

ESCROW AGREEMENT

This ESCROW AGREEMENT (the “*Agreement*”), is made as of the 19th day of July, 2017 by and among **RUSSELL S. KIMBLE AND PATRICIA J. ANDERSON PARTNERSHIP** (“Seller); **BlueLight Communications LLC and Stratus Communications LLC** (“*Buyer*”); and **KOZACKO MEDIA SERVICES**, “*Escrow Agent*”).

RECITALS

Upon the execution of the Asset Purchase Agreement for FM Translator Station W288CS, Rochester, NY (FCC Facility ID 78674), the following procedure will take place.

1. FUNDS DEPOSITED WITH ESCROW AGENT. Buyer has deposited with the Broker, Kozacko Media Services, as Escrow Agent the sum of Ten Thousand Dollars (\$10,000.00). Upon the signing of the Asset Purchase Agreement and the filing of FCC Form 345 for the transfer of license, Buyer will deposit an additional \$40,000 in the escrow account with Escrow Agent. (“*Escrow Deposit*”). Seller may use up to \$15,000 of the escrow deposit to implement the facilities authorized in Construction Permit BPFT- 20170410ACU and for other improvements to the station.

2. DEPOSIT: This amount represents the full and entire Escrow deposit.

3. INVESTMENT OF ESCROW FUNDS. Escrow Agent shall invest and

reinvest the balance of the Escrow Funds in federally insured savings accounts (or in such other investment as Buyer shall instruct, as reasonably acceptable to Seller, provided, however, that Escrow Agent shall not be required to invest in or hold any instrument in bearer form). Escrow Agent shall hold the Escrow Funds together with all interest accumulated thereon and proceeds therefrom in accordance with this Agreement.

4. DISPOSITION OF ESCROW FUNDS. Escrow Agent shall distribute the Escrow Funds as follows:

(a) In the event the purchase and sale closes in the manner contemplated in the Purchase Agreement, at the Closing in accordance with the Purchase Agreement, the principal of the Escrow Funds shall be paid to Seller to be credited toward Buyer's payment of the Purchase Price, and all accrued interest earned thereon shall be paid to Buyer.

(b) In the event the purchase and sale does not close due to the material breach of Buyer or Buyer's wrongful failure to close under the terms of the Purchase Agreement, and Seller is not then in material breach under the Purchase Agreement, the principal of the Escrow Funds shall be paid to Seller as liquidated damages as provided in the Purchase Agreement, and all interest accrued on the Escrow Funds shall be paid to Buyer.

(c) In all other events, if the Purchase Agreement is terminated or if the transactions or closing contemplated thereby are not consummated, the Escrow Funds shall be returned to Buyer, together with all accrued interest, unless the Escrow Agent receives joint written instructions signed by Buyer and Seller directing another disbursement, in which event the Escrow Agent shall follow such instructions as to the distribution of the Escrow Funds and the interest earned thereon.

If any provision of this Section 3 with respect to the disposition of the Escrow Funds is in conflict with any provision of the Purchase Agreement with respect to such disposition, then such provision in the Purchase Agreement, as executed, shall control.

5. CONTROVERSIES WITH RESPECT TO ESCROW FUNDS. Notwithstanding the foregoing, Escrow Agent shall only dispose of the Escrow Funds upon the joint written instructions of Seller and Buyer or their duly designated representatives. Escrow Agent shall have no duty or obligation to any party claiming escrow proceeds in absence of joint written instructions directing Escrow Agent to pay said third party. If Escrow Agent has not received joint written instructions, Escrow Agent shall continue to hold the Escrow Funds and the income earned or accrued thereon until:

- (a) The receipt by Escrow Agent of the joint written instructions of Seller and Buyer as to the disposition of the Escrow Funds and the interest earned thereon; or
- (b) The receipt by Escrow Agent of a final order entered by a court of competent jurisdiction determining the disposition of the Escrow Funds and the interest earned or accrued thereon; or
- (c) Escrow Agent shall have, at its option, filed an action or bill in interpleader, or similar action for such purpose, in a court of competent jurisdiction and paid the Escrow Funds and all income earned or accrued thereon into said court, in which event, the duties, responsibilities and liabilities of Escrow Agent with respect to the Escrow Funds, the interest earned thereon and this Agreement shall terminate.

