

**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2005, by and among MULTIMEDIA HOLDINGS CORPORATION, a South Carolina corporation ("Purchaser"); CHANNEL 20 TV COMPANY, an Illinois corporation ("Channel 20 TV Company") and TWENVER BROADCAST, INC., a Delaware corporation (together with Channel 20 TV Company, "Sellers"); and [●], as escrow agent (the "Escrow Agent").

WHEREAS, Purchaser and Sellers have entered into an Asset Purchase Agreement dated as of \_\_\_\_\_, 2005 (the "Purchase Agreement"), providing for, among other things, the transfer, sale and conveyance to Purchaser of the Broadcasting Assets (as defined in the Purchase Agreement);

WHEREAS, Section 2.03(d) of the Purchase Agreement provides that at the Closing, Purchaser shall deposit with the Escrow Agent the amount of \$20,000,000 (the "Escrow Funds"), which shall be the sole source of security and payment for the indemnification obligations of Sellers contemplated by Section 8.01 of the Purchase Agreement; and

WHEREAS, the Escrow Agent is willing to act in the capacity of Escrow Agent hereunder, subject to and upon the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. Definitions. All capitalized terms contained in this Escrow Agreement shall have the meaning set forth in the Purchase Agreement, except as otherwise defined herein.

Section 2. Escrow Account.

2.01. Deposit. There is hereby established a separate escrow account (the "Escrow Account") with the Escrow Agent in which Purchaser, simultaneously with the execution and delivery of this Escrow Agreement, is depositing the Escrow Funds in cash to be held and disbursed by the Escrow Agent solely as hereinafter set forth. The Escrow Funds and the Escrow Interest (as defined below) shall be held as a trust fund and shall not be subject to any Lien, attachment, trustee process or other judicial process of any creditor of any party. The Escrow Agent acknowledges receipt of the Escrow Funds.

2.02. Investment. Except as Purchaser and Sellers may otherwise agree in writing after the date hereof, the Escrow Agent may invest and reinvest the Escrow Funds in any or all of the following: (i) direct obligations of, or obligations fully guaranteed by, the United States of America or any agency thereof, (ii) certificates of deposit, time deposits, bankers' acceptances, bank notes and other obligations of U.S. banks, savings and loan institutions, savings banks, trust companies or national banking associations with total assets of at least \$5 billion and rated at least A by Standard & Poor's Corporation ("S&P"), Fitch Inc. ("Fitch"), or Moody's Investors Service, Inc. ("Moody's"), (iii) U.S. issuer debt obligations, including obligations issued by state and local governments, rated at least AA/Aa by S&P, Fitch, or Moody's, (iv) commercial paper and other short-term corporate obligations (including asset-backed securities) rated in the highest short-term rating category by S&P, Fitch, or Moody's, or (v) money market mutual funds registered under the Investment Company Act of 1940, as amended, invested solely in one or more obligations listed in items (i), (ii), (iii), and (iv) above and in agreements to repurchase such obligations; provided, however, that the Escrow Agent shall only make such investments and reinvestments in accordance with written instructions provided by Sellers to the Escrow Agent (with a copy to Purchaser) directing the Escrow Agent to make such investments and/or reinvestments. The Escrow Agent is authorized to liquidate promptly any portion of the Escrow Funds consisting of investments to provide for payments required to be made under this Agreement.

### Section 3. Indemnification.

3.01. Indemnification/Availability of Escrow Funds. Subject to the provisions of Section 8.01 of the Purchase Agreement and the terms and conditions of this Escrow Agreement, Purchaser and Sellers agree that (a) each Purchaser Indemnified Party shall be indemnified, defended and held harmless, solely from the Escrow Funds, from and against, and that amounts in the Escrow Funds shall be paid to each Purchaser Indemnified Party to satisfy and pay for, any and all Indemnifiable Losses actually incurred by such Purchaser Indemnified Party by reason of or resulting from the matters addressed in Section 8.01(b) of the Purchase Agreement and (b) the Escrow Funds shall be available as security for payment of such Indemnifiable Losses.

