

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement") is entered into as of September 18 2019, by and among Davis Media, a Delaware limited liability company ("Buyer"), Colonial Radio Group, a North Carolina corporation ("Seller"), and DEFcom Advisors ("Escrow Agent"), a Texas limited liability company, all at the addresses set forth in Paragraph 8 below.

0. RECITALS:

0.1 **WHEREAS**, Buyer and Seller have entered into an Asset Purchase Agreement as of the same date herewith (the "Purchase Agreement"), under which Buyer agrees, subject to the terms and conditions set forth therein, to purchase the assets used or useful in the operation of Radio Station WUDE-FM, Channel 106.3, FCC facility ID #60882 in Bolivia, North Carolina; and

0.2 **WHEREAS**, the Purchase Agreement provides that Buyer shall deposit in escrow with Escrow Agent the sum of Twenty Thousand Dollars (\$20,000) (hereinafter referred to as the "Escrow Deposit");

0.3 **NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the promises, agreements, and covenants set forth herein, the parties hereto, intending legally to be bound, hereby agree as follows:

1. Appointment of Escrow Agent.

Buyer and Seller each hereby appoints DEFcom Advisors, LLC as Escrow Agent to receive, hold, administer and deliver the Escrow Deposit in accordance with this Agreement and the Purchase Agreement, and DEFcom Advisors, LLC hereby accepts such appointment, all subject to and upon the terms and conditions set forth herein.

2. Escrow Deposit.

Buyer herewith deposits with Escrow Agent the sum of Twenty Thousand Dollars (\$20,000) and Escrow Agent acknowledges such deposit.

3. Escrow Agent's Role Purely Ministerial.

Escrow Agent's duties hereunder are purely ministerial and it shall not have any duties or liabilities hereunder except those specifically set forth and undertaken by it herein.

4. Investments.

4.1 90 Day C.D.'s. Escrow Agent shall invest and reinvest the Escrow Deposit in federally insured Certificates of Deposit of any commercial bank, or in securities of the United States of America of not more than three (3) months duration, or as may be otherwise jointly directed in a writing signed by both Buyer and Seller.

4.2 Payment of Interest Together with Escrow Deposit. All interest and earnings derived from said investments shall accrue to the Escrow Deposit and shall be paid to the party receiving the Escrow Deposit unless otherwise jointly directed in a writing signed by both Buyer and Seller or unless directed by a court having jurisdiction.

5. **Release of Escrow Deposit.**

Escrow Agent shall hold the Escrow Deposit until it delivers all or part of the Escrow Deposit as provided below.

5.1 Joint Instructions. If Escrow Agent receives written instructions signed by both Seller and Buyer, Escrow Agent shall deliver the Escrow Deposit to Buyer, Seller or successor escrow agent in accordance with said instructions.

5.2 Seller's Demand. If Escrow Agent receives a written notice signed by the Seller stating that Seller is entitled to all or any portion of the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Buyer and, unless Escrow Agent receives a written objection from Buyer within five (5) business days after such delivery or ten (10) business days after such mailing, Escrow Agent shall deliver to Seller all or such portion of the Escrow Deposit as specified in the notice from Seller. If Escrow Agent receives a written objection from Buyer, Escrow Agent shall continue to hold the Escrow Deposit.

5.3 Buyer's Demand. If Escrow Agent receives a written notice signed by the Buyer stating that Buyer is entitled to all or any portion of the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Seller and, unless Escrow Agent receives a written objection from Seller within five (5) business days after such delivery or ten (10) business days after such mailing, Escrow Agent shall deliver to Buyer all or such portion of the Escrow Deposit as specified in the notice from Buyer. If Escrow Agent receives a written objection from Seller, Escrow Agent shall continue to hold the Escrow Deposit.

