

ESCROW AGREEMENT
(Emmis--Entercom)

THIS ESCROW AGREEMENT, dated as of the 14th day of February, 2002 (the "Agreement"), is entered into by and among EMMIS RADIO CORPORATION, an Indiana corporation ("Emmis Radio"), and EMMIS RADIO LICENSE CORPORATION, a California corporation (together with Emmis Radio, the "Seller"); ENTERCOM DENVER, LLC, a Delaware limited liability company ("Buyer"); and BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association (the "Escrow Agent"), all being duly authorized to execute and deliver this Agreement.

WITNESSETH:

WHEREAS, on this date Seller and Buyer have executed and delivered an Asset Purchase Agreement (the "Asset Purchase Agreement") under which Seller has agreed to sell and Buyer has agreed to purchase substantially all the assets of broadcast radio station KALC(FM) licensed to Denver, Colorado, upon and subject to the terms and conditions of the Asset Purchase Agreement;

WHEREAS, the Asset Purchase Agreement provides for execution and delivery of this Agreement and the deposit by Buyer with the Escrow Agent of Eight Million Eight Hundred Thousand Dollars (\$8,800,000) (the "Earnest Money Deposit"); and

WHEREAS, Escrow Agent is legally qualified to act as Escrow Agent under this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be legally bound hereby, agree as follows:

1. APPOINTMENT OF ESCROW AGENT.

Seller and Buyer hereby appoint and designate Bank One Trust Company, National Association as the Escrow Agent for the purposes set forth herein, and Escrow Agent hereby accepts such appointment.

2. ESTABLISHMENT OF ESCROW.

On this date, Buyer has delivered to, and Escrow Agent acknowledges receipt of, the Escrow Agent the Earnest Money Deposit in immediately available funds. The balance of the Earnest Money Deposit, together with interest and other earnings thereon which are held from time to time by the Escrow Agent pursuant to this Agreement, are referred to as the "Earnest Money". The Earnest Money shall be held, invested and disbursed by the Escrow Agent in accordance with the terms and conditions set forth in this Agreement.

3. INVESTMENT OF THE FUNDS IN THE ESCROW ACCOUNT; TAX MATTERS.

(a) Escrow Agent shall keep the Earnest Money in a separate account (the "Escrow Account"). The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Earnest Money and is not a trustee or fiduciary to Buyer or Seller. Buyer and Seller acknowledge and agree that all investments made pursuant to this Section 3 shall be for the

account and risk of the party to which the Earnest Money is to be distributed (i.e., either Buyer or Seller) and any losses associated with investments shall be a reduction in the Earnest Money. Escrow Agent shall from time to time invest and reinvest the Earnest Money, as and when instructed by Buyer in writing, in any one or more of the following: (i) obligations of the United States government or agencies of such government with a maturity of not more than one (1) year; (ii) interest-bearing obligations of or money market funds managed by major banks organized under federal law of the United States (including the Escrow Agent) with maturities of not more than ninety (90) days; or (iii) bonds or debt instruments having a rating of at least AAA by Moody's with maturities of not more than one (1) year. In the event no instructions are received as provided above, Escrow Agent shall invest the Earnest Money in investments of the type described in subparagraph (ii) above. Buyer shall be entitled to all interest and other income earned on the Earnest Money and, during the term of this Agreement, such interest and other income shall be disbursed by the Escrow Agent to Buyer on the second business day of each month and on the second business day of the month next succeeding the date of the final release of the Earnest Money pursuant to Section 5 hereof.

(b) The Escrow Agent shall report to the Internal Revenue Service on IRS Form 1099, as of each calendar year-end, all income earned from the investment of any sum held in the Escrow Account as income of the Buyer, as and to the extent required under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code"), and shall report all such income to Buyer.

(c) Buyer shall be required to prepare and file any and all income or other tax returns applicable to the Escrow Account with the Internal Revenue Service as and to the extent required under the provisions of the Code, and with state and local departments of revenue as required by applicable law or regulations, for each tax year in which income on sums held in the Escrow Account is earned. Buyer and Seller shall deliver to the Escrow Agent a properly completed IRS Form W-8 or W-9 upon execution of this Agreement.

(d) Any taxes payable on income earned from the investment of any sums held in the Escrow Account shall be paid by Buyer, whether or not the income was distributed by the Escrow Agent during any particular year, as and to the extent required under the provisions of the Code or other applicable law or regulations.

(e) The Escrow Agent shall have no responsibility for the preparation or filing of any tax or information return with respect to any transaction, whether or not related to this Agreement, that occurs outside the Escrow Account.

