

DEPOSIT ESCROW AGREEMENT

THIS DEPOSIT ESCROW AGREEMENT (this "Deposit Escrow Agreement") is made and entered into as of this 30th day of December, 2002, by and among Big City Radio-NY, L.L.C. ("BCR-NY"), Big City Radio, Inc. ("BCR"), and together with BCR-NY, "Seller", Nassau Broadcasting Holdings, Inc. ("Purchaser"), and United Bank, a state banking association with its headquarters in Vienna, Virginia (the "Deposit Escrow Agent").

RECITALS

A. Seller and Purchaser have entered into an Asset Purchase Agreement, dated as of the date hereof (the "Asset Purchase Agreement"), pursuant to which Seller has agreed to sell to Purchaser, and Purchaser has agreed to purchase from Seller, certain of the radio station properties and assets relating to the following radio stations (collectively, the "Stations"): WYNY-FM, licensed to Briarcliff Manor, New York, WWZY-FM, licensed to Long Branch, New Jersey; WWXY-FM, licensed to Hampton Bays, New York and WWYY-FM, licensed to Belvidere, New Jersey, all in accordance with and subject to the terms and conditions set forth in the Asset Purchase Agreement and subject to the prior approval of the FCC;

B. Pursuant to the Asset Purchase Agreement, Purchaser is required to deliver to the Deposit Escrow Agent an initial deposit in the amount of One Million Dollars (\$1,000,000) simultaneously with the execution and delivery of the Asset Purchase Agreement, to secure Purchaser's performance of its obligations under the Asset Purchase Agreement;

C. The Asset Purchase Agreement contemplates that Purchaser will be delivering to the Deposit Escrow Agent an additional deposit in the amount of One Million One Hundred Fifty Thousand Dollars (\$1,150,000) on or prior to January 16, 2003, as additional security for Purchaser's performance of its obligations under the Asset Purchase Agreement;

D. As a condition to the execution of the Asset Purchase Agreement, the parties hereto have agreed to execute and deliver this Deposit Escrow Agreement; and

E. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Asset Purchase Agreement.

AGREEMENTS

Accordingly, in consideration of the recitals and of the respective agreements and covenants contained herein and in the Asset Purchase Agreement, and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

DESIGNATION OF DEPOSIT ESCROW AGENT AND DEPOSIT

1.1 Appointment of Deposit Escrow Agent. Each party hereto hereby designates and appoints the Deposit Escrow Agent as escrow agent to receive, hold and disburse the Deposit (as hereinafter defined), and the Deposit Escrow Agent hereby accepts such appointment and agrees to act in accordance with the terms and conditions of this Deposit Escrow Agreement.

1.2 Delivery of Escrow Deposit.

(a) On the date hereof, Purchaser is delivering to the Deposit Escrow Agent immediately available funds in an amount equal to One Million Dollars (\$1,000,000) (the "Initial Deposit"). Upon receipt of the Initial Deposit, the Deposit Escrow Agent shall confirm receipt thereof to Seller and Purchaser.

(b) On or prior to 5:00 p.m. (Washington, D.C. local time) on January 16, 2003, Purchaser may, in addition to the Initial Deposit, deliver to the Deposit Escrow Agent immediately available funds in an amount equal to One Million One Hundred Fifty Thousand Dollars (\$1,150,000) (the "Additional Deposit"). Upon receipt of the Additional Deposit, the Deposit Escrow Agent shall confirm receipt thereof to Seller and Purchaser. As used in this Agreement, the "Deposit" shall mean the Initial Deposit until the Deposit Escrow Agent shall have received the Additional Deposit, and from and after receipt by the Deposit Escrow Agent of the Additional Deposit, the "Deposit" shall mean the Initial Deposit and the Additional Deposit, collectively.

1.3 Delivery of Deposit to Purchaser upon Closing. Simultaneously with the Closing of the transactions contemplated by the Asset Purchase Agreement, the parties to the Asset Purchase Agreement shall deliver to the Deposit Escrow Agent written instructions signed by Purchaser and Seller stating that the Deposit shall be delivered to Purchaser in accordance with such written instructions. Such instructions may be delivered by facsimile or similar instantaneous electronic transmission device. Upon receipt of such written instructions, the Deposit Escrow Agent shall deliver the Deposit to Purchaser in accordance with such written instructions.

