

ESCROW AGREEMENT

ESCROW AGREEMENT, made and entered into as of this ____ day of August, 2015 (this "*Agreement*"), by and among **MARY V. GUTHRIE** (the "*Seller*"), **RIVIERA BROADCASTING LLC** ("*Buyer*"), and Miller and Neely, P.C., located in Kensington, Maryland ("*Escrow Agent*").

WITNESSETH:

WHEREAS, pursuant to that certain Asset Purchase Agreement, dated as of August ____, 2015, between Buyer and Seller ("*Purchase Agreement*"), Buyer has agreed to acquire from Seller all of the licenses for FM Translator Station K270BZ, Phoenix, AZ (FCC Facility ID No. 152717).

WHEREAS, pursuant to the Purchase Agreement, Buyer has agreed to deposit the sum of **THIRTY FIVE THOUSAND U.S. DOLLARS** (\$35,000.00) into escrow to be held by Escrow Agent pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. ***Appointment.*** On the terms and conditions set forth herein, Escrow Agent shall act as escrow agent and, as such, receive, administer and dispose of the sum **THIRTY FIVE THOUSAND U.S. DOLLARS** (\$35,000.00) deposited simultaneously with the execution of this Agreement by Buyer with Escrow Agent as set forth herein (the "*Escrow Deposit*"). The Escrow Agent shall deposit the Escrow Deposit in its Interest On Lawyers Trust Account.

1.1. ***Receipt of Deposit.*** Escrow Agent hereby acknowledges receipt of the Escrow Deposit. Any and all cash earnings, interest and income from the Deposit (if any) which may from time to time be held by Escrow Agent pursuant to the terms hereof are hereinafter referred to as the "*Escrow Earnings*." The Deposit and the Escrow Earnings (collectively sometimes referred to herein as the "*Escrow Fund*") shall be held by Escrow Agent in accordance with the terms and conditions hereinafter set forth. It is the parties' intention that Escrow Agent shall dispose of the Escrow Fund in accordance with the express provisions of this Agreement, and shall not make, be required to make or be liable in any manner for its failure to make, any determination under the Purchase Agreement, or any other agreement, including, without limitation, any determination of whether Buyer has or Seller has complied with the terms of the Purchase Agreement or is entitled to delivery of payment of any or all of the Escrow Fund or to any other right or remedies thereunder.

2. ***Rights, Duties and Immunities of Escrow Agent.***

2.1. ***Escrow Agent Acceptance.*** Acceptance by Escrow Agent of its duties under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree shall govern and control the rights, duties and immunities of Escrow Agent:

2.1.1. ***No Extra-Agreement Duties.*** Escrow Agent undertakes to perform such duties and only such duties as are expressly set forth herein, and no implied agreements or obligations shall be read into this Agreement against Escrow Agent;

2.1.2. ***No Responsibility Escrow Funding.*** Escrow Agent shall not be responsible in any manner whatsoever for any failure or inability of Buyer, or of anyone else, to deliver moneys to Escrow Agent or otherwise to honor any of the provisions of this Agreement, the Purchase Agreement or any other agreement;

2.1.3. ***Indemnification of Escrow Agent.*** Seller and Buyer jointly shall, within ten (10) days following demand, reimburse and indemnify Escrow Agent for, and hold it harmless from and against, any loss, liability or expense, including but not limited to reasonable counsel fees, arising out of or in connection with its acceptance of, or the performance of its duties and obligations under, this Agreement, except for losses, liabilities and expenses caused by the bad faith, willful misconduct or gross negligence of Escrow Agent. Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any amount held by it hereunder in good faith in accordance with the terms hereof, including, without limitation, any liability for any delays not resulting from its gross negligence or willful misconduct or any loss of interest incident to any such delays;

2.1.4. ***Reasonable Discretion.*** Escrow Agent shall be fully protected in acting on and relying upon any written notice, direction, request, waiver, consent, receipt or other paper or document which Escrow Agent in good faith believes to have been signed or presented by the proper party or parties;

2.1.5. ***Not Fault for Judgment Errors.*** Escrow Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistake of fact or law, or for anything that it may do or refrain from doing in connection herewith, except its own bad faith, willful misconduct or gross negligence;

2.1.6. ***Escrow Agent's Fees.*** In the event that Buyer and Seller dispute or challenge each other concerning the release or distribution of the Escrow Funds, then Escrow Agent shall receive for its services as escrow agent hereunder the fee of **ONE THOUSAND NO/100 U.S. DOLLARS (\$1,000.00)**, to be shared equally by Seller and Buyer;

2.1.7. ***Assumed Document Validity.*** Escrow Agent makes no representation as to the validity, value, genuineness, or collectability of any security, document or instrument held by or delivered to it; and

2.1.8. **Reasonable Actions.** No provisions of this Agreement shall require Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

2.2. **Operating Fund Maintenance and Oversight.** Escrow Agent agrees to receive, deposit, maintain, administer and oversee the monies to be paid and delivered by Buyer to Escrow Agent for the Operating Fund (as described and defined in that certain Construction Agreement between Buyer and Seller and which is dated contemporaneously herewith). The administration of the Operating Fund by Escrow Agent shall be in accordance with those terms and conditions set forth in the Construction Agreement.