### 3.02. Determination of Claims.

(a) If any Purchaser Indemnified Party wishes to make a claim to be indemnified from the Escrow Funds (a "Claim"), Purchaser on behalf of such Purchaser Indemnified Party (individually or collectively, the "Claiming Party") shall so notify the Escrow Agent and Sellers in writing (the "Claim Notice"). The Claim Notice shall set forth in reasonable detail with respect to the Claim asserted thereby, to the extent known by a Purchaser Indemnified Party, (i) the facts and circumstances giving rise to such Claim, (ii) the nature of the Indemnifiable Losses

actually incurred or reasonably expected to be incurred and/or other relief that is being sought, (iii) a reference to the specific provisions of the Purchase Agreement pursuant to which the Purchaser Indemnified Party is seeking indemnity, and (iv) the amount of Indemnifiable Losses actually incurred (the “Known Claimed Amount”) and, to the extent the Indemnifiable Losses have not yet been incurred, a good faith estimate of the amount of Indemnifiable Losses reasonably expected to be incurred to the extent then estimable by the Purchaser Indemnified Party (the “Estimated Claimed Amount” and, together with the Known Claimed Amount, the “Claimed Amount”). Any Claim Notice that includes an Estimated Claimed Amount shall be accompanied by a certificate of the Claiming Party (in the case of any individual) or an authorized officer of the Claiming Party (in the case of any other Person) stating that the Estimated Claimed Amount has been determined in good faith and represents the Claiming Party’s best estimate of the Indemnifiable Losses it reasonably expects to incur as a result of the facts and circumstances giving rise to the Claim to the extent then estimable by the Purchaser Indemnified Party and for which it is entitled to indemnification under Section 8.01 of the Purchase Agreement. Within thirty (30) days of their receipt of a Claim Notice, Sellers shall deliver written notice to Purchaser of any objection Sellers' have to the Claim made in such Claim Notice, including the amount of any Claimed Amount which is disputed; provided, however, that in no event shall Sellers' failure to deliver any such notice be deemed an acceptance of the existence or basis of such Claim or a consent to the release of any Escrow Funds in respect thereof. If Sellers have no objections to the Claim made in a Claim Notice, Sellers agree to execute written instructions directing the Escrow Agent with respect to the Known Claimed Amount set forth in such Claim Notice. If Sellers have objections to the Claim made in a Claim Notice, Sellers agree to execute written instructions directing the Escrow Agent with respect to the undisputed amount of the Known Claimed Amount, if any, set forth in such Claim Notice.

(b) Upon its receipt of a Claim Notice, the Escrow Agent shall not dispose of Escrow Funds or any portion thereof except (i) pursuant to written instructions signed by Purchaser and Sellers directing the Escrow Agent with respect to such Claim, (ii) upon the expiration of five (5) Business Days from the Escrow Agent’s receipt of a certified copy of a final judgment of a court of competent jurisdiction with respect to such Claim, which judgment is not subject to appeal or with respect to which the time for appeal has elapsed (a “Final Determination”) or (iii) as contemplated by Sections 3.04.

Section 3.03 Other Adjustments to Indemnification. Any payment made to a Purchaser Indemnified Party hereunder shall be adjusted as set forth in Section 8.01(f) of the Purchase Agreement. The Escrow Agent shall have no duty to determine such adjustment.

Section 3.04 Distribution of Escrow Funds.

(a) Within two (2) Business Days after the first anniversary of the Closing Date (written notice of which shall be given by Sellers), the Escrow Agent shall deliver to Purchaser, with a copy to Sellers, the Escrow Agent's calculation (the "Distribution Notice") (which calculation, absent manifest error, shall be final and binding as to each of the parties thereto) of the sum of all Claims which have not been finally resolved and Estimated Claimed Amounts, if any, as of the date of the Distribution Notice (such aggregate amount, the "Holdback Amount"). The Escrow Agent shall, within two (2) Business Days after the delivery of the Distribution Notice, distribute to the Sellers, in the manner described in Section 3.05, the excess, if any, of the Escrow Funds over the Holdback Amount.