1.4 Delivery of Deposit in the event Asset Purchase Agreement is Terminated.

(a) In the event the Asset Purchase Agreement is terminated, Purchaser and Seller shall deliver to the Deposit Escrow Agent written instructions signed by Purchaser and Seller stating that the Deposit shall be delivered to Purchaser or Seller, as the case may be. Purchaser and Seller agree that such instruction shall be given in accordance with the terms of the Asset Purchase Agreement. Not more than five (5) business days after (a) the delivery to the Deposit Escrow Agent of such written instructions signed by Purchaser and Seller, or (b) the delivery to the Deposit Escrow Agent of a copy of a Final Determination (as defined below) establishing the right of Purchaser or Seller, as the case may be, to the Deposit, the Deposit Escrow Agent shall deliver the Deposit to Purchaser or Seller, as the case may be, as provided in such written instructions or Final Determination. A "Final Determination" shall mean a final

non-appealable judgment of a court of competent jurisdiction. The Deposit Escrow Agent, at its option, shall be entitled to seek and, if received, rely conclusively upon a written opinion of legal counsel to the effect that a Final Determination delivered to the Deposit Escrow Agent pursuant to this Deposit Escrow Agreement satisfies the requirements hereof.

(b) Notwithstanding anything to the contrary set forth in Section 1.4(a) above or otherwise, the parties acknowledge and agree that if Seller shall provide written notice to the Deposit Escrow Agent (with a copy of such notice to Purchaser) that the Asset Purchase Agreement has been terminated pursuant to and in accordance with either Section 10.2.1 or Section 10.2.2 thereof, and, as result, that Seller is entitled to receive the Deposit pursuant to the terms of the Asset Purchase Agreement, then within three (3) business days after the receipt by the Deposit Escrow Agent of such written notice signed by Purchaser, the Deposit Escrow Agent shall deliver the Deposit to Seller.

1.5 Investment of Deposit.

(a) The Deposit Escrow Agent shall hold the Deposit in escrow and shall invest the Deposit and any interest or income thereon only in Permitted Investments. “Permitted Investments” shall mean direct obligations of the United States government having maturities of ninety (90) days or less, money market funds that invest solely in direct obligations of the United States government, repurchase agreements, and such other investments as may be specified from time to time by written instructions from Purchaser; provided, such other investments are consistent with the Deposit Escrow Agent’s investment criteria. Unless otherwise instructed in writing by Purchaser, the Deposit Escrow Agent will invest the Deposit in certificates of deposit. The Deposit Escrow Agent may use a broker-dealer of its own selection. The Deposit Escrow Agent or any of its affiliates may receive compensation with respect to any investment directed hereunder. The Deposit Escrow Agent will act upon investment instructions the day that such instructions are received, provided the requests are communicated within a sufficient amount of time to allow the Deposit Escrow Agent to make the specified investment. Instructions received after an applicable investment cutoff deadline will be treated as being received by the Deposit Escrow Agent on the next business day, and the Deposit Escrow Agent shall not be liable for any loss arising directly or indirectly, in whole or in part, from the inability to invest funds on the day the instructions are received. The Deposit Escrow Agent shall not be liable for any loss incurred by the actions of third parties or by any loss arising by error, failure or delay in the making of an investment or reinvestment, and the Deposit Escrow Agent shall not be liable for any loss of principal or income in connection therewith, unless such error, failure or delay results from the Deposit Escrow Agent’s gross negligence or willful misconduct. As and when the Deposit and any interest or income thereon is to be released under this Deposit Escrow Agreement, the Deposit Escrow Agent shall cause the Permitted Investments to be converted into cash and shall not be liable for any loss of principal or income in connection therewith. None of Purchaser, Seller, or the Deposit Escrow Agent shall be liable for any loss of principal or income due to the choice of Permitted Investments in which the Deposit is invested or the choice of Permitted Investments converted into cash pursuant to this Section 1.5.