4. RESPECTIVE RIGHTS OF BUYER AND SELLER TO THE ESCROW AMOUNT.

The terms and provisions of the Asset Purchase Agreement and this Agreement shall determine, as between Buyer and Seller, their respective rights to the Earnest Money, or any portion thereof. However, regardless of entitlement under the Asset Purchase Agreement of Buyer or Seller to all or any portion of the Earnest Money, the Escrow Agent shall only be obligated to disburse all or any portion of the Earnest Money in accordance with the terms and provisions of Section 5 below.

5. RELEASE OF THE EARNEST MONEY.

(a) The Escrow Agent shall release the Earnest Money or any portion thereof in accordance with (i) written instructions signed by an authorized signatory of Seller and an authorized signatory of Buyer directing the Escrow Agent to release the Earnest Money or any portion thereof as set

forth therein, or (ii) the terms of a final court order, judgment or decree ordering the release of the Earnest Money or any portion thereof. A court order, judgment or decree shall be deemed “final” when the time of appeal or review from such order, judgment or decree has expired without an appeal having been perfected or a review having been requested.

(b) Promptly upon receipt of the written notice referred to in Section 5(a)(i) above, or the final order, judgment or decree referred to in Section 5(a)(ii) above (and in no event later than two (2) business days following any such receipt), the Escrow Agent shall release the Earnest Money or applicable portion thereof in accordance therewith.

6. ESCROW AGENT’S FEES; COSTS; EXPENSES.

(a) *Fees.* All fees of, and costs and expenses anticipated to be incurred by, the Escrow Agent shall be as set forth on Exhibit A attached hereto and incorporated herein (collectively, the “Scheduled Fees and Expenses”) and shall be paid equally by Buyer and Seller.

(b) *Other Costs and Expenses.* As between Buyer and Seller, on the one hand, and Escrow Agent, on the other hand, Buyer and Seller shall be jointly and severally liable to Escrow Agent for payment or reimbursement of all amounts payable to Escrow Agent (other than Scheduled Fees and Expenses) under this Agreement, including without limitation those described in Sections 7, 8(g), 9, and 11; provided, however, that as between Buyer, on the one hand, Seller, on the other hand, their respective liability for such amounts shall be determined as provided in Section 10 of this Agreement.

7. TERMINATION.

This Agreement shall terminate upon the final payment by Escrow Agent of the Earnest Money pursuant to the provisions of this Agreement. Any termination of this Agreement shall not affect any of the obligations of Buyer or Seller under this Agreement arising prior to such termination, including the obligation to pay Escrow Agent’s fees, costs or expenses pursuant to Section 6 above.

8. ESCROW AGENT.

(a) The duties and responsibilities of the Escrow Agent shall be limited to those expressly set forth in this Agreement. No implied duties of the Escrow Agent shall be read into this Agreement and the Escrow Agent shall not be subject to, or obliged to recognize any other agreement between, or direction or instruction of, any or all the parties hereto even though reference thereto may be made herein. The Escrow Agent shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees.

(b) In the event all or any part of the Earnest Money shall be attached, garnished or levied upon pursuant to any court order, or the delivery thereof shall be stayed or enjoined by a court order, or any other order, judgment or decree shall be made or entered by any court affecting the Earnest Money, or any portion thereof, or any act of Escrow Agent, Escrow Agent is hereby expressly authorized to obey and comply with all final writs, orders, judgments or decrees so entered or issued by any court; and, if Escrow Agent obeys or complies with such writ, order, judgment or decree, it shall not be liable to Buyer or Seller or to any other person by reason of such compliance.

(c) Escrow Agent shall not be liable to anyone for any damages, losses or expenses incurred as a result of any act or omission of Escrow Agent, unless such damages, losses or expenses are caused by Escrow Agent’s willful malfeasance or misconduct or gross negligence. Accordingly, Escrow Agent

shall not incur any such liability with respect to (i) any action taken or omitted in good faith upon the advice of counsel for Escrow Agent given with respect to any question relating to the duties and responsibilities of Escrow Agent under this Agreement or (ii) any action taken or omitted in reliance upon any instrument, including any written notice or instruction provided for herein, not only as to its due execution by an authorized person and as to the validity and effectiveness of such instrument, but also as to the truth and accuracy of any information contained therein that Escrow Agent shall in good faith believe to be genuine, to have been signed by a proper person or persons and to conform to the provisions of this Agreement.

