

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") is made and entered into this 6th day of February, 2003 by and among Nassau Broadcasting Holdings, Inc., a Delaware corporation ("Seller"), Morey Organization, Inc., a New York corporation ("Buyer"), and Branch Banking & Trust Co., a North Carolina chartered banking corporation ("Escrow Agent").

Recitals:

WHEREAS, Seller and Buyer have entered into a certain Asset Purchase Agreement dated this same day (the "Purchase Agreement") under which Seller would assign and otherwise convey to Buyer certain assets (the "Station Assets") used or useful in the operation of FM radio station WWXY in Hampton Bays, New York (the "Station"), including but not limited to licenses issued by the Federal Communications Commission (the "FCC"); and

WHEREAS, Seller and Buyer desire Escrow Agent to establish and maintain an escrow account for certain monies to be held to secure Buyer's performance 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 "Deposit Escrow Agreement" referred to in Section 3.1. 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. Upon execution of this Agreement, Buyer will deliver to Escrow Agent by certified check or 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" and are part of the Purchase Price to be paid to Seller at the Closing.

1.2. The Escrow Funds shall be held as security 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, Escrow Agent shall promptly place the monies in an interest-bearing account selected by Buyer in the name of "WWXY Escrow Account" (the "Escrow Account").

2.2. Upon written notice from Seller to Escrow Agent, with evidence of service on Buyer, that the Agreement has been terminated prior to any Closing due to Buyer's material breach of the Agreement ("Seller's Notice"), Escrow Agent shall, ten (10) business days after receipt of such notice, deliver the Escrow Funds and all accrued interest earned thereon, to

Seller by certified or bank check unless Buyer shall, prior to the expiration of the aforesaid 10 business day period, give notice to Escrow Agent and Seller of its countervailing claim to the Escrow Funds ("Buyer's Rebuttal Notice").

2.3 Upon written notice from Buyer to Escrow Agent, with evidence of service on Seller, that the Agreement has been terminated prior to any Closing for a reason other than Buyer's material breach of the Agreement ("Buyer's Notice"), Escrow Agent shall deliver the Escrow Funds and all accrued interest earned thereon, to Buyer by certified or bank check ten (10) business days after receipt of Buyer's Notice unless Seller shall, prior to the expiration of the aforesaid ten business day period, give notice to Escrow Agent and Buyer of its countervailing claim to the Escrow Funds ("Seller's Rebuttal Notice").

2.4. After timely receipt by Escrow Agent of Seller's Rebuttal Notice or Buyer's Rebuttal Notice, Escrow Agent shall not deliver the Escrow Funds until such time as Escrow Agent receives (a) written agreement signed by Seller and Buyer providing instructions as to the disposition of the Escrow Funds, or (b) a certified copy of a court order or judgment which has become final (meaning that the order or judgment is no longer subject to appeal or to 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. Accrued interest shall be delivered immediately to Seller. Notwithstanding the foregoing, after receipt by Escrow Agent of 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 (a) 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 (b) commence an action in interpleader in any court of competent jurisdiction and deposit the Escrow Funds and any accrued interest with such court.

2.5. Notwithstanding any other provision of this Agreement, Escrow Agent shall, upon receipt of written instructions signed jointly by Seller and Buyer, deliver the Escrow Funds and the accrued interest on the Escrow Funds to the party named in such instruction.

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 or other communications required or permitted by this Escrow Agreement shall be in writing and shall be delivered (a) by hand, or (b) by a nationally-recognized overnight delivery service which issues a receipt for delivery (charges prepaid), to all of the following persons at the specified addresses (or at such other address as any party may designate in writing to the other parties):

If to Seller:

Louis F. Mercatanti, Jr.
Nassau Broadcasting Holdings, Inc.
619 Alexander Road, Third Floor
Princeton, NJ 08540
Facsimile (609) 452-6017
Email: lmercantanti@nassaubroadcasting.com

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

Timothy R. Smith, Esq.
619 Alexander Road, Third Floor
Princeton, NJ 08540
Facsimile: (609) 452-6017
Email: tsmith@nassaubroadcasting.com

If to Purchaser:

Ronald J. Morey
Morey Organization, Inc.
1103 Stewart Avenue
Garden City, NY 11530
Facsimile: (239) 598-5397
Email: ronaples@msn.com

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

Lewis J. Paper, Esq.
Dickstein Shapiro Morin & Oshinsky
2101 L Street, N.W.
Washington, DC 20037
Facsimile: (202) 887-0689
Email: paperi@dsmo.com

If to Escrow Agent:

Susan Schumacher, Vice President
Branch Banking & Trust Co.
1909 K Street, NW
Washington, DC 20006
Facsimile: (202) 598-5397

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

3.3. Seller and Buyer shall 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 or willful misconduct. 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.

3.4. 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, 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 3.6 of this Agreement.

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

3.5. 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 right to the Escrow Funds under this Agreement, the prevailing party 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.

3.6. Escrow Agent may resign at any time upon giving the other parties hereto at least thirty (30) days prior written notice to that effect. In such event, the successor shall be such person or other party as shall be 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 may deliver the Escrow Funds into a court of competent jurisdiction.

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

3.8. This Agreement sets forth the entire agreement between Seller, Buyer, and Escrow Agent and supersedes any and all prior and contemporaneous agreements and understandings with respect to the escrow of funds under the Purchase Agreement. This Agreement shall be enforced under the laws of the State of South Carolina without regard to conflict of law provisions.

3.9. 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.

3.10. Capitalized terms not otherwise defined in the Agreement shall have the meaning described to them in the Purchase Agreement.

[Remainder Of Page Intentionally Left Blank]

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

NASSAU BROADCASTING
HOLDINGS, INC.

By: 

Louis F. Mercatanti, Jr.
President

MOREY ORGANIZATION, INC.

By: _____

Ronald J. Morey
CEO

BRANCH BANKING & TRUST CO.

By: _____

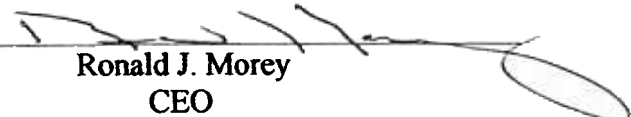
Susan Schumacher
Vice President

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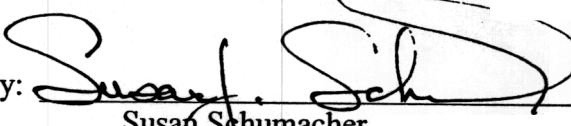
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