

## POST-CLOSING ESCROW AGREEMENT

This POST-CLOSING ESCROW AGREEMENT (this "**Agreement**") is dated as of \_\_\_\_\_, 2003, by and among Blue Chip Broadcasting, Ltd., an Ohio limited liability company ("**Buyer**"), Hawes-Saunders Broadcast Properties, Inc., a Delaware corporation (the "**Company**"), each of the stockholders and other interest holders of the Company listed on the signature page of this Agreement (collectively, the "**Sellers**") through their duly authorized agent, representative and attorney-in-fact, W. Lawrence Patrick (the "**Attorney-in-Fact**"), and Branch Banking and Trust Co. (the "**Escrow Agent**").

### RECITALS:

A. Sellers (by and through the Attorney-in-Fact), Company and Buyer have entered into a Stock Purchase Agreement dated March \_\_\_\_, 2003 (the "**Purchase Agreement**"), pursuant to which Sellers have agreed to sell, transfer and deliver to Buyer the shares and/or rights to acquire capital stock of the Company

B. The Purchase Agreement provides that Buyer shall pay at the closing of the Purchase Agreement (the "**Closing**") from the purchase price payable under the Purchase Agreement the principal amount of One Million Dollars (\$1,000,000.00) to the Escrow Agent to be held as a post-closing indemnification escrow (the "**Deposit**") to be held by Escrow Agent in accordance with the terms of this Agreement.

C. W. Lawrence Patrick has authority to enter into and perform under this Agreement on behalf of the Sellers pursuant to the Power of Attorney and Stock Power Agreements attached hereto as **Exhibit A**. Capitalized terms used but not otherwise defined in this Agreement shall have the meaning given to such terms under the Purchase Agreement.

### AGREEMENTS:

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

#### SECTION 1. ESCROW DEPOSIT

1.1 **Delivery.** On the date hereof, Buyer is delivering by wire transfer of immediately available funds to the Escrow Agent the Deposit to fund claims by Buyer for indemnification under the Purchase Agreement. The Deposit and all interest and earnings thereon (collectively, the "**Escrow Amount**") shall be held by the Escrow Agent pursuant to the terms of this Agreement.

1.2 **Receipt.** The Escrow Agent hereby acknowledges receipt of the Deposit and agrees to hold and disburse the Escrow Amount in accordance with the terms and conditions of this Agreement and for the uses and purposes stated herein.

1.3 **Investment and Income.** Upon receipt of the Deposit the Escrow Agent shall, pending the disbursement thereof pursuant to this Agreement, invest the Escrow Amount in

accordance with Attorney-in-Fact'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.

## SECTION 2. DISBURSEMENT OF ESCROW AMOUNT

2.1 Disbursement of Escrow Amount. The Escrow Agent shall release the Escrow Amount only in accordance with this Section 2.1.

(a) First Payment of Escrow Amount to Sellers. Six months following the Closing of the Purchase Agreement, Attorney-in-Fact shall send to the Escrow Agent facsimile instructions authorizing the Escrow Agent to deliver to Sellers, in proportion to their right to receive proceeds of the sale of the Company, \$500,000 of the Escrow Amount, less the aggregate amount of all unresolved claims made by Buyer in accordance with Section 2.1(c) hereof as of that date.

(b) Second Payment of Escrow Amount to Sellers. One year following the Closing of the Purchase Agreement, Attorney-in-Fact shall send to the Escrow Agent facsimile instructions authorizing the Escrow Agent to deliver to Sellers, in proportion to their right to receive proceeds of the sale of Company, an amount equal to the then remaining balance of the Escrow Amount less the aggregate amount of all unresolved claims made by Buyer in accordance with Section 2.1(c).

