

**ESCROW AGREEMENT**

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into this 12th day of February, 2008, by and among The Last Bastion Station Trust, LLC, a Delaware limited liability company ("Seller"), Educational Media Foundation, a California non-profit corporation ("Buyer"), and Commerce Bank, National Association ("Escrow Agent").

**Recitals:**

WHEREAS, Seller and Buyer are parties to an Asset Purchase Agreement of even date herewith (the "Purchase Agreement") pursuant to which Buyer is to deposit funds with the Escrow Agent in connection with the purchase and sale of assets used or useful in the operation of radio station WCYI(FM) in Lewiston, Maine; and

WHEREAS, Section 1.5 of the Purchase Agreement contemplates the placement of One Hundred Thousand Dollars (\$100,000) in escrow; and

WHEREAS, Seller and Buyer desire Escrow Agent to establish and maintain an escrow account for the monies to be escrowed under the Purchase Agreement, and Escrow Agent is willing to do so, all upon the terms and conditions set forth in this Agreement; and

WHEREAS, this Agreement is the Escrow Agreement referred to in Section 1.5 of the Purchase Agreement;

NOW, THEREFORE, in view of the foregoing and the mutual promises and covenants set forth herein, it is hereby agreed as follows:

**ARTICLE I. Delivery of Escrow Funds**

1.1. Buyer and Seller hereby designate and appoint Escrow Agent to act as escrow agent under this Agreement, and Escrow Agent accepts such appointment on the terms and conditions set forth in this Agreement.

1.2. Within one business day of the execution of this Agreement, Buyer will deliver to Escrow Agent by wire transfer of immediately available funds the amount of One Hundred Thousand Dollars (\$100,000). The foregoing funds are hereinafter referred to as the "Escrow Funds."

1.3. The Escrow Funds shall be held on the terms and subject to the provisions set forth herein for the performance of Buyer's obligations pursuant to the Purchase Agreement.

**ARTICLE II. Maintenance and Distribution of Escrow Funds**

2.1. Upon receipt of the Escrow Funds, the Escrow Agent promptly invest the Escrow Deposit in a AAA rated money market fund or US Treasury Securities (the "Escrow Account"), which shall permit the immediate withdrawal of the Escrow Funds without

any diminution in the principal thereof or imposition of a penalty, as directed in writing by Seller and Buyer from time to time. In the absence of written direction, the escrow agent shall invest the funds in the Goldman Sachs Financial Square Prime Obligation Service Shares Fund. Interest that accrues on the Escrow Funds in the Escrow Account shall be for the account of Buyer except as otherwise provided herein. The party receiving the interest on the Escrow Funds shall be responsible for the reporting and payment of any income tax associated with such interest.

**2.2.** Upon written notice signed by Seller and Buyer stating that the closing of the transaction contemplated by the Purchase Agreement has occurred or will occur on a date certain, Escrow Agent shall deliver the Escrow Funds thereon to Seller in accordance with the directions set forth in such notice.

**2.3.** Upon written notice signed by Seller to Escrow Agent, with evidence of simultaneous notice to Buyer, that the Purchase Agreement has been terminated prior to any Closing due to Buyer's material breach of the Purchase Agreement ("Seller's Notice"), Escrow Agent shall deliver the Escrow Funds and all accrued interest to Seller by wire transfer of immediately available funds (pursuant to wire instructions included in Seller's Notice) ten (10) business days after receipt of such notice, unless Buyer shall, prior to the expiration of the aforesaid ten business day-period, give notice to Escrow Agent and Seller of its countervailing claim to the Escrow Funds ("Buyer's Rebuttal Notice").

**2.4.** Upon written notice signed by Buyer to Escrow Agent, with evidence of simultaneous notice to Seller, that the Purchase Agreement has been terminated prior to any Closing for a reason other than Buyer's material breach of the Purchase Agreement ("Buyer's Notice"), Escrow Agent shall deliver the Escrow Funds and all accrued interest earned thereon to Buyer by wire transfer of immediately available funds (pursuant to instructions included in Buyer's Notice) ten (10) business days after receipt of Buyer's Notice, unless Seller shall, prior to the expiration of the aforesaid ten (10) business day-period, give notice to Escrow Agent and Buyer of its countervailing claim to the Escrow Funds ("Seller's Rebuttal Notice").

