

ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is made and entered into as of this 16th day of December, by and between Northern Michigan Radio, Inc. ("Seller"); Central Michigan University ("Buyer"); and Patrick Communications L.L.C. ("Escrow Agent") (individually, a "Party" and, collectively, the "Parties").

WITNESSETH

WHEREAS, on even date herewith, Seller and Buyer have entered into an Asset Purchase Agreement ("the "Purchase Agreement") for the sale and purchase of the assets used or useful in the business and operation of Station WFCX(FM), Leland, Michigan ("Station"), including the licenses issued by the Federal Communications Commission ("FCC");

WHEREAS, the Parties desire Escrow Agent to hold and Escrow Agent is willing to hold certain deposit monies in escrow as contemplated by the Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions set forth herein, the Parties, intending to be legally bound, hereby agree as follows:

1. **ESCROW DEPOSIT.** Escrow Agent hereby acknowledges that Buyer has deposited with Escrow Agent the sum of Twenty-Five Thousand Dollars (\$25,000) (the "Escrow Deposit") as contemplated by Section 3(a) of the Purchase Agreement. The Escrow Deposit shall be invested in a federally insured account (the "Escrow Account") by Escrow Agent and the Escrow Deposit, together with all accrued interest thereon (collectively, the "Escrowed Funds"), shall be held in accordance with the terms of this Agreement and shall be released by Escrow Agent as required by the terms of this Agreement and the Purchase Agreement. Buyer shall provide the Escrow Agent with Buyer's taxpayer/employer identification number to be utilized by the Escrow Agent for the creation of the Escrow Account.

2. **RELEASE FROM ESCROW**

2.1 **Release.** The Escrow Agent shall retain the Escrowed Funds, which shall be released only upon receipt of (i) joint written instructions executed by Seller and Buyer, as so directed therein or (ii) a final order of a court of competent jurisdiction. An order shall be deemed "final" when, by lapse of time or otherwise, it is no longer subject to review, reconsideration, appeal or stay. Escrow Agent shall in no event be required to resolve any controversy concerning the Escrowed Funds or take any action concerning any such controversy. Upon termination of the escrow provided for herein, Buyer and Seller agree to execute and deliver to Escrow Agent such further documents as Escrow Agent may reasonably request to evidence the termination of this Escrow Agreement and to cause Escrow Agent to release the Escrowed Funds.

2.2 Joint Instructions. Notwithstanding any other provision of this Escrow Agreement to the contrary, Buyer and Seller agree to execute and deliver to the Escrow Agent joint written instructions as contemplated by Section 2.1 above so as to effectuate fully the provisions of the Purchase Agreement concerning the disposition of the Escrowed Funds upon the termination of the Purchase Agreement, or the occurrence of certain other events specified in the Purchase Agreement.

3. ESCROW AGENT'S OBLIGATIONS

3.1 Resignation and Removal. The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving notice of such resignation to the other Parties specifying a date not less than thirty (30) days after the giving of such notice when such resignation shall take effect. Promptly after such notice, a successor Escrow Agent shall be appointed by mutual agreement of Seller and Buyer, such successor to become the Escrow Agent hereunder upon the resignation date specified in such notice. If Seller and Buyer are unable to agree upon a successor Escrow Agent within twenty (20) days after such notice, the Escrow Agent shall be entitled to appoint its successor, which may be another law firm, or a bank or financial institution. The Escrow Agent shall continue to serve as Escrow Agent until its successor has assumed in writing the Escrow Agent's obligations hereunder and receives the Escrowed Funds. Seller and Buyer may agree at any time to substitute a successor Escrow Agent by giving notice thereof to the Escrow Agent then acting.

3.2. Performance.

(a) The duties and responsibilities of the Escrow Agent are limited to those specifically set forth herein. The Escrow Agent shall not be liable for any mistake of fact or error of judgment made in good faith or for any acts or omissions by it of any kind other than willful misconduct or gross negligence. The Escrow Agent shall be entitled to rely, and shall be protected in doing so, upon (i) any written notice, instrument or signature believed by it in good faith to be genuine and to have been signed or presented by the proper Party or Parties duly authorized to do so, and (ii) the advice of counsel (which may be of the Escrow Agent's own choosing). The Escrow Agent shall have no responsibility for the contents of any writing submitted to it hereunder and shall be entitled in good faith to rely without any liability upon the contents thereof. Moreover, the Escrow Agent shall have no responsibility to maximize the interest earned on the Escrow Deposit, nor will the Escrow Agent be liable for any failure of the institution in which the Escrowed Funds are being held.