(b) In the event that a Holdback Amount remains with respect to a Claim after the distribution contemplated in Section 3.04(a), the Escrow Agent shall not dispose of such Holdback Amount or any portion thereof except (i) pursuant to written instructions signed by Purchaser and Sellers directing the Escrow Agent with respect to such Claim or (ii) upon the expiration of five (5) Business Days from the Escrow Agent's receipt of a certified copy of a Final Determination with respect to such Claim. Promptly following each final disposition of a Claim pursuant to this Section 3.04(b) and in accordance with this Escrow Agreement and the Purchase Agreement, the Escrow Agent shall deliver to Purchaser, with a copy to Sellers, the Escrow Agent's calculation (a "Remaining Distribution Notice") (which calculation, absent manifest error, shall be final and binding as to each of the parties hereto) of the sum of all Claims which have not been finally resolved and Estimated Claimed Amounts, if any, as of the date of such Remaining Distribution Notice (such aggregate amount, a "Remaining Holdback Amount"). The Escrow Agent shall, within two (2) Business Days after delivery of such Remaining Distribution Notice, distribute to Sellers, in the manner described in Section 3.05, the excess, if any, of the remaining Escrow Funds over such Remaining Holdback Amount.

**Section 3.05 Payments.** The Escrow Agent shall pay all amounts payable under this Escrow Agreement by wire transfer of immediately available funds (i) if to Sellers, to the account or accounts designated by Sellers; or (ii) if to the Purchaser or to a Claiming Party, to the account or accounts designated by Purchaser.

**Section 3.06 Third Party Claims Against Escrow Fund.** Notwithstanding anything to the contrary in this Escrow Agreement, if any third party not a party to this Escrow Agreement (or an affiliate of a party to this Escrow Agreement) shall initiate a claim against the Escrow Funds, the parties hereto agree that the Escrow Agent shall not, and the Escrow Agent agrees not to, distribute any funds out of the Escrow Funds in respect of such claim, including without limitation after the first anniversary of this Escrow Agreement or in accordance with Sections 3.04 or 3.05 hereof, until such third party claim is finally determined pursuant to a Final Determination.

Section 4. Interest.

4.01. Release of Interest. On the first business day of each month following the month in which the Escrow Funds are initially deposited with the Escrow Agent by Purchaser, the Escrow Agent shall release to Sellers in immediately available funds an amount equal to the income or net gain from the investment and reinvestment of the Escrow Funds and the income earned thereon (the “Escrow Interest”) from the previous month. It is agreed and understood that under no circumstances shall Purchaser or any Purchaser Indemnified Parties have any right, title or interest in or to the Escrow Interest.

4.02. Interest. For Tax purposes, the Escrow Interest paid to Sellers during the taxable year shall be income of Sellers, and all parties hereto shall file all Tax Returns consistent with such treatment.

Section 5. Acceptance of Appointment. The Escrow Agent, by signing this Escrow Agreement, accepts the appointment as Escrow Agent and agrees to hold and distribute the Escrow Funds and the Escrow Interest in accordance with the terms of this Escrow Agreement and the Purchase Agreement.

Section 6. Language Concerning the Escrow Agent. To induce the Escrow Agent to act hereunder, it is further agreed by Sellers and Purchaser that:

(a) The Escrow Agent shall not be under any duty to give the Escrow Funds any greater degree of care than the Escrow Agent gives its own similar property and shall not be required to invest any funds held hereunder except as directed in this Escrow Agreement. Any uninvested funds held hereunder shall not earn or accrue interest.

(b) This Escrow Agreement expressly sets forth all the duties of the Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent. The Escrow Agent shall not be bound by the provisions of any agreement between Sellers and Purchaser except this Escrow Agreement.