6. ESCROW AGENT.

Escrow Agent shall charge a fee of \$500 for its services hereunder and shall be reimbursed for all reasonable expenses, disbursements and advancements incurred or made by Escrow Agent in performance of its duties hereunder. Any such fees, expenses, disbursements and advances incurred by Escrow Agent shall be paid one-half by Buyer and one-half by Seller.

a. Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to Buyer and Seller specifying the date when such resignation shall take effect. Upon such notice, a successor Escrow Agent shall be appointed with the consent of Buyer and Seller and the service of such successor Escrow Agent shall be effective as of the date of resignation specified in the notice, which date shall not be less than 30 days after the giving of such notice. If Buyer and Seller are unable to agree upon a successor Escrow Agent within 30 days after such notice, Escrow Agent shall be authorized to appoint its successor. Escrow Agent shall continue to serve until its successor accepts the escrow by written notice to the parties hereto and Escrow Agent deposits the Escrow Funds with such successor.

b. Escrow Agent undertakes to perform only such duties as are specifically set forth herein and may conclusively rely, and shall be protected in acting or refraining from acting, on any written notice, instrument or signature believed by it to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so. Escrow Agent shall have no responsibility for the contents of any writing contemplated herein and may rely without any liability upon the contents thereof.

c. Escrow Agent shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted by it in good faith, or in

accordance with advice of counsel (which counsel may be of Escrow Agent's own choosing) and it shall not be liable for any mistake of fact or error of judgment or for any acts or omissions of any kind unless caused by its own misconduct or gross negligence.

d. Buyer and Seller agree to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder as a consequence of such party's action and against any and all other liabilities incurred by it arising out of this Agreement, except in the case of liabilities incurred by Escrow Agent resulting from its own misconduct or gross negligence.

e. Escrow Agent acts hereunder as a depository only, and is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any cash, document, bill, or security deposited with it, nor is it responsible in any manner for collection of bills, securities or documents, nor for any restrictions on the transferability or collection of the aforesaid bills, securities or documents, *provided that* Escrow Agent will notify all parties if funds are uncollectible. The parties hereto acknowledge that each has approved the form of escrow deposit if other than cash or check.

7. MISCELLANEOUS.

a. This Agreement shall be construed by and governed in accordance with the laws of the State of North Carolina, applicable to agreements executed and wholly to be performed therein.

b. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and permitted assigns.

c. This Agreement may be executed in one or more counterparts, each of

which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

d. Section headings contained in this Agreement have been inserted for reference purposes only, and shall not be construed as part of this Agreement.

e. All notices, requests, demands and other communications hereunder shall be in writing, shall be given simultaneously to all parties hereunder and shall be deemed to have been given if delivered or mailed (certified mail, postage pre-paid, return receipt requested) as follows:

If to Buyer: BlueLight Communications LLC
 Stratus Communications LLC
 50 Hill Street, #529
 Southampton, NY 11698

If to Seller: Russell S. Kimble
 1395 NEW SEABURY
 Victor, NY 14564

If to Escrow Agent:
 Kozacko Enterprises, Inc.

d/b/a Kozacko Media Services

P.O. Box 90841

Raleigh, NC 27675-0841

Attn: Richard Kozacko

Telephone: (607) 733-7138

or to such other addresses as any party may have furnished to the other in writing, in accord herewith.

8. **TERMINATION.** This Agreement shall automatically terminate upon the distribution of the Escrow Funds in accordance with the terms hereof.

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

IN WITNESS WHEREOF, the parties have caused their hands, or those of their duly authorized officers, and seals to be affixed as of the date first above written.

RUSSELL S. KIMBLE AND PATRICIA J. ANDERSON PARTNERSHIP

By_____

Russell S. Kimble -Managing Partner (Seller)

BlueLight Communications LLC and Stratus Communications LLC

By_____

Lester Pace, Managing Member (Buyer)

**KOZACKO ENTERPRISES INC.
d/b/a KOZACKO MEDIA SERVICES**

By_____

Richard L. Kozacko, President