

## ESCROW AGREEMENT

This Escrow Agreement, (“*Agreement*”) made and entered into this 8th day of July, 2004, is by and among Sea-Comm, Inc., a North Carolina corporation (“*Sea-Comm*”), NextMedia Operating, Inc., a Delaware corporation (“*NextMedia*”), and Media Services Group, Inc., a Florida corporation (“*Escrow Agent*”). Capitalized terms used herein but not otherwise defined herein shall have the meanings given such terms in the Exchange Agreement (as hereinafter defined).

### Recitals

A. Pursuant to that certain Asset Exchange Agreement, of even date herewith, by and between Ocean Broadcasting II, LLC, a North Carolina limited liability company (“*Ocean*”), and Sea-Comm (the “*Exchange Agreement*”), Sea-Comm agreed to transfer to Ocean certain of Sea-Comm’s assets that relate to the ownership and operation of radio stations WKXB(FM) and WSFM(FM), and in exchange Ocean agreed to transfer to Sea-Comm certain of Ocean’s assets that relate to the ownership and operation of radio station WUIN(FM).

B. Simultaneous to the execution of the Exchange Agreement, Sea-Comm, Ocean and NextMedia entered into that certain Assignment and Assumption Agreement, of even date herewith (the “*Assignment and Assumption Agreement*”), pursuant to which NextMedia agreed to assume and perform certain rights and obligations of Ocean under the Exchange Agreement.

C. The Exchange Agreement provides that Ocean shall deposit with Escrow Agent an irrevocable letter of credit in the principal amount of Five Hundred Sixty-Two Thousand Five Hundred Dollars (\$562,500) (the “*Escrow Deposit*”), to be held by Escrow Agent pending the consummation of the transactions contemplated by, or the termination of, the Exchange Agreement. In accordance with the Assignment and Assumption Agreement, NextMedia assumed Ocean’s obligation to deliver the Escrow Deposit.

D. Escrow Agent has agreed to accept, hold and disburse the Escrow Deposit in accordance with this Agreement.

NOW, THEREFORE, in consideration of the above and of the promises contained herein, the parties, intending to be bound legally, agree as follows:

1. **Escrow Deposit.**

(a) Letter of Credit Escrow. Pursuant to Section 2.3(b) of the Exchange Agreement, within three (3) business days following the execution and delivery of the Exchange Agreement, NextMedia shall deliver to Escrow Agent a duly executed irrevocable letter of credit in the amount of the Escrow Deposit in form and

substance mutually acceptable to NextMedia and Sea-Comm (the “*Letter of Credit*”). The parties acknowledge and agree that the initial Letter of Credit shall remain in effect for two (2) years following the date hereof, unless earlier terminated in accordance with the provisions hereof. Notwithstanding the foregoing, NextMedia may, in lieu of opening the Letter of Credit described above, deposit with Escrow Agent cash in an amount equal to the amount of the Escrow Deposit, and Escrow Agent shall be entitled to hold any such funds pursuant to the terms and conditions of this Agreement.

(b) Acceptance of Appointment as Escrow Agent. Escrow Agent, by executing this Agreement, hereby accepts its appointment as escrow agent with respect to the Escrow Deposit and agrees to hold and to deliver the Escrow Deposit in accordance with the terms and conditions of this Agreement.

(c) Replacement of Letter of Credit. If the Letter of Credit (or any renewals or replacements thereof as provided herein) will expire prior to the second anniversary of the date hereof, then NextMedia shall deliver to Escrow Agent at least ten (10) calendar days before the expiration of the Letter of Credit a substitute letter of credit (duly executed by the issuing bank) in form and substance mutually acceptable to NextMedia and Sea-Comm, including a new expiration date of not less than three (3) months (or such other term as is mutually agreed upon by NextMedia and Sea-Comm) after the expiration date of the Letter of Credit being renewed and replaced, issued by the issuer of the original Letter of Credit or by a United States bank having assets and a net worth (as established by the most recent public financial information of such bank, copies of which shall be provided by NextMedia to Escrow Agent and Sea-Comm) equal to or greater than the bank that issued the original Letter of Credit. If NextMedia delivers to Escrow Agent such substitute letter of credit at least ten (10) calendar days before the expiration of the Letter of Credit, such substitute letter of credit shall thereafter be deemed the “*Escrow Deposit*” for all purposes hereunder and Escrow Agent shall simultaneously exchange the prior Letter of Credit for the substitute letter of credit and issue to NextMedia a receipt for the same, if so requested by NextMedia. If NextMedia does not deliver the substitute letter of credit to Escrow Agent at least ten (10) calendar days before the expiration of the Letter of Credit, NextMedia shall, at the time of the expiration of the Letter of Credit, replace the Letter of Credit with an amount in cash equal to the amount of the Escrow Deposit. If, within five (5) calendar days before the expiration of the Letter of Credit, NextMedia has neither delivered a substitute letter of credit to the Escrow Agent, nor replaced the Letter of Credit with an amount in cash equal to the amount of the Escrow Deposit, then on the fourth (4th) calendar day before the expiration of the Letter of Credit, Escrow Agent shall draw down on the Letter of Credit to the full dollar amount that was available under the Letter of Credit immediately prior to such expiration in full satisfaction of NextMedia’s obligation to replace the Letter of Credit or deposit cash in lieu thereof.

