

Execution Copy

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made and entered into as of this 11th day of December, 2001, by and among Multicultural Radio Broadcasting, Inc. ("Buyer"), the entities identified as Seller on the signature page hereto ("Seller"), and Shook, Hardy & Bacon L.L.P. (the "Escrow Agent").

WITNESSETH

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement ("Purchase Agreement"), of even date herewith, for the sale of the radio station identified therein, (the "Station"). 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 One Hundred and Fifty Thousand Dollars and No Cents (\$150,000.00) ("Escrow Deposit").

WHEREAS, Escrow Agent has agreed to hold, invest and disburse the Escrow Deposit, together with any interest or other earnings thereon, 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 irrevocably appoint Shook, Hardy & Bacon L.L.P. as Escrow Agent to receive, hold, administer, and deliver the Escrow Deposit together with any interest or other earnings thereon in accordance with this Agreement, and Shook, Hardy & Bacon L.L.P. hereby accepts its appointment, all subject to and upon the terms and conditions set forth herein.

2. **ESCROW DEPOSIT.** Simultaneously with this Agreement, Buyer will deposit with the Escrow Agent the sum of One Hundred and Fifty Thousand Dollars and No Cents (\$150,000.00). The Escrow Agent shall notify the parties hereto of the receipt of the Escrow Deposit and provide the parties with written proof of the same. The Escrow Deposit and all accrued interest shall be held and released by the Escrow Agent in accordance with the terms of this Agreement.

3. **INVESTMENT OF ESCROW FUNDS.** After receipt of the Escrow Deposit and pending the disbursement of the Escrow Deposit pursuant to this Agreement, Escrow Agent shall invest the Escrow Deposit in (i) direct obligations of, or obligations fully guaranteed by, the United States of America or any agency thereof, (ii) certificates of deposit issued by commercial banks having a combined capital surplus and undivided profits of not less than \$200,000,000.00, or (iii) other investments as mutually agreed upon in writing by Buyer and Seller. Any income or interest realized from the investments made by Escrow Agent pursuant hereto shall, solely for

purposes of this Section, be deemed to form part of the Escrow Deposit and shall be reinvested by Escrow Agent until all of the Escrow Deposit is fully disbursed.

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

(a) Joint Demand. Upon receipt by Escrow Agent of a joint notice, substantially in the form of Attachment A, from Seller and Buyer stating that the Closing under the Purchase Agreement has occurred, Escrow Agent shall immediately pay, without deduction, set-off or counterclaim, the principal of the Escrow Deposit to Seller and all interest and other earnings thereon to Buyer.

(b) Seller's Demand. If the Escrow Agent receives a written notice signed by Seller stating that Seller is entitled to any portion of the Escrow Deposit and certifying that a copy of the notice has been delivered to Buyer in a manner specified in Paragraph 11.3 hereof, the Escrow Agent shall deliver a copy thereof to Buyer in a manner specified in Paragraph 11.3 and, unless the Escrow Agent receives a written objection from Buyer within ten (10) business days after the date of delivery of the notice to Buyer as provided in Paragraph 11.3, the Escrow Agent shall deliver to Seller the portion of the Escrow Deposit claimed by Seller. If the Escrow Agent receives a written objection from Buyer, the Escrow Agent shall continue to hold the Escrow Deposit until it has received written instructions signed by Seller and Buyer or until the disagreement is resolved as provided in Paragraph 6 below.

(c) Buyer's Demand. If the Escrow Agent receives a written notice signed by Buyer stating that Buyer is entitled to any portion of the Escrow Deposit and certifying that a copy of the notice has been delivered to Seller in a manner specified in Paragraph 11.3 hereof, the Escrow Agent shall deliver a copy thereof to Seller in a manner specified in Paragraph 11.3 and, unless the Escrow Agent receives a written objection from Seller within ten (10) business days after the date of delivery of the notice to Seller as provided in Paragraph 11.3, the Escrow Agent shall deliver to Buyer the portion of the Escrow Deposit claimed by Buyer. If the Escrow Agent receives a written objection from Seller, the Escrow Agent shall continue to hold the Escrow Deposit until it has received written instructions signed by Seller and Buyer or until the disagreement is resolved as provided in Paragraph 6 below.

(d) Partial Release of Escrow Deposit. If the Escrow Agent disburses less than all of the Escrow Deposit pursuant to any demand, court order, or joint instructions in accordance with this Agreement, that portion of the Escrow Deposit not disbursed, together with any interest then held by the Escrow Agent, shall continue to be held in escrow by the Escrow Agent subject to the terms of this Agreement.

(e) Payment of Interest. The Escrow Agent shall deliver to Buyer from time to time upon Buyer's demand any interest or other earnings accrued on the Escrow Deposit.

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. 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 gross negligence (including a disbursement made in violation of this Agreement). 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 (a) withhold delivery of the Escrow Deposit until the controversy is resolved by a court of competent jurisdiction in the District of Columbia or the conflicting demands are withdrawn or the doubt is resolved, or (b) institute a bill of interpleader in a court in the District of Columbia 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 the laws of the District of Columbia). If a bill of interpleader is instituted, or if the Escrow Agent is threatened with litigation or becomes involved in litigation in any manner whatsoever on account of this Agreement or the Escrow Deposit, as between themselves and the Escrow Agent, the Buyer and Seller will pay the Escrow Agent its reasonable attorneys' fees and any other disbursements, losses, reasonable expenses, costs and damages of the Escrow Agent in connection with or resulting from such threatened or actual litigation. All costs and expenses of such controversy will be charged to the non-prevailing party in such controversy.