**2.5.** (a) If Escrow Agent receives Seller's Notice and a conflicting Buyer's Notice, or Seller's Notice followed by a timely Buyer's Rebuttal Notice, or Buyer's Notice followed by a timely Seller's Rebuttal Notice, Escrow Agent shall not deliver the Escrow Funds until such time as Escrow Agent receives (i) a written agreement signed by Seller and Buyer providing instructions as to the disposition of the Escrow Funds, or (ii) a certified copy of a court order or judgment which has not been stayed or has become final (meaning that the order or judgment is no longer subject to reconsideration or review by a court of competent jurisdiction) with respect to the disposition of Seller's or Buyer's claim. Escrow Agent shall deliver the Escrow Funds in accordance with said agreement, order or judgment.

(b) Notwithstanding anything in this section to the contrary, after receipt by Escrow Agent of conflicting Buyer's and Seller's Notices, a Seller's Rebuttal Notice, Buyer's Rebuttal Notice, or any other written communication from both parties indicating that there is a dispute concerning the distribution of the Escrow Funds, Escrow Agent may (i) deposit the Escrow Funds with a new Escrow Agent agreed to in writing by Seller and Buyer or any court which has assumed jurisdiction of any dispute, or (ii) commence an action in interpleader

in any court of competent jurisdiction and deposit the Escrow Funds with the court. In the event it receives conflicting demands for the Escrow Funds or other communications indicating a dispute between Seller and Buyer with respect to the disposition of the Escrow Funds, Escrow Agent shall refrain from distributing any interest accrued and accruing on the Escrow Funds until (x) Escrow Agent receives written instructions signed by Seller and Buyer concerning the disposition of the interest or (y) Escrow Agent receives an order of a court of competent jurisdiction directing the distribution of such interest.

(c) Notwithstanding anything in this section to the contrary, Seller shall be entitled to all interest earned on the Escrow Funds beginning on the date that is ten (10) business days after (i) the delivery of Seller's Notice if Buyer does not timely deliver a Buyer's Rebuttal Notice and Escrow Agent fails to deliver the Escrow Funds to Seller within ten (10) business days after receipt of Seller's Notice or (ii) the delivery of Seller's Notice or, as the case may be, Seller's Rebuttal Notice to Escrow Agent if (x) Buyer delivers Buyer's Notice or Buyer's Rebuttal Notice to Escrow Agent, (y) Escrow Agent fails to deliver the Escrow Funds to Seller within ten (10) business days after receipt of Seller's Notice or, as the case may be, Seller's Rebuttal Notice, and (z) a court of competent jurisdiction subsequently determines that Seller is entitled to delivery of the Escrow Funds ten (10) business days after delivery of Seller's Notice or, as the case may be, Seller's Rebuttal Notice to Escrow Agent.

**2.6.** Notwithstanding anything in this section to the contrary, Escrow Agent shall deliver the Escrow Funds to the party named in any written instructions Escrow Agent receives that are signed by both Seller and Buyer.

### **ARTICLE III. General Provisions**

**3.1.** This Escrow Agreement shall become effective as of the date hereof and shall continue in force until the delivery of the Escrow Funds and accrued interest by Escrow Agent pursuant to the terms of this Agreement.

**3.2.** All notices, demands and other communications authorized or required by this Agreement shall be in writing, shall be delivered by personal delivery, by facsimile (with written confirmation of receipt followed by delivery of the original by first class mail, postage prepaid), or by overnight delivery service (charges prepaid) and shall be delivered to each party at the following addresses (or at such other address as any party may designate in writing to the other parties):

If to Seller:

The Last Bastion Station Trust, LLC  
c/o Media Venture Partners, LLC  
244 Jackson Street, 4<sup>th</sup> Floor  
San Francisco, CA 94111  
Attn: Elliot B. Evers  
Tel: (415) 391-4877  
Fax: (415) 391-4912

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

Dickstein Shapiro LLP  
1825 Eye Street, NW  
Washington, DC 20006  
Attn: Lewis J. Paper  
Tel: (202) 420-2265  
Fax: (202) 420-2201

If to Buyer:

Educational Media Foundation  
5700 West Oaks Blvd.  
Rocklin, CA 95765  
Attn: Mike Novak, President  
Tel: (916) 251-1600

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

David D. Oxenford, Esq.  
Davis Wright Tremaine, LLP  
1919 Pennsylvania, Ave. NW, Suite 2000  
Washington, DC 20006  
Tel: (202) 973-4200

If to Escrow Agent:

Commerce Bank National Association  
101 Haddonfield Road, 2nd Floor  
Cherry Hill, NJ 08002-4401  
Attn: Corporate Trust Services  
Tel: (212) 381-7930  
Fax: (856) 482-5706

A copy of any notice or other communication given by any party to any other party shall be given at the same time to every party to this Agreement.