(b) In the event of any dispute relating to the right of possession or the disposition of the Escrowed Funds, the Escrow Agent will retain dominion and control over the Escrowed Funds until such dispute shall either have been settled by mutual agreement of Buyer and Seller with notice thereof to Escrow Agent or pursuant to a final order of a court of competent jurisdiction, whereupon the Escrowed Funds will be paid in accordance with such mutual agreement of the Parties or such final order. If a dispute relating to the right of possession or the disposition of the Escrowed Funds is taken to a court of competent jurisdiction, the Escrow Agent reserves the right to institute an interpleader action as set forth in paragraph 3.4, below. It is contemplated that the Escrow Agent will not incur any cost or expense in the performance of

its duties hereunder; and, in the event of a dispute, Escrow Agent shall be reimbursed for reasonable attorneys' fees and out-of-pocket expenses incurred in connection with such dispute and the settlement thereof as provided in paragraph 3.4, below. In no event shall Escrow Agent be under any duty to institute or defend any such proceeding, nor shall Escrow Agent be required under any circumstances to take any action requested by Seller or Buyer until indemnified to Escrow Agent's reasonable satisfaction by the Party or Parties requesting such action.

3.3. Indemnification. To the extent permitted by applicable law, Seller and Buyer, jointly and severally, agree to indemnify the Escrow Agent and hold him harmless against any and all liabilities incurred by him hereunder, except for liabilities incurred by the Escrow Agent resulting from his own willful misconduct or gross negligence. As between Seller and Buyer, each Party shall be responsible for the payment of one-half of any such liabilities.

3.4. Interpleader. If, at any time prior to the termination of this Escrow Agreement as provided herein, either Buyer or Seller should make demand upon or file suit against the Escrow Agent for the Escrowed Funds, the Escrow Agent shall be authorized to bring an interpleader action in any court of competent jurisdiction. If a suit is commenced against the Escrow Agent, he may answer by way of interpleader and name Buyer and Seller (or either of them) as additional parties to such action, and the Escrow Agent may tender the Escrowed Funds into such court for determination of the respective rights of Seller and Buyer thereto. Upon such tender, the Escrow Agent shall be entitled to receive from Seller and Buyer Escrow Agent's reasonable attorneys' fees and expenses incurred in connection with said interpleader action. As between Seller and Buyer, such fees, expenses and other sums shall be paid in the case of a dispute between Buyer and Seller by the Party which fails to prevail in the proceedings brought in a court of competent jurisdiction to determine the appropriate distribution of the Escrowed Funds or, in the case of a claim against the Escrowed Funds by a third party claiming by or through Seller or Buyer, by Seller or Buyer, as the case may be. If and when the Escrow Agent shall so interplead such Parties, or either of them, and deliver the Escrowed Funds to the clerk of such court, all of its duties shall cease and it shall have no further obligations hereunder. Nothing herein shall prejudice any other right or remedy of the Escrow Agent.

3.5. Discharge by Delivery. After the Escrow Agent has delivered the Escrowed Funds 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 Escrow Agreement.

3.6. Conflict. In the event of any conflict between the terms and provisions of this Escrow Agreement and those of the Purchase Agreement, the terms and provisions of this Escrow Agreement shall control as to the rights, duties, obligations and liabilities of the Escrow Agent, and the terms of the Purchase Agreement shall control as to the respective rights, duties, obligations and liabilities of Seller and Buyer.

4. MISCELLANEOUS.

4.1. Assignment. Except as may be provided in the Purchase Agreement and in Section 3.1 of this Escrow Agreement, no Party may assign or delegate its rights and obligations

hereunder without the prior written consent of the other Parties.

4.2. Binding Effect. This Escrow Agreement will be binding upon, inure to the benefit of and be enforceable by the respective successors and permitted assigns of the Parties.

4.3 Notices. All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by hand; by courier (including nationally-recognized overnight delivery service); sent by registered or certified first-class mail, return receipt requested, postage prepaid; or by facsimile, with receipt confirmation and a follow-up copy sent by a nationally-recognized overnight delivery service on the same day as such facsimile, addressed as follows:

If to Seller:

Northern Michigan Radio, Inc.
1020 Hastings Street
Traverse City, MI 49686
Attn: W. Langer Gokey
Email: langergokey@gmail.com
Phone: 701-240-6150

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

Anne Goodwin Crump, Esq.
Fletcher, Heald & Hildreth, P.L.C.
1300 N. 17th Street
Eleventh Floor
Arlington, VA 22209
Phone: 703-812-0426
Email: crump@fhhlaw.com

If to Buyer:

Central Michigan University
Public Broadcasting
1999 East Campus Drive
Mount Pleasant, MI 48859
Attn: James Rademaker
Phone: (989) 774-3246
Email: radem2je@cmich.edu

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

Margaret L. Miller, Esq.
Derek Teslik, Esq.
Gray Miller Persh, LLP
2233 Wisconsin Avenue, NW, Suite 226
Washington, D.C. 20007
Phone: (202) 776-2914
Email: mmiller@graymillerpersh.com

If to Escrow Agent: Susan Patrick
Patrick Communications
10320 Little Patuxent Parkway, Suite 200
Columbia, Maryland 21044

or such other address with respect to either Party as such Party may from time to time specify (as provided above) to the other Party hereto. Any such notice, demand or communication shall be deemed to have been given:

- a. if sent by first class mail, as of the close of the third (3rd) business day following the date so mailed;
- b. if personally delivered or sent by overnight courier, on the date delivered; and
- c. if faxed, on the date faxed, provided written or verbal confirmation of receipt has been obtained by the sending Party.