(b) All interest or other income on the Deposit, if any, shall be delivered monthly to Purchaser, and, upon delivery of the Deposit pursuant to Section 1.3 or Section 1.4 hereof, all accrued interest and other income on the Deposit shall be delivered to Purchaser. The parties acknowledge that payment of any interest earned on the funds invested in this escrow will be subject to backup withholding penalties unless a properly completed Internal Revenue Service form W-8 or W-9 certification is submitted to the Deposit Escrow Agent.

(c) For tax purposes, the Deposit shall be the property of Purchaser and all interest and other income earned on the Deposit shall be the income of Purchaser. Purchaser and Seller shall file tax returns and the Deposit Escrow Agent shall file a Form 1099 consistent with such treatment. In the event that the Internal Revenue Service or any other governmental authority successfully claims that the interest and other income earned on the Deposit is taxable to Seller for any taxable period, and such interest or income shall not have been paid to Seller, Purchaser shall promptly pay to Seller cash equal to the product of the Effective Tax Rate times all interest and other income earned on the Deposit paid by the Deposit Escrow Agent to Purchaser for such taxable period, plus interest on such amount at the rate specified by section 6621(a)(2) of the Internal Revenue Code of 1986, as amended, and corresponding provisions of applicable state and local laws. The term "Effective Tax Rate" shall mean the highest marginal effective combined federal, state and local income tax rate applicable with respect to the stockholders and members of Seller as reasonably computed and provided to Purchaser and the Deposit Escrow Agent in writing by Seller.

1.6 Liabilities Covered. This Agreement has been executed and the deposit of the Deposit hereunder has been (and, in the case of the Additional Deposit, will be) made pursuant to the Asset Purchase Agreement. The Deposit and all interest and other income thereon shall be held and disbursed by the Deposit Escrow Agent in accordance with the terms and conditions of this Deposit Escrow Agreement.

ARTICLE II

ESCROW AGENT

2.1 Language Concerning the Deposit Escrow Agent. To induce the Deposit Escrow Agent to act hereunder, it is further agreed by the parties hereto that:

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

(b) This Deposit Escrow Agreement expressly sets forth all the duties of the Deposit Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Deposit Escrow Agreement against the Deposit Escrow Agent.

The Deposit Escrow Agent shall not be bound by the provisions of any agreement among the parties hereto except this Deposit Escrow Agreement.

(c) The Deposit Escrow Agent shall not be liable, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct that are successfully asserted against the Deposit Escrow Agent, the parties hereto shall jointly and severally indemnify and hold harmless the Deposit Escrow Agent (and any successor Deposit Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Deposit Escrow Agreement. One-half of any payment made pursuant to this Section 2.1(c) shall be paid by Purchaser and one-half shall be paid by Seller. Without limiting the foregoing, the Deposit Escrow Agent shall in no event be liable for any action taken by it hereunder in good faith, and believed by it to be authorized or within the rights or powers conferred upon it by this Deposit Escrow Agreement, in accordance with the terms hereof, including without limitation, any liability for any delays (not resulting from its gross negligence or willful misconduct) in the investment or reinvestment of the Deposit or any loss of interest incident to any such delays.

(d) The Deposit 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 or the service thereof. The Deposit 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 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 Deposit Escrow Agent at its own option may act pursuant to the advice of counsel of its own choice with respect to any matter relating to this Deposit Escrow Agreement and shall not be liable for any action taken or omitted in accordance with such advice.

(f) The Deposit Escrow Agent does not have any interest in the Deposit hereunder but is serving as escrow holder only and having only possession thereof. Purchaser and Seller shall pay or reimburse the Deposit Escrow Agent upon request for any transfer taxes or other taxes relating to the Deposit incurred in connection herewith and shall indemnify and hold harmless the Deposit Escrow Agent from any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this Deposit shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto will promptly provide the Deposit Escrow Agent with appropriate W-9 forms for Tax I.D. number certifications, or W-8 forms for non-resident alien certifications. It is understood that the Deposit Escrow Agent shall be responsible for income reporting only with respect to income earned on investment of the Deposit and is not responsible for any other reporting. This paragraph and Section 2.1(c) shall survive notwithstanding any termination of this Deposit Escrow Agreement or the resignation of the Deposit Escrow Agent.