(c) Entitlement of Buyer to Damages. In the event that Buyer shall give the Escrow Agent written notice stating that Buyer is entitled to all or a portion of the Escrow Amount 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 Escrow Amount 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 Seller's 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 Escrow Amount, the Escrow Agent shall pay the undisputed amount of the Escrow Amount to Buyer. If Sellers shall give notice disputing Buyer's claim to the Escrow Amount, the Escrow Agent shall retain the disputed portion of the Escrow Amount until the dispute is resolved in accordance with Section 2.2 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 Dispute. In the event of any dispute among any of the parties to this Agreement with respect to any party's claim to the Escrow Amount, the Escrow Agent shall not comply with any such claims or demands from either Buyer or Seller 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 Seller directing disposition of such property.

2.3 Disbursement Proceeds In Accordance with Joint Instructions. Notwithstanding the provisions of Sections 2.1 and 2.2 above, the Escrow Agent, upon receipt of written instructions signed by Buyer and Sellers with respect to the delivery of the Escrow Amount, shall deliver such amount in accordance with such instructions.

### SECTION 3. ESCROW AGENT

3.1 Appointment and Duties. Buyer, Sellers, through the Attorney-in-Fact, and Company 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. Escrow Agent's duties and responsibilities shall be limited to those expressly set forth in this Agreement. No implied duties of the Escrow Agent shall be read into this Agreement, and the Escrow Agent shall not be subject to, or 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. If any property subject hereto is at any time attached, garnished, or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part hereof, then and in any of such events the Escrow Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree with which it is advised by legal counsel of its own choosing is binding upon it, and if it complies with any such order, writ, judgment, or decree it shall not be liable to any other party hereto or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated. The Escrow Agent shall not be responsible for the sufficiency or accuracy, or the form, execution, or validity of genuineness, of documents now or hereafter deposited or received hereunder, or any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of any person executing, depositing or delivering or purporting to execute, deposit or deliver any such document, or this Agreement, or on account of or by reason of forgeries, false representations, or the exercise of its discretion in any particular manner, nor shall the Escrow Agent be liable for any mistake of fact or of law or any error of judgment, or for any act or omission, except as a result of its gross negligence or willful malfeasance.

3.2 Compensation. The Escrow Agent's compensation shall be set forth on Exhibit A hereto. Such compensation shall be shared in equal portions by Sellers and Buyer. Company, Sellers and Buyer hereby agree, jointly and severally, to protect, defend and indemnify the Escrow Agent and hold it harmless from and against any and all claims, losses, liabilities, expenses (including counsel fees and expenses) and costs imposed upon or asserted against the Escrow Agent on account of any action taken or omitted to be taken in connection with its acceptance of or performance of its duties and obligations under this Agreement, as well as the costs and expenses of defending itself against any claim or liability arising out of or relating to 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. In case any action or proceeding is brought against the Escrow Agent by reason of any such claim, Company, Sellers and Buyer covenant upon notice from the Escrow agent to resist or defend such action or proceeding at their joint expense.

3.3 Resignation. Escrow Agent may resign at any time upon 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 Escrow Amount 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 Escrow Amount 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 Escrow Agent under this Agreement, or (b) any action taken or omitted in reliance upon any instrument which the Escrow Agent shall in good faith believe to be genuine (including the execution, the identity or authority of any person executing such instrument, its validity and effectiveness, and the truth and accuracy of any information contained therein), to have been signed by a proper person or persons, and to conform to the provisions of this Agreement.

4.2 Collateral Agreements. Other than this Escrow Agreement and the Disbursement Escrow Agreement of even date herewith by and between the parties hereto and the Purchaser, the Escrow Agent shall not be bound in any way by any contract or agreement between the other parties hereto, whether or not it has knowledge of any such contract or agreement or of its terms or conditions.

#### SECTION 5. TERMINATION

This Agreement shall be terminated (a) upon disbursement or release of the Escrow Amount by the Escrow Agent in accordance with the provisions hereof, (b) by written mutual consent signed by all parties, or (c) upon delivery of the Escrow Amount into a court of competent jurisdiction in accordance with Section 3.3 hereof. This Agreement shall not be otherwise terminated.