**3.3.** As compensation for its services hereunder, the Escrow Agent shall be paid a fee of One Thousand Dollars (\$1000) per year (or any portion thereof), payable within thirty (30) days of the date of this Agreement, and on the anniversary date of this Agreement for each succeeding year thereafter for as long as this Agreement remains in effect. Seller and Buyer shall each pay one-half of the foregoing fee. Notwithstanding any provision of this Agreement to the contrary, the Escrow Agent is hereby authorized to charge its fees against the

Escrow Funds if such fees have not been paid in full prior to the final disbursement of the Escrow Funds.

**3.4.** Seller and Buyer shall jointly indemnify and hold Escrow Agent harmless from and against any and all taxes, assessments, liabilities, claims, damages, actions, suits or other charges incurred by or assessed against Escrow Agent for anything done or omitted by Escrow Agent in the performance of Escrow Agent's duties hereunder, except as a result of Escrow Agent's own gross negligence, willful misconduct or fraud. Seller and Buyer shall share equally in paying any expense incurred by the Escrow Agent in the discharge of its duties hereunder. This provision shall survive any termination of Escrow Agent's duties hereunder.

**3.5.** The following terms and conditions shall govern and control with respect to the rights, duties, liabilities and immunities of Escrow Agent:

(a) Escrow Agent is not a party to, and is not bound by, any agreement which may be evidenced by, or arise out of, this Agreement, other than as expressly set forth herein. In the event that any of the terms and provisions of any other agreement (excluding any amendment to this Agreement) between any of the parties hereto conflict or are inconsistent with any of the provisions of this Agreement, the terms and provisions of this Agreement shall govern and control in all respects.

(b) Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, receipt or other document which Escrow Agent in good faith believes to be genuine and what it purports to be.

(c) Escrow Agent shall not be bound by any modification of this Agreement unless there is delivered to Escrow Agent a modification signed by Seller and Buyer. No such modification shall, without the written consent of Escrow Agent, modify the provisions of Sections 3.3, 3.4, 3.5 or 3.7 of this Agreement.

(d) Escrow Agent shall have no duties or responsibilities except those expressly set forth herein.

**3.6.** In the event that one party files a lawsuit or institutes other formal legal action (including any counterclaim to a lawsuit filed by the other party) to enforce its rights or the other party's obligations under this Agreement, including but not limited to distribution of the Escrow Funds, the prevailing party (as well as Escrow Agent) shall be reimbursed by the other party (either Seller or Buyer, as the case may be) for all reasonable expenses incurred therewith, including reasonable attorneys' fees.

**3.7.** Escrow Agent may resign at any time upon giving the other parties hereto thirty (30) days prior written notice to that effect. In such event, the successor shall be a party mutually selected by Buyer and Seller. Any such resignation shall not be effective until a successor agrees to act hereunder; provided, that, if no successor is appointed within thirty (30) days after such notice is given, Escrow Agent shall deliver the Escrow Funds into a court of competent jurisdiction.

**3.8.** No party may assign its rights or obligations under this Agreement except as may otherwise be permitted under the Purchase Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their successors and permitted assigns.

**3.9.** Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in the Purchase Agreement.

**4.0.** This Agreement sets forth the entire agreement among Seller, Buyer, and Escrow Agent and supersedes any and all prior and contemporaneous agreements and understandings among those parties with respect to the Escrow Deposit under the Purchase Agreement. This Agreement shall be enforced under the laws of the State of New York without regard to conflict of law provisions.

**4.1.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall collectively be deemed one and the same document. Facsimile or electronic signatures are sufficient to make this Agreement legally binding.

**4.2.** Time is deemed to be of the essence with respect to this Agreement.

*[Signatures on the Following Page]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

THE LAST BASTION STATION TRUST,  
LLC

By:   
Name: ELLIOTT B. EVANS  
Title: MANAGING MEMBER

EDUCATIONAL MEDIA FOUNDATION

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

COMMERCE BANK

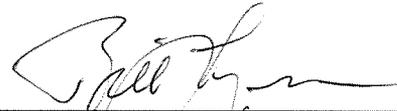
By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

THE LAST BASTION STATION TRUST,  
LLC

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

EDUCATIONAL MEDIA FOUNDATION

By:  \_\_\_\_\_  
Name: *Bill Lyons*  
Title: *Vice President.*

  
\_\_\_\_\_  
*Keith Whipple, Secretary.*

COMMERCE BANK

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

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

THE LAST BASTION STATION TRUST,  
LLC

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

EDUCATIONAL MEDIA FOUNDATION

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

COMMERCE BANK

By: Mary Dallatore  
Name: Mary Dallatore  
Title: Corporate Trust Officer