(d) Unless otherwise specifically indicated herein, the Escrow Agent shall proceed as soon as practicable to collect any checks or other collection items at any time deposited or received hereunder. All such collections shall be subject to the usual collection agreement regarding items received by its commercial banking department for deposit or collection. It shall not be required or have a duty to (i) notify anyone of any payment or maturity under the terms of any instrument deposited or received hereunder, or (ii) take any legal action to enforce payment of any check, note or security deposited or received hereunder. In the event that any funds, including cleared funds, deposited in the Escrow Account prove uncollectible after the funds represented thereby have been released by the Escrow Agent pursuant to this Agreement, Buyer shall immediately reimburse the Escrow Agent upon request for the face amount of such check or checks, together with reasonable and customary charges and expenses related thereto, and the Escrow Agent shall deliver the returned checks or other instruments to Buyer. Buyer acknowledges that its obligation in the preceding sentence shall survive the termination of this Agreement. Other than interest earned on the Earnest Money while invested in an interest-bearing obligation of the Escrow Agent, Escrow Agent shall have no liability for, or obligation to, pay interest on any money deposited or received hereunder. Escrow Agent will not be required to lend to, or advance, or pay out of its own funds any sums whatsoever for the account of Buyer or Seller.

(e) The Escrow Agent shall not be responsible for the sufficiency or accuracy, or the form, execution, validity or genuineness, of documents or securities now or hereafter deposited or received hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of any person executing, depositing or delivering or purporting to execute, deposit or deliver any such document, security or endorsement or this Agreement, or on account of or by reason of forgeries, false representations, or the exercise of its discretion in any particular manner, nor shall the Escrow Agent be liable for any mistake of fact or of law or any error of judgment, or for any act or omission, except as a result of its negligence. Escrow Agent is not authorized and shall not disclose the name, address, or security positions of the parties or the securities held hereunder in response to requests concerning shareholder communications under Section 14 of the Exchange Act, the rules and regulations thereunder, and any similar statute, regulation, or rule in effect from time to time. Under no circumstances shall Escrow Agent be liable for any consequential or punitive damages or damages primarily caused by the action or inaction of Buyer or Seller or any of their respective agents or employees. Escrow Agent shall not be liable for any damage, loss, liability, or delay caused by accidents, strikes, fire, flood, war, riot, equipment breakdown, electrical or mechanical failure, acts of God or any cause which is reasonably unavoidable or beyond its reasonable control.

(f) The Escrow Agent may consult with legal counsel of its own choosing and shall be fully protected in acting or refraining from acting in good faith in reliance upon and in accordance with the opinion of such counsel.

(g) In the event of a dispute between the parties hereto respecting the administration or disposition of all or any part of the Earnest Money, Escrow Agent shall be entitled to interplead the

parties into any court of competent jurisdiction, including but not limited to the courts of the State of New York and the United States District Court for the Southern District of New York which shall be deemed to be courts of competent jurisdiction for the purposes of this Agreement, to initiate such legal proceedings as it deems appropriate, and to deposit with such court the Earnest Money remaining in the Escrow Account. Thereafter, Escrow Agent shall be fully discharged from all further duties and liabilities under this Agreement. The filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing. Buyer and Seller shall be jointly and several liable to reimburse Escrow Agent for all expenses, fees and charges (including reasonable attorneys' fees and expenses) reasonably incurred by Escrow Agent in any such interpleader action.

(h) Escrow Agent shall be under no duty to take any legal action in connection with this Agreement or towards its enforcement, or to appear in, prosecute or defend any action or legal proceeding that would result in or might cause it to incur any costs, expenses, losses or liability, unless and until it shall be indemnified with respect thereto in accordance with Section 9 of this Agreement.

(i) In the event of any disagreement between Buyer and Seller resulting in adverse claims or demands being made in connection with the Earnest Money, or in the event that the Escrow Agent in good faith is in doubt as to what action it should take hereunder, the Escrow Agent shall be entitled to retain the Earnest Money until the Escrow Agent shall have received (i) a final non-appealable order of a court of competent jurisdiction directing delivery of the Earnest Money or (ii) a written agreement executed by the other parties hereto directing delivery of the Earnest Money, in which event the Escrow Agent shall disburse the Earnest Money in accordance with such other agreement. The Escrow Agent shall act on such final non-appealable court order without further question.

9. INDEMNIFICATION OF ESCROW AGENT.

Buyer and Seller hereby agree jointly and severally to protect, defend, indemnify and hold harmless the Escrow Agent against any and all costs, losses, claims, damages, disbursements, liabilities and expenses, including reasonable costs of investigation, court costs and attorney's fees, which may be imposed upon or incurred by Escrow Agent in connection with its acceptance of, or appointment as, Escrow Agent hereunder, or in connection with the performance of its duties hereunder, including any litigation arising out of this Agreement or involving the subject matter hereof; provided, however, that said indemnity shall not cover costs, losses, claims, damages, disbursements, liabilities and expenses arising out of Escrow Agent's willful misconduct or malfeasance or gross negligence. This indemnification shall survive the termination of this Agreement or the resignation or removal of the Escrow Agent.