7. **INDEMNITY.** The Buyer and Seller, jointly, will indemnify the Escrow Agent against and hold the Escrow Agent harmless from any losses, costs, damages, expenses, claims and attorneys' fees suffered or incurred by the Escrow Agent as a result of, in connection with or arising from or out of the acts or omissions of the Escrow Agent in performance of or pursuant to this Agreement, except such acts or omissions as may result from the Escrow Agent's willful misconduct or gross negligence.

8. **DISCHARGE BY DELIVERY.** After the Escrow Agent has delivered the Escrow Deposit and any interest earned thereon 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).

(a) 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 and all interest earned thereon 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 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 30 day period, the Escrow Agent's sole responsibility hereunder shall be the safekeeping of the Escrow Deposit, and interest, if any, 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.

(b) 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 and all interest earned thereon 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 and any interest earned thereon by the Escrow Agent in accordance with the terms of this Agreement, including the deposit of the Escrow Deposit with the clerk of any court of competent jurisdiction in accordance with Paragraphs 6 or 9, and the delivery of interest or earnings thereon to Buyer in accordance with Paragraph 4(e) or by written consent signed by all parties.

11. MISCELLANEOUS.

11.1. 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.

11.2. 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, except as provided in Paragraph 9.

11.3. Notices. Any notices required by this Agreement shall be in writing and

shall be deemed to have been duly delivered and received on the date of personal delivery, or on the first business day after delivery to a nationally recognized overnight delivery service for next morning delivery, or upon confirmation by telecopy 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 Buyer:

Multicultural Radio Broadcasting, Inc.
449 Broadway
New York, NY 10013
Attn: Arthur Liu
Fax: (212) 966-1012

with a copy (which will not be considered notice) to:

Shook, Hardy & Bacon L.L.P.
Hamilton Square
600 14th Street, N.W.
Suite 800
Washington, D.C. 20005-2004
Attn: Mark N. Lipp, Esq.

If to Seller:

Mega Communications of Silver Spring, L.L.C.
c/o Activated Communications Limited Partnership
767 Fifth Avenue
50th Floor
New York, NY 10153
Attn: Eran Schreiber

with a copy (which will not be considered notice) to:

Fleischman and Walsh, L.L.P.
1400 Sixteenth Street, N.W.
Suite 600
Washington, D.C. 20036
Attn: Stephen A. Bouchard, Esq.

If to Escrow Agent:

Shook, Hardy & Bacon L.L.P.
Hamilton Square
600 14th Street, N.W.
Suite 800
Washington, D.C. 20005-2004
Attn: Mark N. Lipp, Esq.

11.4. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the District of Columbia, without regard to its rules for conflict of laws. All Escrow Agent's rights under this Agreement are cumulative of any other rights it may have by law or otherwise.

11.5. 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.

_____ 11.6 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.

11.7 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.

11.8 Fees. Other than as set forth in Section 6 above, as between Seller and Buyer, all compensation payable to the Escrow Agent and all expenses of the Escrow Agent shall be borne one-half each.

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

SELLER:

MEGA COMMUNICATIONS OF SILVER SPRING, L.L.C.

By: Mega Communications, L.L.C., its sole and managing member

By: Alfredo Alonso
Title: President

MEGA COMMUNICATIONS OF SILVER SPRING LICENSEE, L.L.C.

By: Mega Communications of Silver Spring, L.L.C., its sole and
managing member

By: Mega Communications, L.L.C., its sole and managing member

By: Alfredo Alonso
Title: President

BUYER:

MULTICULTURAL RADIO BROADCASTING, INC.

By: Arthur Liu
Title: President

ESCROW AGENT:

SHOOK, HARDY & BACON L.L.P.

By:
Title:

ATTACHMENT A

[_____]

Shook, Hardy & Bacon L.L.P.
Hamilton Square
600 14th Street, N.W.
Suite 800
Washington, D.C. 20005-2004

Dear [_____]:

Pursuant to Section 4 of that certain Escrow Agreement (the “Escrow Agreement”), dated [_____], 2001, by and among Mega Communications of Silver Spring, L.L.C., Mega Communications of Silver Spring Licensee, L.L.C. (collectively “Seller”), Multicultural Radio Broadcasting, Inc. (“Buyer”) and Shook, Hardy & Bacon L.L.P. (“Escrow Agent”), Buyer and Seller hereby jointly notify and instruct you to transfer \$[_____] from the Escrow Funds to Seller’s account with [_____] (ABA No. [_____] (Account No. [_____] all as required by said Section 4. Further, as required by Section 4 of the Escrow Agreement, please transfer to Buyer’s account with [_____] (ABA No. [_____] (Account No. [_____] all interest accrued on the Escrow Deposit, including all interest accrued and not yet paid.

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Sincerely,

MEGA COMMUNICATIONS OF SILVER SPRING, L.L.C.

By: Mega Communications, L.L.C., its sole and managing member

By: _____

Name: Alfredo Alonso

Title: President

MEGA COMMUNICATIONS OF SILVER SPRING LICENSEE, L.L.C.

By: Mega Communications Silver Spring, L.L.C., its sole and
managing member

By: Mega Communications, L.L.C., its sole and managing member

By: _____

Name: Alfredo Alonso

Title: President

MULTICULTURAL RADIO BROADCASTING, INC.

By: _____

Name: Arthur Liu

Title: President

