposit by Buyer of the sum of Five Thousand Dollars (\$5,000.00) (the “Deposit”), to be applied as provided herein.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants and agreements hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Appointment of Escrow Agent. Buyer and Seller hereby appoint the Escrow Agent as their agent for the purpose of receiving, holding, and disbursing the funds to be delivered to the Escrow Agent hereunder, in accordance with the terms of this Agreement.

2. Delivery of Funds to Escrow Agent. Seller and Buyer have established with the Escrow Agent an escrow account (the “Escrow Account”). Such account need not be a separate bank account; rather, Escrow Agent has the discretion to hold the Deposit in a pre-existing bank account that is used for entrusted client funds. Buyer has delivered the Deposit to the Escrow Agent, the receipt of which Escrow Agent hereby acknowledges. During the time the funds are held in the Escrow Account, the Escrow Agent shall deposit such funds in an account in an institution insured by Federal Deposit Insurance Corporation. The Deposit is herein called the “Escrow Fund.” The Escrow Account is not required to be an interest-bearing account.

3. Disposition of Escrow Fund.

(a) Upon its receipt of joint written notice from Seller and Buyer stating that the Closing contemplated by the Asset Purchase Agreement has been or is being consummated, the Escrow Fund shall be paid on behalf of the Buyer to Seller as a portion of the Purchase Price. Seller and Buyer acknowledge that Escrow Agent is required to hold all funds for a period sufficient to ensure that the funds are “good” before disbursing

same.

(b) Otherwise, the Escrow Agent shall disburse the Escrow Fund as directed by joint written instructions signed by both Seller and Buyer.

(c) In the event that there shall at any time arise a dispute as to the entitlement of Buyer or Seller to any part of the Escrow Fund, then such dispute shall be settled in accordance with the terms of Section 4 hereof. In such event, the Escrow Agent shall retain the Escrow Fund until delivery to the Escrow Agent of a written notice signed by both Seller and Buyer as to disposition of the Escrow Fund, subject to Sections 3(d) and 7(d) hereof; provided that Escrow Agent may, at any time, with or without cause, choose to pay the Deposit and any other funds subject to this Agreement into any court of competent jurisdiction, at which time Escrow Agent is relieved from all obligations under this Agreement (but retains the rights given to the Escrow Agent in this Agreement).

4. Informal Dispute Resolution. Buyer and Seller agree to resolve any dispute as to the entitlement of Buyer or Seller to any part of the Escrow Fund as set forth in this Section 4. For the avoidance of doubt, this dispute resolution procedure shall apply only to Buyer and Seller, and Escrow Agent shall not be required to participate in such procedure.

(a) General. Any dispute, controversy, or claim that arises out of or relates to this Agreement (including any dispute over the existence, validity, interpretation, performance, breach or termination thereof) (a “Dispute”) shall be resolved in accordance with the procedures specified in this Section 4 prior to any party initiating litigation regarding such Dispute. Each party shall bear its own costs incurred in connection with any dispute resolution process. The entire dispute resolution process set forth below is a compromise negotiation. Subject to applicable laws, all offers, promises, conduct and statements, whether oral or written, made in the course of dispute resolution by any of the parties, their agents, employees, experts and attorneys are confidential. Subject to applicable laws, such offers, promises, conduct and statements are privileged under any applicable arbitration privilege, are subject to Rule 408 of the federal rules of evidence and any state counterpart rules or doctrine and are inadmissible and not discoverable for any purpose, including impeachment, in litigation between the parties to the litigation; provided, however, that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its presentation or use during the dispute resolution process hereunder.

(b) Notice. If a Dispute arises under this Agreement the claimant party (the “Claimant”) shall provide a written notice of the Dispute (“Notice of Dispute”) to the other party (“Respondent”), which shall contain a reasonably detailed statement of the nature of the Dispute and the relief requested.

(c) Executive Review. Upon receipt of a Notice of Dispute, the General Manager of WUNC Radio for Buyer and the Superintendent for Seller shall meet in person and, unless the parties mutually agree in writing to a different time period, shall

have thirty (30) calendar days to discuss, consider and attempt in good faith to resolve the Dispute. If, upon the expiration of such time period, the General Manager of WUNC Radio for Buyer and General Manager for Seller have been unable to resolve the Dispute, then they shall promptly submit the dispute then the Dispute shall be submitted to non-binding mediation in accordance with Section 4(d) below.

(d) Non-Binding Mediation. If the executive review dispute resolution process is unsuccessful, the parties shall submit the Dispute to non-binding mediation through the use of a neutral, independent, disinterested mediator selected by the parties from a professional mediation firm. If such Dispute is not resolved through the non-binding mediation process within one hundred twenty (120) days after the date of the Notice of Dispute (or such other time period as mutually agreed to by the parties in writing), either party may initiate litigation in any court of competent jurisdiction. The parties shall share equally all fees and expenses payable to any mediator retained hereunder.

(e) Continued Performance; No Tolling of Cure Periods. Except when clearly prevented from doing so by the matter in dispute, Buyer and Seller shall continue performing their obligations under this Agreement while any Dispute is being resolved and until such obligations are terminated by the termination or expiration of this Agreement. The time frame for Buyer or Seller, as applicable, to cure any breach of the terms of this Agreement shall not be tolled by the pendency of any dispute resolution procedures.

5. Termination of Escrow Arrangement. The escrow arrangement created hereunder shall terminate upon written notice to the Escrow Agent signed by both Seller and Buyer or automatically upon disposition of the entire Escrow Fund. However, the existence or termination of the escrow arrangement shall not affect any rights or duties of the parties hereto pursuant to Section 8 hereof.