10. JOINT AND SEVERAL LIABILITY.

Without affecting their joint and several indemnification liability to the Escrow Agent under Sections 6(b), 8(g), and 9 of this Agreement, Buyer and Seller agree as between themselves that any liability to Escrow Agent for costs and expenses (other than Scheduled Fees and Expenses) and any indemnification liability to Escrow Agent shall be allocated between Buyer and Seller equally.

11. RESIGNATION OF ESCROW AGENT.

It is understood that Escrow Agent may be removed as escrow agent hereunder by the mutual written agreement of Buyer and Seller and that Escrow Agent reserves the right to resign as Escrow Agent at any time by giving written notice of its resignation, specifying the effective date thereof, to each of the other parties hereto. Within thirty (30) days after receiving the aforesaid notice of resignation, or

upon removal of the Escrow Agent, the other parties hereto shall mutually agree upon and appoint a successor escrow agent (which shall perform the same duties and responsibilities and shall be entitled to the same protection and substantially equivalent rights and compensation as provided to Escrow Agent under this Agreement) to which the Escrow Agent shall distribute the property then held hereunder. If a successor Escrow Agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent, and the payment of the fees, costs and expenses (including reasonable counsel fees and expenses) which it incurs in connection with such a proceeding shall be paid by Buyer and Seller equally.

12. NOTICES.

All notices provided for hereunder shall be in writing and shall be deemed to be given: (a) when delivered to the individual, or to an officer of the company, to which the notice is directed; or (b) three (3) days after the same has been deposited in the United States mail sent Certified or Registered mail with Return Receipt Requested, postage prepaid and addressed as provided in this Section; or (c) when delivered by an overnight delivery service (including Federal Express or United States Express Mail) with receipt acknowledged and with all charges prepaid by the sender addressed as provided in this Section. Notices shall be directed as follows:

- (i) If to Buyer, to:

Entercom Communications Corp.
401 City Avenue
Suite 409
Bala Cynwyd, Pennsylvania 19004
Attention: David Field

with a copy to:

Latham & Watkins
555 Eleventh Street, N.W.
Suite 1000
Washington, D.C. 20004
Attn: Joseph D. Sullivan

- (ii) If to Seller to:

Emmis Radio Corporation
One Emmis Plaza
40 Monument Circle, Suite 700
Indianapolis, Indiana 46204
Attention: Jeffrey H. Smulyan, Chairman
Attention: J. Scott Enright, Esq.

with a copy to:

Emmis Radio Corporation
15821 Ventura Boulevard, Suite 685

Encino, California 91436
Attention: Gary Kaseff, Esq.

and

Bose McKinney & Evans LLP
135 N. Pennsylvania Street, Suite 2700
Indianapolis, Indiana 46204
Attention: David L. Wills

(iii) If to Escrow Agent:

Bank One Trust Company, National Association
Global Corporate Trust Services
111 Monument Circle, IN1-0152
Indianapolis, IN 46277-0152

or at such other place or places or to such person or persons as shall be designated by notice by any party hereto.

13. ENTIRE AGREEMENT; BINDING EFFECT.

This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

14. MODIFICATION AND ASSIGNMENT.

None of the terms or conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by the parties and Escrow Agent. This Agreement may not be assigned by any party except with the prior written consent of the other parties. However, any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding

15. ENFORCEABILITY.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under the laws of the State of New York, but if any provision shall be prohibited by or be invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

16. GOVERNING LAW.

This Agreement shall be construed, enforced and administered in accordance with the laws of the

State of New York.

17. HEADINGS DESCRIPTIVE.

The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

18. BUSINESS DAY.

Business day shall mean a day on which commercial banks in New York, New York are open for the general transaction of business. If any action or time for performance pursuant to this Agreement is to occur on any Saturday, Sunday or holiday, such time for action or performance shall be extended to the next Business Day.

19. MONTHLY STATEMENTS.

Buyer and Seller hereby acknowledge that they shall have the right to receive broker confirmations in connection with investments within time periods prescribed by 12 C.F.R. Paragraph 12.5 at no additional cost. In lieu of receiving such confirmation within such time period, the Escrow Agent shall provide Buyer and Seller with monthly statements describing purchases, sales, and disbursements made for the Escrow Account.

20. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in four counterparts, each of which when so executed shall be deemed an original, but all of which shall together constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Buyer, Seller and Escrow Agent have caused this Agreement to be executed by their authorized representatives as of the date first above written.

EMMIS RADIO CORPORATION

By: _____
Printed: _____
Its: _____

ENTERCOM DENVER, LLC

By: _____
Printed: _____
Its: _____

EMMIS RADIO LICENSE CORPORATION

By: _____
Printed: _____
Its: _____

BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Printed: _____
Its: _____