#### SECTION 6. OTHER PROVISIONS

6.1 Notices. All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid,

or, if sent by graphic scanning or other facsimile communications equipment, delivered by such equipment, addressed as follows:

if to the Company or Sellers:

Hawes-Saunders Broadcast Properties, Inc.  
c/o Patrick Communications, LLC  
5074 Dorsey Hall Drive, Suite 205  
Ellicott City, Maryland 21042  
Attn: W. Lawrence Patrick  
Fax: (410) 740-7222

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

Jackson Kelly PLLC  
1600 Laidley Tower  
500 Lee Street, East  
Charleston, WV 25301  
Attn: Christina T. Brumley  
Facsimile: (304) 304-1080

Gale Finley, Esquire  
[Address]  
[Facsimile]

Folger, Levin & Kahn  
275 Battery St., 23<sup>rd</sup> Floor  
San Francisco, CA 94111  
Attn: Chris Conner  
Facsimile: (415) 986-2827

if to Buyer:

Blue Chip Broadcasting, Ltd.  
c/o Radio One, Inc.  
5900 Princess Garden Parkway, Suite 700  
Lanham, MD 20706  
Attn: Alfred C. Liggins, President  
Facsimile No.: (301) 306-9694

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

Radio One, Inc.  
5900 Princess Garden Parkway, Suite 700  
Lanham, MD 20706  
Attn: General Counsel  
Facsimile No.: (301) 306-9638

if to Escrow Agent:

Branch Banking and Trust Co.

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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 Seller 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 WEST VIRGINIA (WITHOUT REGARD TO THE CHOICE OF LAW PROVISIONS THEREOF).

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 Escrow Deposit shall be deemed for tax reporting purposes to have accrued for the account of Sellers.

***[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]***

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

BUYER: Blue Chip Broadcasting, Ltd.  
By: \_\_\_\_\_  
Name:  
Title:

COMPANY: Hawes-Saunders Broadcast Properties, Inc.  
By: \_\_\_\_\_  
Name:  
Title:

SELLERS: Ro Nita Hawes-Saunders, Opportunity  
Capital Corporation, Opportunity Capital  
Partners II, L.P., Opportunity Capital  
Partners III, L.P., and Mesbic Ventures, Inc.  
By: \_\_\_\_\_  
Name: W. Lawrence Patrick  
Title: Attorney-in-Fact

ESCROW AGENT: Branch Banking and Trust Co.  
By: \_\_\_\_\_  
Name:  
Title:

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION AT DAYTON

ENTERED DEC 12 2002

CLERK  
BANKRUPTCY COURT  
DAYTON, OHIO

DEC 12 PM 2:05

FILED

IN RE: : CASE NO. 02-38342  
: :  
HAWES-SAUNDERS BROADCAST : :  
PROPERTIES, INC. : : CHAPTER 11  
: :  
DEBTOR. : : JUDGE WALDRON

**AGREED ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF PATRICK COMMUNICATIONS, LLC AS SALES BROKER FOR DEBTOR'S STOCK AND AUTHORIZING ASSUMPTION OF PRE-PETITION BROKERAGE CONTRACT**

*AS MODIFIED*

Upon the Application dated December 11, 2002 (the "Application"<sup>1</sup>) of Hawes-Saunders Broadcast Properties, Inc., debtor and debtor-in-possession in the above captioned chapter 11 case (the "Debtor"), and the consent of secured lenders and equity security holders OCP and Mesbic (as defined in the application) for an order pursuant to section 327(a) of title 11 of the United States Code (the "Bankruptcy Code") and Fed. R. Bankr. P. 2014 and 5002 authorizing Debtor to retain Patrick Communications, LLC ("PC") as its sales broker concerning debtor's outstanding capital stock, authorizing Debtor to assume the pre-petition brokerage contract between Debtor and PC dated August 14, 2000, pursuant to section 365 of the Bankruptcy Code and Bankruptcy Rule 6006 (the "Agreement"), and authorizing the debtor to engage W.