(d) Investment of Cash Received in Lieu of Letter of Credit.

(i) If cash is deposited with Escrow Agent in lieu of the initial Letter of Credit pursuant to the last sentence of Section 1(a) or if the Letter of

Credit is replaced by cash or is drawn down prior to its expiration pursuant to the last two sentences of Section 1(c), Escrow Agent shall retain such funds (the “*Funds*”), shall hold the Funds in escrow in lieu of the Letter of Credit, and shall invest the Funds in Permitted Investments (as defined in subparagraph (ii) below). Escrow Agent shall hold and release the Funds in accordance with the terms of this Agreement.

(ii) For purposes of this Agreement, “*Permitted Investments*” shall mean direct obligations of the U.S. government having maturities of 180 days or less, money market funds that invest solely in direct obligations of the U.S. government, and such other investments as may be specified from time to time to Escrow Agent by joint written instructions from NextMedia and Sea-Comm. As and when the Funds are to be released under this Agreement, Escrow Agent shall cause the Permitted Investments to be converted into cash. None of Sea-Comm, NextMedia or Escrow Agent shall be liable for any loss of principal or income due to the choice of Permitted Investments in which the Funds are invested or the choice of Permitted Investments converted into cash pursuant to this subparagraph (ii).

(iii) For Tax purposes, the Funds shall be the property of NextMedia, unless and until the Funds shall have been disbursed to Sea-Comm pursuant to the terms of this Agreement, and all interest and other income earned on the Funds shall be the income of NextMedia. NextMedia and Sea-Comm shall file Tax Returns, and Escrow Agent shall file a Form 1099, consistent with such treatment.

2. **Duty to Hold Escrow Deposit.** Escrow Agent shall hold the Escrow Deposit until receipt of either (a) a joint notice from Sea-Comm and NextMedia in accordance with Paragraph 3(a) hereof, (b) a notice and demand from Sea-Comm as provided in Paragraph 3(b) hereof that is not protested, (c) a notice and demand from NextMedia that is not protested as provided in Paragraph 3(c) hereof, or (d) joint instructions from NextMedia and Sea-Comm otherwise directing Escrow Agent of the manner in which to dispose of the Escrow Deposit and any interest earned thereon.

3. **Disposition of Escrow Deposit.** The Escrow Deposit shall be paid to NextMedia or Sea-Comm or distributed as follows:

(a) Upon receipt by Escrow Agent of a joint notice from NextMedia and Sea-Comm stating that the Closing under the Exchange Agreement has occurred, Escrow Agent shall, as applicable, immediately deliver the Letter of Credit or pay the Funds that constitute the Escrow Deposit without deduction, set-off, or counterclaim, plus any interest earned thereon in immediately available funds without deduction, set-off, or counterclaim, to NextMedia.

(b) Upon receipt by Escrow Agent of a notice from Sea-Comm stating that Sea-Comm is entitled to the Escrow Deposit and following the failure of NextMedia to make a timely protest (in accordance with Paragraph 4 hereof) after receipt of notice from Escrow Agent pursuant to Paragraph 4 hereof, Escrow Agent shall, as applicable, deliver the Letter of Credit or pay the Funds that constitute the Escrow

Deposit in immediately available funds without deduction, set-off or counterclaim to Sea-Comm, free and clear of any and all claims thereto by NextMedia, and shall pay any and all interest earned thereon in immediately available funds without deduction, set-off, or counterclaim to NextMedia. If Sea-Comm provides any notice hereunder, Sea-Comm shall concurrently provide a copy of such notice to NextMedia.