(g) The Deposit Escrow Agent makes no representations as to the validity, value, genuineness or the collectability of any security or other document or instrument held by or delivered to it.

(h) The Deposit Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to any securities or other property deposited hereunder.

(i) The Deposit Escrow Agent (and any successor Deposit Escrow Agent) may at any time resign as such by delivering the Deposit to any successor Deposit Escrow Agent jointly designated by each of the parties hereto in writing or to any court of competent jurisdiction, whereupon the Deposit Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Deposit Escrow Agreement. The resignation of the Deposit Escrow Agent will take effect on the earlier of (i) the appointment of a successor (including a court of competent jurisdiction) or (ii) the day which is thirty (30) days after the date of delivery of its written notice of resignation to each of the parties hereto. If at that time the Deposit Escrow Agent has not received a designation of a successor Deposit Escrow Agent, the Deposit Escrow Agent's sole responsibility after that time shall be to safekeep the Deposit until receipt of a designation of successor Deposit Escrow Agent or a joint written disposition instruction by each of the parties hereto or a final order of a court of competent jurisdiction.

(j) The Deposit Escrow Agent shall have no responsibility for the contents of any writing of the arbitrators or any third party contemplated herein as a means to resolve disputes and may rely without any liability upon the contents thereof.

(k) In the event of any disagreement between the parties hereto resulting in adverse claims or demands being made in connection with the Deposit, or in the event that the Deposit Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Deposit Escrow Agent shall retain the Deposit until the Deposit Escrow Agent shall have received (i) a Final Determination directing delivery of the Deposit or (ii) a written agreement executed by Seller and Purchaser directing delivery of the Deposit, in which event the Deposit Escrow Agent shall disburse the Deposit in accordance with such order or agreement. The Deposit Escrow Agent, at its option, 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 Deposit Escrow Agent is a Final Determination. The Deposit Escrow Agent shall act on such court order and legal opinion without further question.

(l) The compensation of the Deposit Escrow Agent (as payment in full) for the services to be rendered by the Deposit Escrow Agent hereunder shall be paid by Purchaser and Seller by each in the amount of Seven Hundred Fifty Dollars (\$750) (One Thousand Five Hundred Dollars (\$1,500) total), plus any reasonable legal fees and One Thousand Five Hundred Dollars (\$1,500) annually thereafter, together with reimbursement for all reasonable expenses, disbursements and advances incurred or made by the Deposit Escrow Agent in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel). All fees and expenses of the Deposit Escrow Agent hereunder, other than the initial fee paid upon

the execution hereof, shall be paid first out of interest, dividends, and other income earned on the Deposit, if any, and then, to the extent of any shortfall, by Purchaser and Seller. Any fees or expenses of the Deposit Escrow Agent or its counsel, which are not paid as provided for herein may be taken from any property held by the Deposit Escrow Agent hereunder. It is understood that the Deposit Escrow Agent's fees may be adjusted from time to time to conform to its then current guidelines.

(m) No printed or other matter (including without limitation, prospectuses, notices, reports and promotional material) which mentions the Deposit Escrow Agent shall be issued by the other parties hereto or on such parties' behalf unless the Deposit Escrow Agent shall first have given its specific written consent thereto, or is otherwise required by statute, law or court order.

(n) The other parties hereto authorize the Deposit Escrow Agent, for any securities held hereunder, to use the services of any United States central securities depository it deems appropriate, including, but not limited to, the Depository Trust Company and the Federal Reserve Book Entry System.

ARTICLE III

MISCELLANEOUS

3.1 Notices. All notices, requests, consents or other communications required or permitted under this Deposit 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 first-class mail, postage prepaid, and in each case addressed as follows:

(i) if to Seller:

Big City Radio, Inc.
c/o Metromedia Company
One Meadowlands Plaza
East Rutherford, New Jersey 07073-2137
Attention: David A. Persing
Telephone: (201) 531-8022
Facsimile: (201) 531-2803

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

Hogan & Hartson L.L.P.
8300 Greensboro Drive
Suite 1100
McLean, Virginia 22102
Attention: Thomas E. Repke
Richard T. Horan, Jr.
Telephone: (703) 610-6138
(703) 610-6111
Facsimile: (703) 610-6200