4.4 Other Documents. The Parties shall execute such other documents as may be necessary or desirable to the implementation and consummation of this Agreement.

4.5 Further Assurances. The Parties each pledge to the other that they shall take whatever steps are reasonably necessary, in good faith, and use their best efforts to carry out their obligations under this Agreement.

4.6 Separate Counsel. The Parties have retained counsel in connection with the negotiation and preparation of this Agreement and have consulted with and sought advice from their respective counsel, prior to execution, concerning their respective rights and duties under this Agreement.

4.7 Appendices. Any exhibits or schedules attached to this Agreement shall be deemed to be a part of this Agreement and incorporated in it, where applicable, as if fully set forth in the body of this Agreement. If any provision in any exhibit or schedule conflicts with or

is not consistent with the provisions of this Agreement, the terms of this Agreement shall govern.

4.8 Counterparts. This Agreement may be executed in any number of counterparts, and by either Party on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or other electronically-delivered copies of signature pages to this Agreement or any other document or instrument delivered pursuant to this Agreement shall be treated as between the Parties as original signatures for all purposes.

4.9 Headings. The headings of the Articles, Sections and paragraphs of this Agreement are inserted as a matter of convenience and for reference purposes only and in no way define, limit or describe the scope of this Agreement nor the intent of any Section or paragraph.

4.10 Entire Agreement. This Agreement and any exhibits or schedules attached hereto and the ancillary documents provided for herein constitute the entire agreement and understanding of the Parties relating to the matters provided for herein and supersede any and all prior agreements, arrangements, negotiations, discussions and understandings relating to the matters provided for herein.

4.11 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties.

4.12 Waivers. No waiver of any provision of this Agreement shall be effective unless in writing and signed by the Party or Parties waiving such provision. No waiver of any right or waiver of any obligation shall constitute a waiver of any other or similar right or obligation and no failure to enforce any right or obligation under this Agreement shall preclude or affect the later enforcement of such right or obligation.

4.13 Severability. In the event that any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained herein.

4.14 Number and Gender. Whenever required by the context, the singular number shall include the plural and the masculine, feminine, or neuter gender shall include all genders.

4.15 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of Michigan, including all matters of constitution, validity and performance, but not its choice of laws principles.

4.16 Attorneys' Fees. Should any Party institute any action or proceeding at law or in equity to enforce any provision of this Agreement, including an action for declaratory

relief, or for damages by reason of an alleged breach of any provision of this Agreement, or otherwise in connection with this Agreement, or any provision hereof, the prevailing Party shall be entitled to recover from the losing Party or Parties its costs and expenses, including reasonable attorneys' fees and costs for services rendered to the prevailing Party in such action or proceeding. In the event some but not all of the claims are awarded to both Parties, such that each Party could be considered to be the prevailing Party, the payment of reasonable attorneys' fees and other expenses incurred in connection with the proceedings shall be prorated between the Parties according to the division of the awarded claims.

4.17 Continuing Effect. This Agreement shall remain in full force and effect until the Escrow Agent has delivered the Escrowed Funds and any monies and earnings thereon and other instruments held by it pursuant to this Escrow Agreement in accordance with the terms hereof.

[Signatures on following page]

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

Seller:

NORTHERN MICHIGAN RADIO, INC.

By: 

Name: *William Langer*

Title: *President*

Buyer:

CENTRAL MICHIGAN UNIVERSITY

By: _____

Name: Robert O. Davies

Title: President

Escrow Agent:

By: 

Name: Susan Patrick

Title: Managing Partner

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

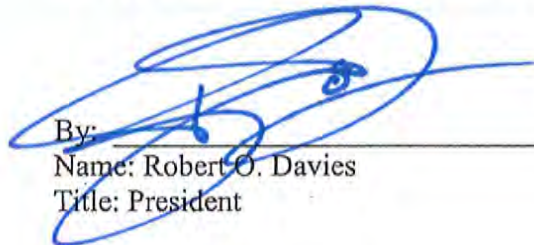
Seller:

NORTHERN MICHIGAN RADIO, INC.


By: _____
Name:
Title:

Buyer:

CENTRAL MICHIGAN UNIVERSITY


By: _____
Name: Robert O. Davies
Title: President

Escrow Agent:


By: _____
Name: Susan Patrick
Title: Managing Partner