(c) Sellers and Purchaser, jointly and severally, shall indemnify the Escrow Agent and hold the Escrow Agent harmless from and against any and all claims, losses, liabilities, costs, damages or expenses including reasonable attorneys’ fees and expenses (collectively, “Escrow Agent Losses”) arising from actions taken by the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement (including Escrow Agent Losses incurred by Escrow Agent in connection with its successful defense, in whole or in part, of any claim of gross negligence or willful misconduct); provided, however, that nothing contained herein shall require the Escrow Agent to be indemnified for Escrow Agent Losses arising from its gross negligence or willful misconduct. The provisions of this Section 6(c)

shall survive termination of this Agreement and/or the resignation or removal of the Escrow Agent.

(d) The Escrow Agent shall only rely upon written instructions actually received by the Escrow Agent from Sellers or Purchaser and under no circumstances shall Sellers or Purchaser present the Escrow Agent with oral instructions. The Escrow Agent may act in reliance upon any instrument or signature of Sellers or Purchaser believed in good faith by the Escrow Agent to be genuine and may assume in good faith that any person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.

(e) The Escrow Agent may act pursuant to the advice of counsel of its own choice with respect to any matter relating to this Escrow Agreement and shall not be liable and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with such written advice.

(f) The Escrow Agent, and any successor Escrow Agent, may resign at any time as Escrow Agent hereunder by giving at least thirty (30) days' written notice to Purchaser and Sellers. Upon such resignation and the appointment of a successor Escrow Agent, the resigning Escrow Agent shall be absolved from any and all liability in connection with the exercise of its powers and duties as Escrow Agent hereunder except for liability arising in connection with its gross negligence or willful misconduct. Upon their receipt of notice of resignation from the Escrow Agent, Purchaser and Sellers shall use reasonable efforts jointly to designate a successor Escrow Agent. In the event Purchaser and Sellers do not agree upon a successor Escrow Agent within thirty (30) days after the receipt of such notice, the Escrow Agent so resigning may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or other appropriate relief and any such resulting appointment shall be binding upon all parties hereto. By mutual agreement, Purchaser and Sellers shall have the right at any time upon not less than ten (10) days' written notice signed by Purchaser and Sellers and delivered to the Escrow Agent to terminate the appointment of the Escrow Agent, or successor Escrow Agent, as Escrow Agent. The Escrow Agent or successor Escrow Agent shall continue to act as Escrow Agent until a successor is appointed and qualified to act as Escrow Agent.

(g) In the event of any disagreement between Sellers and Purchaser resulting in adverse claims or demands being made in connection with the Escrow Funds, or in the event that the Escrow Agent in good faith is in doubt as to what action the Escrow Agent should take hereunder, the Escrow Agent shall retain the Escrow Funds until the Escrow Agent shall have received (x) a Final Determination directing delivery of the Escrow Funds or (y) a written agreement executed by Sellers and Purchaser directing delivery of the Escrow Funds, in which event the

Escrow Agent shall disburse the Escrow Funds in accordance with such order or agreement. The Escrow Agent, at the option of the Escrow Agent, shall be entitled to seek and, if obtained, rely conclusively upon an opinion of independent counsel to the effect that any court order delivered to the Escrow Agent is a Final Determination. The Escrow Agent shall act on such court order and legal opinion without further question.

(h) The compensation of the Escrow Agent (as payment in full) for the services to be rendered by the Escrow Agent hereunder shall be paid by Sellers in the aggregate amount of \$\_\_\_\_\_ per annum, together with reimbursement for all reasonable expenses, disbursements and advances incurred or made by the Escrow Agent in performance of the duties of the Escrow Agent hereunder (including reasonable fees, expenses and disbursements of the Escrow Agent's counsel), as set forth in Escrow Agent's Schedule of Expenses attached hereto as Exhibit A.

Section 7. Termination. This Escrow Agreement shall be terminated upon the delivery of the entirety of the Escrow Funds pursuant to Section 3 hereof.