2.3. **Actions in Event of Disputes.** Subject to the provisions of **Section 3.4** hereof, if a controversy arises between one or more of the parties hereto as to whether or not or to whom Escrow Agent shall deliver the Escrow Deposit or as to any other matter arising out of or relating to the Escrow Deposit or this Agreement, Escrow Agent shall not be required to determine the same and shall not make any delivery of the Escrow Deposit but shall retain it until the rights of the parties to the dispute shall have finally been determined by written agreement among the parties in dispute or by final order of a court of competent jurisdiction; *provided, however*, that the time for appeal of any such final order has expired without an appeal having been made. Escrow Agent shall deliver the Escrow Deposit within two (2) business days after Escrow Agent has received written notice of any such agreement or final order (accompanied by an affidavit that the time for appeal has expired without an appeal having been made). Escrow Agent shall be entitled to assume that no such controversy has arisen unless it has received a written notice that such a controversy has arisen which refers specifically to this Agreement and identifies by name and address the adverse claimants in the controversy; *provided, however*, that Escrow Agent shall not be bound by any such notice unless it is received before Escrow Agent delivers the Escrow Deposit or takes any action that, but for the notice referred to in this sentence, is permitted hereunder. If a controversy of the type referred to in this paragraph arises, Escrow Agent may, in its sole discretion (but shall not be obligated to), commence interpleader or similar actions or proceedings for determination of the controversy.

3. **Release of Escrow Deposit.** Escrow Agent shall hold the Escrow Deposit until it delivers such Escrow Deposit as follows:

3.1. **Joint Written Instructions.** If Escrow Agent receives a written notice executed by Seller and Buyer stating that the Closing as defined in the Purchase Agreement is to occur on a specified date, Escrow Agent shall deliver the Escrow Deposit to Seller and, if applicable, deliver any interest and earnings thereon to Buyer on such date, *provided that* Escrow Agent shall have received at least two (2) business days prior written notice.

3.1.1. **Release of Escrow Deposit.** Subject to **Section 3.1**, Buyer and Seller agree that the Escrow Deposit shall be released by the Escrow Agent on and as of the Closing Date, as specified in the Purchase Agreement, and Buyer and Seller, absent a breach of the Purchase Agreement, covenant and agree to provide the Escrow Agent with joint written instructions to disburse and pay over to Seller the Escrow Deposit.

3.2. **Buyer's Claim to Escrow Deposit Funds.** If Escrow Agent receives a singular written notice from Buyer stating that Buyer is entitled to the Escrow Deposit, Escrow Agent then shall deliver or mail a copy thereof to Seller and, unless Escrow Agent has received a written notice of objection from Seller within ten (10) business days after the effective date of such delivery or mailing, Escrow Agent shall deliver the portion of the Escrow Deposit claimed by Buyer, together with any earnings thereon, to Buyer. If Escrow Agent so receives a written notice of objection from Seller, a controversy shall be deemed to have occurred for purposes of **Section 2.2** hereof.

3.3. **Seller's Claim to Escrow Deposit Funds.** If Escrow Agent receives a written notice from Seller stating that Seller is entitled to the Escrow Deposit, Escrow Agent shall deliver or mail a copy thereof to Buyer and, unless Escrow Agent has received a written notice of objection from Buyer within ten (10) business days after the effective date of such delivery or mailing, Escrow Agent shall deliver the Escrow Deposit, together with any earnings thereon, to Seller. If Escrow Agent so receives a written notice of objection from Buyer, a controversy shall be deemed to have occurred for purposes of **Section 2.2** hereof.

3.4. **Intent of the Parties.** For the avoidance of doubt, Buyer and Seller agree that in the event Buyer fails to consummate the purchase of the Station, then the Escrow Deposit shall be paid and delivered to Seller; *provided, however*, that if Seller fails to consummate the sale of the Station to Buyer or if the FCC does not approve the assignment of the Station's construction permit or license to Buyer for any reason other than Buyer's malfeasance, then the Escrow Deposit shall be returned, paid and delivered to Buyer.

3.5. **Good Faith Joint Instructions.** Escrow Agent shall, in addition, disburse the Escrow Deposit and earnings thereon in accordance with any joint written instructions received by Escrow Agent executed by Buyer and Seller, which joint instructions shall be deemed to supersede the above provisions of this **Section 3**.

