

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made and entered into as of the 22nd day of January, 2002 by and among **NORTH STAR BROADCASTING, LTD.**, a Minnesota corporation (hereinafter "North Star" or "Seller"), **TWIN HEARTS MEDIA, INC.**, a Minnesota non-profit corporation (hereinafter "Twin Hearts" or "Purchaser"), and **THOMAS G. LOVETT, JR.**, a member of the Minnesota Bar ("Escrow Agent").

WHEREAS, Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller certain assets and authorizations used and useful in the operation of AM Broadcast Station KSMM, 1530 kHz, Shakopee, Minnesota ("the Station"), including the Station's broadcast license and authorization issued by the Federal Communications Commission ("FCC"), upon terms and conditions incorporated into a definitive Asset Purchase Agreement between Seller and Purchaser of even date ("the Sale Agreement"); and

WHEREAS, upon execution of a letter of intent dated January 22, 2002, Buyer has deposited into escrow with Escrow Agent FORTY-TWO THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$42,500.00) and pursuant to the Sale Agreement, such sum is to remain on deposit with Escrow Agent to serve as a partial down payment, or liquidated damages, or to be returned to Purchaser, all as specified in the Sale Agreement and pursuant to the terms hereof; and

WHEREAS, Seller and Purchaser desire to establish an escrow to hold said deposit of funds;

NOW, THEREFORE, the parties hereto agree as follows:

1. The Escrow Deposit. Purchaser has already delivered to the Escrow Agent the cash sum of FORTY-TWO THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$42,500.00) ("the Escrowed Funds"), which sum has been deposited by the Escrow Agent in a federally insured banking or savings institution with an office physically located within the State of Minnesota.

2. Investment of the Escrowed Funds. The Escrow Agent shall hold or invest the Escrowed Funds in such manner as Purchaser and Seller shall jointly instruct in writing. In the absence of such joint written instructions, Escrow

Agent shall invest the Escrowed Funds in an interest bearing savings account or in Certificates of Deposit, or in other investments available from said federally insured banking or savings institution.

3. Disbursement. In the event of that the Sale Agreement is to be terminated due to the breach thereof by Purchaser and should Seller shall have elected to receive liquidated damages as its remedy, Seller shall give written notice of such breach and election by certified mail, return receipt requested, to Purchaser with a copy to Escrow Agent, whereupon Purchaser shall have ten (10) business days subsequent to receipt by it of such notice to cure his breach and close. Should such breach not be timely cured and should Purchaser otherwise not contest Seller's notice by sending a writing to Seller with a copy to the Escrow Agent by certified mail, return receipt requested, Escrow Agent shall deliver the Escrowed Funds and all accrued interest thereon to Seller. Should Purchaser contest said notice, the Escrowed Funds shall be subject to the dispute resolution provisions stated below. Conversely, should Seller be in material breach of this agreement by failing to meet the terms and conditions of the Sale Agreement, Purchaser shall give written notice of such breach to Seller by certified mail, return receipt requested, who shall then have twenty (20) business days in which to cure all items listed as breach points by Purchaser; in the event that such items are not cured within the time allotted herein, or should Seller contest said notice, the Escrowed Funds shall be subject to the dispute resolution provisions stated below. Escrow Agent shall return the Escrowed Funds together with all interest accrued thereon to Purchaser.

4. Obligations of Escrow Agent. The Escrow Agent assumes no liability except that expressed in this Escrow Agreement and shall have no responsibility or liability to any of the parties hereto, or their successors, for any action taken in good faith upon receipt of any instrument or other writing believed by the Escrow Agent to be genuine and to be properly signed or presented, whether or not such instrument or other writing is in such form as may be specifically provided for hereunder. The Escrow Agent shall not be responsible for any act done or omitted in good faith and shall not be bound by any notice of a claim or demand with respect thereto or any waiver, modification, amendment, termination or rescission of this Escrow Agreement unless received by the Escrow Agent in a writing signed by duly authorized representatives of Purchaser and Seller. The Escrow Agent shall not be liable or responsible for anything done or omitted to be done in good faith, it being