5.4 Immediate Funds. All deliveries of funds by Escrow Agent to either Seller, Buyer or successor escrow agent as provided for herein shall be either in immediately available funds, or by DELIVERY OF FULL TITLE and all incidents of ownership to any Certificates of Deposit or other instruments by which Escrow Deposit funds are held that are not immediately available in cash because of subsequent maturity dates.

6. **Limited Liability of Escrow Agent.**

Escrow Agent has been induced to accept its duties under this Agreement subject to the following terms and conditions:

6.1 General Limitation of Liability. In performing any of its duties hereunder, or upon the claimed failure to do so, Escrow Agent shall not be liable to anyone for any damage, loss, expense or other claim which may be incurred as a result of Escrow Agent's alleged action or omission; provided however, Escrow Agent shall be liable only for damages directly caused by its willful default or gross misconduct.

6.2 Immunity Upon Reliance on Advice of Counsel. Accordingly, Escrow Agent shall not incur any such liability with respect to any action taken or omitted to be taken in good faith upon reliance on advice of counsel.

6.3 Limitation of Liability For Investment Decisions. Without limiting the

foregoing, Escrow Agent shall not in any event be liable, and Seller and Buyer 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, including without limitation any delays (not resulting from its gross misconduct or willful default) in the investment or reinvestment of the Escrow Deposit, or any loss of income incident to any such delays.

6.4 Escrow Agent Indemnification. Buyer and Seller, hereby agree to indemnify and hold harmless Escrow Agent against any and all losses, claims, damages, liabilities and expenses, including, without limitation, reasonable costs of investigation, litigation and counsel fees and disbursements which may be imposed upon Escrow Agent or incurred by it in connection with its acceptance of this appointment as Escrow Agent hereunder or the performance 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 6.1 above. Except as otherwise provided in this Escrow Agreement, Buyer and Seller shall each pay one-half of the reasonable expenses incurred by Escrow Agent under this Escrow Agreement, which expenses may be deducted from this Escrow Deposit before delivery to the Demanding Party.

6.5 Escrow Deposit May Be Held Until Dispute Resolved. In the event of any dispute or disagreement between Buyer and Seller resulting in adverse claims or demands being made in connection with the Escrow Deposit, or if Escrow Agent in good faith is in doubt as to any action it should take hereunder, Escrow Agent shall be entitled to hold the Escrow Deposit until it receives (1) a final non-appealable order of a court of competent jurisdiction directing delivery of the Escrow Deposit or (2) a written agreement executed by Buyer and Seller directing delivery of the Escrow Deposit, in which event Escrow Agent shall deliver the Escrow Deposit in accordance with such order or agreement.

6.6 Escrow Deposit Tendered in Court Upon Dispute. Alternatively, in the event of any dispute or disagreement between Buyer and Seller 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 Seller and Buyer therein. Upon such tender, Escrow Agent shall be entitled to receive from Seller and Buyer its reasonable attorney fees and expenses and shall be forthwith released and discharged from all further duties, liabilities and obligations under this Escrow Agreement. Any such legal action may be brought in any such court as Escrow Agent shall determine to have jurisdiction thereof of the subject matter and each party agrees to submit to the jurisdiction of the court so designated by Escrow Agent.

6.7 Authenticity Need Not be Corroborated. Escrow Agent shall be entitled to rely upon an 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. Escrow Agent may act in reliance upon any instrument or signature believed by it 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.

6.8 No Obligations Under Purchase Agreement. This Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent hereto. Escrow Agent shall only be bound by the provisions of this Agreement and shall not be bound by or incur any liability with respect to the Purchase Agreement or any other agreement or understanding between Buyer and Seller except as herein expressly provided. Specifically, Escrow Agent shall not make, be required to make or be liable in any manner for its failure to make, any determination

under the Purchase Agreement or any other agreement, including without limitation any determination of whether Buyer or Seller has complied with the terms of the Purchase Agreement or is entitled to delivery of payment of any or all of the Escrow Deposit or to any other right or remedy thereunder.