(c) Upon receipt by Escrow Agent of a notice from NextMedia stating that NextMedia is entitled to the Escrow Deposit and following the failure of Sea-Comm to make a timely protest (in accordance with Paragraph 4 hereto) after receipt of notice from Escrow Agent pursuant to Paragraph 4 hereof, Escrow Agent shall, as applicable, deliver the Letter of Credit or pay the Funds that constitute the Escrow Deposit and any interest earned thereon in immediately available funds without deduction, set-off or counterclaim to NextMedia, free and clear of any claim thereto by Sea-Comm. If NextMedia provides any notice hereunder, NextMedia shall concurrently provide a copy of such notice to Sea-Comm.

4. **Disagreement Between NextMedia and Sea-Comm.** If either NextMedia or Sea-Comm (for purposes of this paragraph referred to as the “*Demanding Party*”) gives notice to Escrow Agent as provided in Paragraph 3(b) or 3(c) hereof and makes demand upon Escrow Agent for payment of the Escrow Deposit, Escrow Agent shall, within seven (7) business days of receipt of such demand, serve upon NextMedia or Sea-Comm, as the case may be (the “*Notified Party*”), a copy of the Demanding Party’s notice. Unless the Notified Party protests the payment of the Escrow Deposit in writing delivered to Escrow Agent within seven (7) business days after the receipt by the Notified Party of the Demanding Party’s notice from the Escrow Agent, Escrow Agent shall thereupon make payment to the Demanding Party as required by such demand in accordance with Paragraph 3(b) or 3(c) hereof. If the Notified Party timely and duly protests, the Escrow Agent shall hold the Escrow Deposit until the disagreement is resolved as provided in Paragraph 5(f) below.

5. **Limitations on Liability of Escrow Agent.**

(a) The duties and obligations of Escrow Agent shall be determined solely by the express provisions of this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against Escrow Agent. Escrow Agent shall be under no obligation to refer to the Exchange Agreement or any other documents between or among the parties related in any way to this Escrow Agreement, except as specifically provided herein.

(b) Escrow Agent shall not be liable to anyone for any damages, losses or expenses for any act done or step taken or omitted by Escrow Agent in good faith, provided, however, that Escrow Agent shall be liable for damages, losses and expenses arising out of its willful default, gross negligence or bad faith under this Escrow Agreement.

(c) Escrow Agent shall be entitled to rely upon, and shall be protected in acting in reasonable reliance upon, any writing furnished to Escrow Agent by any party in accordance with the terms hereof, which Escrow Agent believes in good faith to be genuine and valid and to have been signed by the proper party.

(d) Escrow Agent may obtain advice of its counsel with respect to any questions relating to its duties or responsibilities hereunder and shall not be liable for any action taken or omitted in good faith on such advice of such counsel.

(e) Without limiting the foregoing, Escrow Agent shall not in any event be liable, and Sea-Comm and NextMedia shall jointly and severally indemnify and hold harmless Escrow Agent, in connection with Escrow Agent's investment or reinvestment of the Escrow Deposit in good faith in accordance with the terms hereof, including without limitation any delays (not resulting from its gross negligence or willful default) in the investment or reinvestment of the Escrow Deposit, or any loss of income incident to any such delays.

(f) If any disagreement between the parties to this Escrow Agreement occurs that results in adverse claims and demands being made in connection with or against the Escrow Deposit, or any interest earned thereon, Escrow Agent shall refuse to comply with the claims or demands of any party until such disagreement is finally resolved by mutual agreement of the parties or by a court of competent jurisdiction (including expiration of all available appeal remedies), and, in so doing, Escrow Agent shall not be or become liable to any party. Alternatively, in the event of any dispute or disagreement between NextMedia and Sea-Comm sufficient in the sole discretion of Escrow Agent to justify its doing so, Escrow Agent shall be entitled to tender into the registry or custody of any court of competent jurisdiction the Escrow Deposit and to initiate such legal proceedings as it deems appropriate, including without limitation, an interpleader action, for determination of the respective rights, titles and interests of Sea-Comm and NextMedia therein. Upon such tender, Escrow Agent shall be entitled to receive from Sea-Comm and NextMedia its reasonable attorney fees and expenses and shall be forthwith released and discharged from all further duties, liabilities and obligations under this Escrow Agreement.

(g) NextMedia and Sea-Comm jointly and severally agree to indemnify Escrow Agent against all legal fees, costs and other expenses reasonably incurred by Escrow Agent in connection with or as a result of any disagreement among or between the parties hereto or the performance by Escrow Agent of its duties hereunder, including without limitation, any litigation arising from this Escrow Agreement or involving the subject matter hereof; except as provided in Paragraph 5(b) hereof. Except as otherwise provided in this Escrow Agreement, NextMedia and Sea-Comm shall each pay one-half of the reasonable expenses incurred by Escrow Agent under this Escrow Agreement.