4. **Successor Escrow Agent.**

4.1. **Escrow Agent's Resignation.** Escrow Agent (and any successor escrow agent) may at any time resign by delivering written notice to Seller and Buyer. Escrow Agent shall deliver the Escrow Deposit to any successor escrow agent jointly designated in writing by Buyer and Seller, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent shall take effect on the earlier of the appointment of a successor escrow

agent or the date which is thirty (30) days after the date of delivery of Escrow Agent's written notice of resignation to the other parties hereto. In the event that a successor Escrow Agent has not been appointed at the expiration of such thirty (30) day period, Escrow Agent's sole responsibility hereunder shall be the safekeeping of the Escrow Deposit and to deliver such Escrow Deposit as may be specified in a written agreement signed by all the other parties to this Agreement or as any court of competent jurisdiction may order.

4.2. ***Designation of Replacement Escrow Agent.*** If Escrow Agent receives a written notice from Seller and Buyer stating that they have selected another escrow agent, Escrow Agent shall deliver the Escrow Deposit to the successor escrow agent named in the aforesaid notice within ten (10) days.

5. ***Miscellaneous.***

5.1. ***Counterparts.*** This Agreement may be executed in counterpart originals, which collectively shall have the same legal effect as if all signatures had appeared on the same physical document. This Agreement may be executed and exchanged by facsimile transmission with the same legal effect as if the signatures had appeared in original handwriting on the same physical document.

5.2. ***Benefit.*** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. No persons other than the parties hereto shall have any rights under or by reason of this Agreement.

5.3. ***Notices.*** All notices, elections and other communications permitted or required under this Agreement shall be in writing and shall be deemed effectively given or delivered upon personal delivery or twenty-four (24) hours after delivery to a courier service which guarantees overnight delivery or five (5) days after deposit with the U.S. Post Office, by registered or certified mail, postage prepaid, and, in the case of courier or mail delivery, addressed as follows (or at such other address for a party as shall be specified by like notice):

If to Seller, to:

Mary V. Guthrie
2310 Ponderosa Drive, #28
Camarrillo, CA 93010
Email: maryguthrie@hotmail.com

If to Buyer, to:

Riviera Broadcasting, LLC
4535 Shetland Lane
Suite 100
Houston, TX 77027
Attention: Michael A. Cutchall, CEO
Email: michael@cutchall.net

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

Miller and Neely, PC
3750 University Blvd., West – Suite 203
Kensington, MD 20895
Attn: John S Neely, Esq.
Email: johnsneely@yahoo.com

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

Sciarrino & Shubert, PLLC
5425 Tree Line Dr.
Centreville, VA 20120
Attn.: Lee W. Shubert, L.C.
Email: lee@sciarrinolaw.com

If to Escrow Agent:

Miller and Neely, PC
3750 University Blvd., West – Suite 203
Kensington, MD 20895
Attn: John S Neely, Esq.
Email: johnsneely@yahoo.com Name

5.4. **Headings.** The headings contained in this Agreement are inserted for reference purposes only and shall not affect the meaning of interpretation of this Agreement.

5.5. **Severance.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

5.6. **Amendments in Writing.** No amendment or waiver or any provision of this Agreement shall be effective unless in writing and signed by each of the parties hereto, and any waiver shall be effective only in the instance and for the purpose for which given.

5.7. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of Maryland, without regard to principles of conflicts of law.


5.8. **Entire Agreement.** This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

[THIS SPACE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE IS NEXT]

[SIGNATURE PAGE TO ESCROW AGREEMENT]

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

BUYER: RIVIERA BROADCASTING, LLC

By: 
Name: Michael A. Cutchall
Title: Chief Executive Officer

SELLER: MARY V. GUTHRIE

By: _____
Name: Mary V. Guthrie
Title: Owner

ESCROW AGENT: MILLER AND NEELY, P.C.

By: _____
Name: John S. Neely
Title: Secretary


[SIGNATURE PAGE TO ESCROW AGREEMENT]

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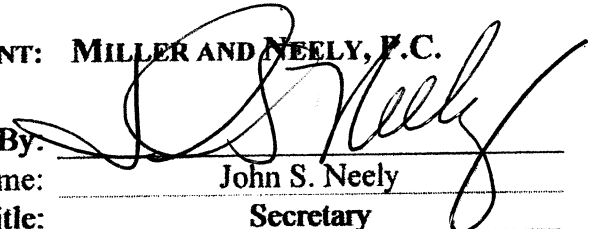
BUYER: RIVIERA BROADCASTING, LLC

By: _____
Name: Michael A. Cutchall
Title: Chief Executive Officer

SELLER: MARY V. GUTHRIE

By: 
Name: Mary V. Guthrie
Title: Owner

ESCROW AGENT: MILLER AND NEELY, P.C.

By: 
Name: John S. Neely
Title: Secretary