

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement") is made and entered into as of the 31 day of January, 2011, by and between **Thomas D. Hodgins**, an individual resident of the State of Washington ("Seller"), **Yaquina Bay Communications, Inc.**, an Oregon corporation ("Buyer"), and **MCH Enterprises, Inc.**, a California corporation ("Escrow Agent"). The parties hereto are collectively and individually referred to herein as the Parties.

WITNESSETH:

WHEREAS, Buyer and Seller have agreed to enter into an Assignment Agreement (the "Agreement") providing for the sale of FM translator K252EQ, Depoe Bay, Oregon (the "Station"); and

WHEREAS, Pursuant to the Agreement, Four Thousand Dollars (\$4,000.00) (the "Escrow Deposit") shall be deposited with Escrow Agent, and the Parties wish to provide instructions for the disposition of the Escrow Deposit.

NOW, THEREFORE, in consideration of the mutual Agreements and covenants contained in the Agreement and in this Escrow Agreement, the Parties provide instructions for the disposition of the Escrow Deposit as follows:

1. Pursuant to the terms of the Agreement, Buyer has deposited the sum of Four Thousand Dollars (\$4,000.00) with Escrow Agent.

2. Escrow Agent agrees to deliver the Escrow Deposit upon receipt of written notification executed jointly by Buyer and Seller as directed, or as otherwise directed herein. The Escrow Deposit shall be held in escrow by Escrow Agent until the Closing Date of the Agreement or until the occurrence of an event provided in this Escrow Agreement upon which either (i) the Escrow Deposit shall be delivered to Seller with accrued interest credited to Buyer, or (ii) Buyer shall be entitled to the return of the Escrow Deposit plus accrued interest.

(a) In the event the Agreement commences in the manner contemplated, the principal of the Escrow Deposit shall be paid over to Seller at the Closing Date, and all accrued interest credited to Buyer's account.

(b) In the event the transaction does not close due to the material breach by or default of Buyer under the terms of the Agreement, and Seller is not in material default or breach and all conditions precedent to Buyer's obligation to close have been satisfied, the Escrow Deposit shall be paid over to Seller with all accrued interest payable to Buyer.

(c) In the event the transaction does not close due to the material breach by or default of Seller under the terms of the Agreement and Buyer is not in material default or breach,

then the principal of the Escrow Deposit shall be paid over to Buyer together with all accrued interest.

(d) In the event the Agreement does not consummate within six (6) months from the date hereof, either Buyer or Seller may at its option, give notice of termination of the Agreement to the other, provided the terminating Party is not in material breach or default under the Agreement. If Buyer is not in material breach or default, the Escrow Deposit plus all accrued interest shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(e) In the event Buyer cancels the transaction at any time subsequent to the mutual execution of the Agreement and Seller is not in default or breach of the Agreement, and the proposed transaction has not been canceled due to the lapse of time described in Paragraph 2(d) above, the principal of the Escrow Deposit shall be paid over to Seller with all accrued interest payable to Buyer.

(f) In the event the Agreement does not commence due to an FCC action not related to Buyer's qualifications, the principal of the Escrow Deposit plus all accrued interest shall be returned to Buyer upon written demand without any further liability of either Party to the other.

(g) If any provision of Paragraph 2(a) through 2(f) above with respect to the disposition of the Escrow Deposit is in conflict with any provision of the Agreement with respect to such disposition, then such provision in the Agreement shall control.

3. Escrow Agent agrees to invest the Escrow Deposit in a federally-insured, interest-bearing account. All interest or dividends from the Escrow Deposit shall become the property of and shall be credited to Buyer's account.

4. In the absence of instructions jointly executed by Buyer and Seller, Escrow Agent, upon the instructions of either Buyer or Seller, and after compliance with the procedures set forth in Paragraph 5 hereof, is authorized to deliver the Escrow Deposit either:

(a) To Seller in full or partial satisfaction of any arbitration judgment, or final judgment of a court of competent jurisdiction against Buyer in an action arising out of the Agreement with the balance, if any, to Buyer; or

(b) To Buyer in the event that the transaction contemplated in the Agreement does not commence.

5. Escrow Agent shall, at the end of twenty (20) days, after receipt of a demand from either Buyer or Seller ("Notifying Party") and evidence satisfactory to Escrow Agent that the notice of making such demand shall have been given to the other Party, Seller or Buyer (the "Notified Party"), deliver that portion of the Escrow Deposit to which the Notifying Party is

entitled pursuant to the terms and conditions contained herein, as demanded, unless prior to the expiration of such twenty (20) day period, Escrow Agent shall have received notice from the Notified Party to withhold the delivery of the applicable portion of the Escrow Deposit and interest and dividends. If Escrow Agent shall have received a notice from the Notified Party to withhold delivery of the applicable portion of the Escrow Deposit and interest and dividends, Escrow Agent shall not make such delivery of any of the principal or interest and dividends until the controversy with respect thereto shall have been settled either by an Agreement between Seller and Buyer, a decision by an arbitrator through binding arbitration, said arbitration to be agreed to by Seller and Buyer, or by a final judgment of a court of competent jurisdiction.