(h) Any action claimed to be required to be taken by Escrow Agent hereunder and not otherwise specifically set forth herein shall require the agreement of NextMedia, Sea-Comm, and Escrow Agent.

(i) Except as stated herein, Escrow Agent does not have any interest in the Escrow Deposit held hereunder, but is serving as escrow holder only.

6. **Resignation of Escrow Agent.** If Escrow Agent desires to resign as Escrow Agent, it shall provide thirty (30) days advance written notice (a “*Resignation Notice*”) of its intention to so resign to NextMedia and to Sea-Comm. Notwithstanding the foregoing, if following the resignation of Escrow Agent there would be no replacement escrow agent hereunder, Escrow Agent’s resignation shall not be effective until NextMedia and Sea-Comm shall have mutually agreed to the appointment of a replacement escrow agent and such appointment shall have been accepted in writing. In the event that no replacement escrow agent has been appointed by NextMedia and Sea-Comm within sixty (60) days of the Resignation Notice, Escrow Agent shall be permitted to petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief and any such resulting appointment shall be binding upon the parties hereto.

7. **Amendments.** No modification or amendment to this Escrow Agreement, or waiver of compliance with any provision or condition hereof, shall be valid unless reduced to writing and signed by all of the parties hereto.

8. **Effect of this Escrow Agreement.** This Escrow Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous agreements, arrangements and understandings relating to the subject matter hereof (other than Section 10.3 of the Exchange Agreement). This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns and legal representatives. The paragraph headings of this Escrow Agreement are for convenience of reference only and do not form a part hereof and do not in any way modify, interpret or construe the intentions of the parties. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its principles of conflict of laws, and the state and federal courts sitting in Providence, Rhode Island shall have exclusive jurisdiction over any controversy or claim arising out of or relating to this Agreement.

9. **Notices.** Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, addressed to the following addresses, or to such other address as any party may request in writing:

If to NextMedia:

NextMedia Operating, Inc.  
6312 South Fiddlers Green Circle, Suite 3606  
Englewood, Colorado 80111  
Attention: Sean R. Stover  
Telephone: (303) 694-9118  
Facsimile: (303) 694-4940

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

Weil, Gotshal & Manges LLP  
200 Crescent Court, Suite 300  
Dallas, Texas 75201  
Attention: Glenn D. West, Esq.  
John E. Quattrocchi, Esq.  
Telephone: (214) 746-7700  
Facsimile: (214) 746-7777

If to Sea-Comm:

Sea-Comm, Inc.  
45 Pecan Acres  
Hattiesburg, Mississippi 39402  
Attn: N. Eric Jorgensen  
Fax: (601) 450-8586

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

Paul, Hastings, Janofsky & Walker, LLP  
1299 Pennsylvania Avenue, N.W., Tenth Floor  
Washington, D.C. 20004-2400  
Attn: John Griffith Johnson, Jr.  
Fax: (202) 508-8578

If to Escrow Agent:

Media Services Group, Inc.  
170 Westminster Street, Suite 701  
Providence, Rhode Island 02903  
Attention: Robert J. Maccini  
Telephone: (401) 454-3130  
Facsimile: (401) 454-3131

Any such notice, demand or request shall be deemed to have been duly delivered and received (i) on the date of personal delivery, or (ii) on the date of transmission, if sent by

facsimile (but only if a hard copy is also sent by overnight courier), or (iii) on the date of receipt, if mailed by registered or certified mail, postage prepaid and return receipt requested, or (iv) on the date of a signed receipt, if sent by an overnight delivery service, but only if sent in the same manner to all persons entitled to receive notice or a copy.

10. **Counterparts.** This Escrow Agreement may be executed in one or more counterparts, and by the different parties hereto on separate counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

**SEA-COMM, INC.**

By: M.E. Knight  
M.E. Knight  
Vice President

**NEXTMEDIA OPERATING, INC.**

By: \_\_\_\_\_  
Sean R. Stover  
Senior Vice President

**MEDIA SERVICES GROUP**

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

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

**SEA-COMM, INC.**

By: \_\_\_\_\_  
M.E. Knight  
Vice President

**NEXTMEDIA OPERATING, INC.**

By:  \_\_\_\_\_  
Sean R. Stover  
Senior Vice President

**MEDIA SERVICES GROUP**

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

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

**SEA-COMM, INC.**

By: \_\_\_\_\_  
M.E. Knight  
Vice President

**NEXTMEDIA OPERATING, INC.**

By: \_\_\_\_\_  
Scan R. Stover  
Senior Vice President

**MEDIA SERVICES GROUP**

By: \_\_\_\_\_  
Name: Robert S. Mallin  
Title: Director