understood that the Escrow Agent's liability shall be limited to gross negligence or willful misconduct on its part. Seller and Purchaser jointly and severally agree to indemnify and hold the Escrow Agent harmless against all costs and expenses incurred by it acting as Escrow Agent and against all liability which may be imposed upon it in connection with the acceptance of appointment as Escrow Agent hereunder and the performance of the duties hereunder, other than that occurring by reason of the Escrow Agent's gross negligence or willful misconduct. Notwithstanding any other provision of this Agreement, the Escrow Agent shall not have any obligation to disburse moneys from escrow until those moneys are collected funds and the Escrow Agent shall not be obligated to disburse escrow funds until it has received clear written instructions satisfactory to Escrow Agent, which instructions are or, in good faith, appear to Escrow Agent to be signed by authorized agents or representatives of both Seller and Purchaser.

5. Written Instructions. The Escrow Agent shall be entitled to rely on the written instructions consented to by Purchaser and Seller. In the event the Escrow Agent receives written instructions from either Purchaser or Seller, the Escrow Agent shall forthwith forward a copy of said instructions to the other party, and in the event said other party fails to so consent, the Escrow Agent shall continue to hold the Escrowed Funds provided for herein.

6. Resolution of Disputes. In the event of any disputes between Purchaser and Seller under this Escrow Agreement, Escrow Agent shall be entitled, at its option, without liability to any person having a claim to the property in the Escrow Account, to refuse to perform any act other than to retain said property in its then condition until the right to the moneys still held in escrow has been finally determined as provided hereinbelow in this Paragraph 6 or until the Escrow Agent has received appropriate instructions in writing signed by duly authorized representatives of Purchaser and Seller. All disputes hereunder as to the rights of Seller and Purchaser to the money held in escrow shall be settled by arbitration held in the city of Minneapolis, Minnesota under the commercial arbitration rules of the American Arbitration Association with Purchaser and Seller each to appoint an arbitrator and the two arbitrators thus appointed to select a third arbitrator. The decision of said third arbitrator shall be binding on Seller and Purchaser.

7. Resignation. The Escrow Agent may resign at any time by giving written notice to the parties. Within thirty

days of receipt of such notice, or within thirty days of the Escrow Agent's disability or ceasing to act due to other cause, Purchaser and Seller may jointly designate a substitute escrow agent, who shall succeed to the duties of Thomas G. Lovett, Jr. hereunder. In the absence of such designation, the Escrow Agent shall have the right to appoint a successor Escrow Agent.

8. Notices. All notices required to be sent hereunder shall be sent by registered mail, return receipt requested, to the parties as follows:

If to Seller:

Robert Chevalier, President
Northstar Broadcasting Ltd.
1209 Pacific Avenue
P O Box 188
Benson, MN 56215-0188

with a copy to:

Peter Gutmann, Esquire
Womble Carlyle Sandridge & Rice, PLLC
11401 Eye Street, NW, Seventh Floor
Washington, D. C. 20005

If to Purchaser:

Mr. Mark Hapka
Twin Hearts Media, Inc.
14815 Aberdeen Street, NE, Suite A
Ham Lake, MN 55304

with a copy to:

Dennis J. Kelly, Esquire (D. C. Bar only)
Law Office of Dennis J. Kelly
Post Office Box 6648
Annapolis, Maryland 21401

If to Escrow Agent:

Thomas G. Lovett, Jr.
Lovett and Associates, Ltd.
Suite 2960
222 South 9th Street
Minneapolis, MN 55402-3369

9. Counterparts. This Escrow Agreement may be signed in any number of counterparts with the same effect as if the signing of each counterpart were upon the same instrument.

10. Interpretation and Amendment. This Escrow Agreement shall be construed according to the laws of the State of Minnesota and cannot be changed or terminated orally.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