Section 8. Notices. All notices, requests, consents or other communications required or permitted under this Escrow Agreement shall be in writing and shall be deemed to have been duly given or delivered by any party (a) when received by such party if delivered by hand, (b) upon confirmation when delivered by telecopy (any communication delivered by telecopy shall be followed promptly with an original thereof), (c) within one day after being sent by recognized overnight delivery service, or (d) within three Business Days after being mailed by registered or certified mail and in each case addressed as follows:

If to Purchaser, to:

Multimedia Holdings Corporation  
c/o Gannett Co., Inc.  
7950 Jones Branch Drive  
McLean, VA 22107  
Attention: Daniel S. Ehrman, Jr.  
Telecopier (703) 854-2042

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

Gannett Co., Inc.  
7950 Jones Branch Drive  
McLean, VA 22107  
Attention: Thomas L. Chapple, Esq.  
Telecopier: (703) 854-2031

If to Sellers, to:

Channel 20 TV Company  
Twenver Broadcast, Inc.  
1645 West Fullerton Avenue  
Chicago, Illinois 60614  
Attention: Charles Frank Gross  
Telecopier: (773) 975-1301

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

Skadden, Arps, Slate, Meagher & Flom LLP  
333 West Wacker Drive  
Chicago, Illinois 60606  
Attention: Rodd M. Schreiber  
Telecopier: (312) 407-0411

If to the Escrow Agent, to:

[•]

[•]

[•]

Attention: [•]

Telecopier: [•]

Any party by written notice to the other parties pursuant to this Section 8 may change the address or the persons to whom notices or copies thereof are to be sent to such party by giving written notice of a change of address in the manner provided in this Escrow Agreement for giving notice.

Section 9. Assignment. This Escrow Agreement and the rights and duties hereunder shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of each of the parties to this Escrow Agreement. No rights, obligations or liabilities hereunder shall be assignable by any party without the prior written consent of the other parties.

Section 10. Amendment. This Escrow Agreement may be amended or modified only by an instrument in writing duly executed by the parties to this Escrow Agreement.

Section 11. Waivers. Any waiver by any party hereto of any breach of or failure to comply with any provision of this Escrow Agreement by any other party hereto shall be in writing and shall not be construed as, or constitute, a continuing



waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Escrow Agreement.

Section 12. Construction. This Escrow Agreement shall be construed and enforced in accordance with and governed by the internal substantive laws of the State of New York without regard to conflicts of laws principles. The headings in this Escrow Agreement are solely for convenience of reference and shall not be given any effect in the construction or interpretation of this Escrow Agreement. Unless otherwise stated, references to Sections and Exhibits are references to Sections and Exhibits of this Escrow Agreement.

Section 13. Third Parties. Nothing expressed or implied in this Escrow Agreement is intended, or shall be construed, to confer upon or give any person or entity other than Purchaser, Sellers and the Escrow Agent any rights or remedies under, or by reason of, this Escrow Agreement.

Section 14. Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute a single instrument.

Section 15. Waiver of Offset Rights. The Escrow Agent hereby waives any and all rights to offset that the Escrow Agent may have against the Escrow Funds including, without limitation, claims arising as a result of any claims, amounts, liabilities, costs, expenses, damages, or other losses (collectively, "Claims") that the Escrow Agent may be otherwise entitled to collect from any party to this Escrow Agreement, other than Claims arising under this Escrow Agreement.

Section 16. Entire Agreement. This Agreement and the Purchase Agreement constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supercede all prior agreements and undertakings, both written and oral, between Sellers and Purchaser with respect to the subject matter hereof.

Section 17. No Presumption. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

IN WITNESS WHEREOF, each of the parties hereto has executed and delivered this Escrow Agreement, or caused this Escrow Agreement to be duly executed and delivered in its name and on its behalf, as of the day and year first hereinabove set forth.

**PURCHASER**

**MULTIMEDIA HOLDINGS  
CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SELLERS**

**CHANNEL 20 TV COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TWENVER BROADCAST, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ESCROW AGENT**

**[•]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