6.9 Escrow Agent Not a Beneficiary. Except as stated herein, Escrow Agent does not have any interest in the Escrow Deposit held hereunder, but is serving as escrow holder only.

7. Resignation, Replacement and Successor Escrow Agent.

7.1 Resignation. Escrow Agent (and any successor escrow agent) may at any time resign as such by delivering notice of its resignation to Buyer and Seller and by delivering the Escrow Deposit to a successor escrow agent or escrow agents jointly designated by Buyer and Seller in writing, or if Buyer and Seller cannot agree on the successor escrow agent within fifteen (15) days of notice of Escrow Agent's resignation, to any court of competent jurisdiction, whereupon the resigning Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement.

7.2 Replacement. Buyer and Seller may at any time replace Escrow Agent (and any successor escrow agent) with a successor escrow agent or escrow agents if jointly agreed to in writing and notice of replacement is delivered to Escrow Agent. Upon receiving notice of replacement, Escrow Agent shall deliver the Escrow Deposit to the successor escrow agent or escrow agents within five (5) business days, whereupon the replaced Escrow Agent shall be fully discharged of and from any and all liabilities and obligations arising in connection with this Agreement.

8. Notices.

Any notices, objections or other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand; or when mailed by first class, certified mail, postage prepaid, to Buyer, Seller, or the Escrow Agent at the following addresses:

If to Buyer:

ANDRULONIS MEDIA
4337 BIG BARN DR
Copy to: LITTLE RIVER, SC 29566

If to Seller:

Copy to:

THOMAS DAVIS
4732 Longhill Rd #2201
Williamsburg, VA 23188
757-565-1079

If to Escrow Agent:

DEFcom Advisors, LLC
4819 Auburndale Ave
Dallas, TX 75205

Notices or communications so given shall be deemed to have been given on the date so delivered or mailed; provided however that no notice or communication given to Escrow Agent shall be deemed effective until actually received by Escrow Agent. Any address set forth above may be changed by notice given pursuant to this Section 8.

9. Miscellaneous.

9.1 Partial Invalidity. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective or unenforceable without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. It is expressly understood, however, that the parties hereto intend each and every provision of this Agreement to be valid and enforceable and hereby knowingly waive all rights to object to any provision of this Agreement.

9.2 No Assignment. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and assigns, and shall not be enforceable by or inure to the benefit of any third party. No party may assign any of its rights or obligations under this Agreement without the written consent of the other parties, except to the extent that Buyer or Seller may assign their respective rights under the Purchase Agreement as may be provided therein.

9.3 Modification; Waiver. This Agreement may only be modified or terminated by a writing signed by the parties hereto. No waiver of any right arising hereunder shall be effective unless in a writing signed by the party to be charged with such waiver.

9.4 Escrow Agent Fees and Expenses. Escrow Agent has been employed by Seller in connection with the transaction contemplated by the Agreement. The fees paid or to be paid by Seller to Escrow Agent, which are the sole responsibility of the Seller, shall be the only compensation payable to Escrow Agent in connection with its duties hereunder, except that Escrow Agent shall be entitled to reimbursement for expenses as otherwise provided herein, in which case Buyer and Seller will jointly pay or reimburse Escrow Agent upon request for all reasonable expenses, including reasonable attorneys' fees, incurred by it in performance of its duties under this Escrow Agreement.

9.5 Counterparts. This Escrow Agreement may be executed in multiple counterparts, all of which taken together shall constitute one and the same instrument.

9.6 Headings. The headings contained herein are for reference purposes only, and shall not in any way affect the meaning or interpretation of the respective provisions of this Escrow Agreement.

9.7 Governing Law. This Escrow Agreement shall be governed and interpreted by the law of the State of Texas.

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

(BUYER)

By: 

(SELLER)



By: _____

DEFcom Advisors, LLC

By: 

DOUGLAS E. FERBER