6. The undersigned agree that the following provisions shall control with respect to the rights, duties, liabilities, privileges and immunities of Escrow Agent:

(a) Escrow Agent shall not be bound in any way to any Agreement or contract out of which this escrow may arise (whether or not Escrow Agent has knowledge thereof).

(b) Escrow Agent serves hereunder as a depository only, and is not responsible or liable in any matter or validity of the subject matter of the escrow, or any part thereof, or for the form of execution thereof, or for the identity or authority of any person executing or depositing it.

(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 Escrow Agent 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 willful misconduct or gross negligence.

(d) Escrow Agent shall be reimbursed for all reasonable fees, expenses, disbursements, and advancements incurred or made by Escrow Agent in performance of its duties hereunder, any such expenses, disbursements and advances to be paid one-half by Buyer and one-half by Seller, except as set forth in Paragraph 6(e) below.

(e) If Seller is unsuccessful in any arbitration or litigation relating to the Escrow Deposit or any portion thereof, then the fees and expenses of Escrow Agent in connection therewith shall be paid by Seller, but if Buyer is the unsuccessful Party, then Buyer will bear the fees and expenses of Escrow Agent in connection therewith.

(f) In the event there is a dispute or disagreement by and between the Buyer and Seller on the disbursement of the Escrow Deposit, Escrow Agent shall, at its option and in accordance with applicable law, file an action, bill, or interpleader, or similar action for such purpose, in a Court of competent jurisdiction, and upon Court approval pay the Escrow Deposit and all income earned or accrued thereon, less any fees and expenses associate therewith to include legal fees associated with the preparation of the filing, into said Court, in which event,

Escrow Agent's duties, responsibilities, and liabilities with respect to the Escrow Deposit, the proceeds, and this Escrow Agreement shall terminate.

(g) 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 both 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 thirty (30) days after the giving of such notice. If Buyer and Seller are unable to agree upon a successor escrow agent within thirty (30) days after such notice, Escrow Agent shall continue to serve until a successor accepts the escrow by written notice to the Parties hereto; or if Escrow Agent is unable to serve, it may deliver the Escrow Deposit to the Clerk of a Court pending an order of the Court as to how the Escrow Deposit shall be managed.

(h) Escrow Agent undertakes to perform only such duties as are specifically set forth herein and may 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.

(i) Buyer and Seller each 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 the Buyer and Seller agree jointly to indemnify Escrow Agent and hold it harmless against any and all other liabilities incurred by it arising out of this Escrow Agreement, except in the case of liabilities incurred by Escrow Agent resulting from its own willful misconduct or gross negligence.

7. 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 by hand, mailed (certified mail, postage pre-paid, return receipt requested), recognized overnight courier, or sent via facsimile as follows:

(a) If to Seller:

Mr. Thomas D. Hodgins
1600 Gray Lynn Drive
Walla Walla, WA 99362
(509) 520-1000
Email: tomh@bmi.net

(b) If to Buyer:

Mr. David Miller
Yaquina Bay Communications, Inc.
P.O. Box 1430
Newport, OR 97365
(541) 265-2266
Email: dmiller@ybc.com

(c) If to Escrow Agent:

Brett E. Miller
MCH Enterprises, Inc.
179 Niblick Rd., PMB #319
Paso Robles, CA 93446
Fax: (805) 237-0952
Email: mchenterprises@mchentinc.com

or to any other party or address as the Parties may from time to time designate in writing.

8. This Escrow Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

9. This Escrow Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument.

10. To the extent not governed by federal law, this Escrow Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of California without reference to its principles of conflicts of law.

11. This Escrow Agreement may be amended by mutual consent of the Parties, but only by a written instrument duly signed by the Parties to the Agreement.

12. This Escrow Agreement shall automatically terminate upon the distribution of the Escrow Deposit in accordance with the terms hereof.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties have executed this Escrow Agreement on the day and year first above written.

SELLER
THOMAS D. HODGINS

BY: _____

Thomas D. Hodgins

BUYER
YAQUINA BAY COMMUNICATIONS, INC.

BY: _____

David Miller, President

ESCROW AGENT
MCH ENTERPRISES, INC.

BY: _____

Brett Miller, General Manager

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DBM