6. Tax Related Terms.

(a) Tax Reporting. Seller and Buyer agree that, for tax reporting purposes, to the extent any interest or other taxable income is earned from the investment of the Escrow Fund in any tax year, it shall be taxable if at all to Buyer.

(b) Certification of Tax Identification Number. The parties hereto shall, within five (5) days after the date hereof, provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and other forms and documents that the Escrow Agent may reasonably request. The parties hereto understand that if such tax reporting documentation is not so certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, to withhold a portion of any interest or other income earned on the investment of monies or other property held by the Escrow Agent pursuant to this Agreement.

(c) Tax Allocation. To the extent that the Escrow Agent becomes liable for the payment of any taxes in respect of income derived from the

investment of funds held or payments made hereunder, the Escrow Agent shall satisfy such liability to the extent possible from the Escrow Fund. Seller and Buyer agree to indemnify and hold the Escrow Agent harmless from and against any taxes, additions for late payment, interest, penalties and other expenses that may be assessed against the Escrow Agent on or with respect to any payment or other activities under this Agreement unless any such tax.

7. Provisions as to Escrow Agent.

(a) The Escrow Agent hereby accepts its appointment and agrees to act as Escrow Agent under the terms and conditions of this Agreement.

(b) The Escrow Agent's duties and responsibilities shall be limited to those expressly set forth in this Agreement, and the Escrow Agent shall not be subject to, nor obligated to recognize, any other agreement between, or direction or instruction of, any or all of the parties hereto even though reference thereto may be made herein.

(c) In performing any of Escrow Agent's duties hereunder, Escrow Agent shall not incur any liability to any party for damages, losses or expenses, except for willful default or gross negligence, and accordingly it shall not incur any such liability with respect to (i) any action taken or omitted in good faith, or (ii) any action taken or omitted in reliance upon any instrument, including any written instrument or instruction provided for in this Agreement or the Asset Purchase Agreement, not only as to its due execution and validity and effectiveness of its provisions but also as to the truth and accuracy of information contained therein, which Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by a proper person and to conform with the provisions of this Agreement and/or the Asset Purchase Agreement.

(d) Escrow Agent may resign for any reason upon written notice to Buyer and Seller. Upon such resignation, Escrow Agent may deliver all Escrow Funds in its possession hereunder to any successor escrow agent appointed jointly by Seller and Buyer, or if no successor escrow agent has then been appointed, to any court of competent jurisdiction. Upon either such delivery, Escrow Agent shall be released from any and all liability under this Agreement. A resignation under this paragraph shall in no way terminate the provisions of Section 8.

(e) The parties acknowledge that the Escrow Agent is legal counsel for the Buyer, and agree that such representation shall not create any bar to the Escrow Agent's right to continue as counsel to the Buyer in any matter, or constitute a conflict of interest on the part of the Escrow Agent, all claims of which are hereby irrevocably waived. The Seller has retained legal counsel to assist it on these matters, and Seller's counsel has advised the Seller of the implications of this waiver.

8. Indemnification of Escrow Agent. Buyer and Seller, jointly and severally, hereby agree to indemnify and hold harmless Escrow Agent against any and all

losses, claims, damages, liabilities and expenses, including the cost of counsel fees and disbursements, that may be imposed on Escrow Agent or incurred by Escrow Agent hereunder, or the performance of its duties hereunder, including any litigation arising from this Agreement or involving the subject matter hereof, except where such losses, claims, damages, liabilities and expenses result from willful default, material breach of trust, or gross negligence of Escrow Agent.

9. Notices. Except as otherwise indicated, all notices and other communications hereunder shall be given as required in the Asset Purchase Agreement. Notice to the Escrow Agent shall be deemed duly given if mailed by registered or certified mail, postage prepaid, addressed as follows:

Brooks, Pierce, McLendon, Humphrey & Leonard, LLP
150 Fayetteville Street
Suite 1700, Wells Fargo Capitol Center
Raleigh, North Carolina 27601
Attn: Marcus Trathen, Esq.

10. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11. Amendments. This Agreement may be amended or modified only with the written agreement of all parties hereto.

12. No Other Beneficiaries. This Agreement is for the convenience of the parties only and there are no third party beneficiaries of this Agreement, intended or otherwise. This Agreement may not be transferred or assigned by any party hereto, without the prior written consent of all other parties.

13. Governing Law. This Agreement shall be governed in accordance with the laws of the State of North Carolina as to both interpretation and performance (without regard to the choice of law provisions thereof). Any action brought with respect to this Agreement shall be brought exclusively in the state or federal court in North Carolina having jurisdiction, and Buyer and Seller hereby waive any and all defenses or objections to said venue, including without limitation, forum *non-conveniens* considerations.

14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. It shall not be necessary for every party hereto to sign each counterpart but only that each party shall sign at least one counterpart. Delivery of counterpart signature pages may be effected by email of scanned copies of executed signature pages.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Escrow Agreement to be executed as of the date set forth above.

SELLER:

COLUMBUS COUNTY SCHOOLS

By: 

Name: Ronnie Strickland
Title: Chairman, Board of Education

BUYER:

WUNC PUBLIC RADIO, LLC

By: 

Name: Paul Allen Hunton
Title: President & General Manager

ESCROW AGENT:

**BROOKS, PIERCE, MCLENDON,
HUMPHREY & LEONARD, LLP**

By: 

Marcus W. Trathen
Partner