*as modified pursuant to the plan confirmed 12/12/02 at 1:30*

Lawrence Patrick as interim manager of the Debtor; and upon the Affidavit and Statement of W. Lawrence Patrick sworn to on December 10, 2002 (the "Affidavit"), the Court being satisfied based on the representations made in the Application and the Affidavit that PC represents no interest adverse to the Debtor or the estate with respect to the matters upon which it is to be engaged and that it is a disinterested person as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code; that assumption of

<sup>1</sup> All capitalized terms not defined herein shall have the meanings ascribed to them in the Debtors' Application

EXHIBIT  
A  
to Post-Closing Escrow



~~assumption~~ of the Agreement is in the best interests of the Debtor, the estate, and creditors; that W. Lawrence Patrick is not a "professional" as such term is defined under 11 U.S.C. §327, and that his engagement is thus within the normal course business judgment of the Debtor; and it appearing that the relief requested in the Application is in the best interests of the Debtor's estate, its creditors, equity holders and other parties in interest; and upon due deliberation thereon and sufficient cause appearing therefore; and it appearing that notice of the Application was made upon all parties as required by, and in accordance with, all applicable provisions of the Bankruptcy Rules and Local Bankruptcy Rules it is hereby:

**ORDERED, ADJUDGED AND DECREED THAT:**

1. Pursuant to section 327(a) of the Bankruptcy Code, Debtor shall be and hereby is authorized to employ and retain PC to perform the services set forth in the Agreement, attached to the Patrick Affidavit appended to Debtors' Application as Exhibit A, upon the terms and conditions set forth therein *as modified pursuant to the phone conference held 12/11/08 at 1:30 P.M. further reference to the Agreement as modified*  
 Pursuant to section 365(a) of the Bankruptcy Code, Debtor shall be and hereby is authorized to assume the Agreement, and is further authorized to take any other actions required under the Agreement without further application to or Order of this Court
3. Upon a closing of any sale of the Stock as may be approved by the Court, PC shall be entitled to compensation as set forth in the agreement to be paid from the proceeds of the Sale, without further application to or order of the Court.
4. Debtor is authorized to engage W. Lawrence Patrick as its interim manager effective as of December 10, 2002, who shall hold such position throughout the administrative phase of this case. The Court finds that Patrick is not a "professional" as contemplated by section 327 of the Bankruptcy Code, and that his compensation of \$8000.00 per month plus

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reimbursement of reasonable travel and out-of-pocket expenses shall not be subject to application or separate approval under section 330 of the Bankruptcy Code. Debtor is authorized and directed to pay any such compensation due Patrick from the proceeds of the Sale, without further application to or order of this Court.

5. In such position, Patrick shall have full managerial control of the Debtor, including (but not limited to) the following:

- a. Patrick shall have sole check writing authority on behalf of the Debtor.
- b. Patrick shall have general managerial control of Debtor's day-to-day operations.
- c. Patrick shall have the right to approve all sales contracts entered into by the Debtor.
- d. Patrick shall be authorized to execute any contract for the sale of debtor's stock that has been approved by the Court, and to execute any and all additional documents reasonable or necessary to promote or effectuate the sale, including but not limited to FCC transfer approval forms, share certificates, and the like.
- e. Patrick at his discretion may delegate management authority to other employees of the Debtor or professionals whose retention has been approved by the Court; however, notwithstanding such delegation, Patrick shall retain final authority over managerial decision-making.

f. *Court shall file a copy of the Agreement as modified pursuant to the phone conference held 12/12/02 at 1:30, not later than December 13, 2003.*

SO ORDERED.

Dated: \_\_\_\_\_, 2002.

*Thomas F. Walden*  
UNITED STATES BANKRUPTCY JUDGE  
12/12/02

APPROVED FOR ENTRY:

*John J. Schmidt per Rejda*  
John J. Schmidt (Ohio Bar #0059417) *auth*  
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Counsel for Hawes-Saunders Broadcast Properties, Inc.

cc: All parties on attached matrix

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