(ii) if to Purchaser:

Nassau Broadcasting Holdings, Inc.
619 Alexander Road, Third Floor
Princeton, NJ 08540
Attention: Louis F. Mercanti, Jr.
Telephone: (609) 924-1515 x204
Facsimile: (609) 452-6017

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

Nassau Broadcasting Holdings, Inc.
619 Alexander Road, Third Floor
Princeton, NJ 08540
Attention: Timothy R. Smith, Esq.
Telephone: (609) 924-1515 x203
Facsimile: (609) 452-6017

(iii) if to Deposit Escrow Agent:

United Bank
1667 K Street, N.W.
Washington, D.C. 20006
Attention: J. Catherine Hirsch
Fax: (202) 293-6966

Any party by written notice to the other parties pursuant to this Section 3.1 may change the address or the persons to whom notices or copies thereof are to be sent to it by giving written notice of a change of address in the manner provided in this Deposit Escrow Agreement for giving notice.

3.2 Assignment. This Deposit 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 Deposit Escrow Agreement. No rights, obligations or liabilities hereunder shall be assignable by any party without the prior written consent of the other parties.

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

3.4 Waivers. Any waiver by any party hereto of any breach of or failure to comply with any provision of this Deposit 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 Deposit Escrow Agreement.

3.5 Construction. This Deposit 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 Deposit Escrow Agreement are solely for convenience of reference and shall not be given any effect in the construction or interpretation of this Deposit Escrow Agreement. Unless otherwise stated, references to Sections and Exhibits are references to Sections and Exhibits of this Deposit Escrow Agreement.

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

3.7 Termination. This Deposit Escrow Agreement shall terminate at the time of the delivery by Deposit Escrow Agent of the Deposit, if any, to Seller or Purchaser, as the case may be, in accordance with the provisions of this Deposit Escrow Agreement.

3.8 Counterparts. This Deposit 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.

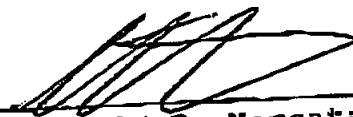
3.9 Waiver of Offset Rights. Deposit Escrow Agent hereby waives any and all rights to offset that it may have against the Deposit including, without limitation, claims arising as a result of any claims, amounts, liabilities, costs, expenses, damages, or other losses (collectively, “Claims”) that Deposit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

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Deposit Escrow Agreement to be executed by their duly authorized officers as of the day and year first above written.

PURCHASER:

NASSAU BROADCASTING HOLDINGS, INC.

By: 
Name: Louis F. Mercatanti, Jr.
Title: President

SELLER:

BIG CITY RADIO, INC.

By: _____
Name: _____
Title: _____

BIG CITY RADIO-NY, L.L.C.

By: _____
Name: _____
Title: _____

ESCROW AGENT:

UNITED BANK

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Deposit Escrow Agreement to be executed by their duly authorized officers as of the day and year first above written.

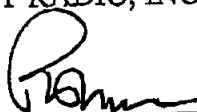
PURCHASER:

NASSAU BROADCASTING HOLDINGS, INC.

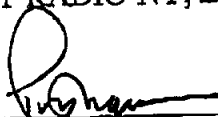
By: _____
Name: _____
Title: _____

SELLER:

BIG CITY RADIO, INC.

By:  _____
Name: P.R. THOMSON
Title: VP CFO

BIG CITY RADIO-NY, L.L.C.

By:  _____
Name: P.R. THOMSON
Title: VP CFO

ESCROW AGENT:

UNITED BANK

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Deposit Escrow Agreement to be executed by their duly authorized officers as of the day and year first above written.

PURCHASER:

NASSAU BROADCASTING HOLDINGS, INC.

By: _____
Name: _____
Title: _____

SELLER:

BIG CITY RADIO, INC.

By: _____
Name: _____
Title: _____

BIG CITY RADIO-NY, L.L.C.

By: _____
Name: _____
Title: _____

ESCROW AGENT:

UNITED BANK

By: *J. Catherine Hirsch*
Name: J. Catherine Hirsch
Title: Senior Vice President