

ESCROW AGREEMENT

THIS AGREEMENT (the "Escrow Agreement") is made as of the ____ day of _____, 20__, by and among:

_____, having an office at _____, New York ("Seller"); and

_____, having an office at _____, New York ("Buyer"); and

Whereas, the Seller and the Buyer are parties to an Assets Purchase Agreement, dated _____, 20__ ("Purchase Agreement"); and

Whereas, the Purchase Agreement provides for the escrow of a portion of the purchase price; and

Whereas, the parties wish to establish and maintain this escrow in accordance with the terms and provisions of this Escrow Agreement;

NOW, THEREFORE, the parties agree:

1. *Purpose.* This Escrow Agreement provides for the escrow of \$_____ under the Purchase Agreement, as a source for payment in the event of a claim by Buyer for indemnification under Section ____ of the Purchase Agreement. Subject to the terms of this Escrow Agreement, the parties establish this escrow to insure the Seller's compliance with the terms, provisions and conditions of their indemnification agreement under the terms of the Purchase Agreement.

2. *Establishment of Escrow Fund.* Seller has deposited with the Escrow Agent the sum of \$_____, as set forth in Schedule A annexed, on the date of this Escrow Agreement. This shall constitute and be referred to as the Escrow Fund.

3. *Receipt.* The Escrow Agent shall issue appropriate written acknowledgments of the receipt of the Escrow Fund.

4. *Disposition of the Escrow Fund.*

a. *Release.* The Escrow Agent shall hold the Escrow Fund until _____, 20__ when the Escrow Agent shall release one-half of the Escrow Fund to the Seller. The balance of the Escrow Fund shall be released by the Escrow Agent to the Seller on _____, 20__.

b. *Default.* During the term of this Escrow Agreement, if the Seller defaults in the payment of a claim for indemnification, the Escrow Agent shall transfer and pay over to the Buyer from the Escrow Fund, up to the entire amount of the Escrow Fund, the total amount of the claim. The nature, extent and validity of Buyer's claim for indemnification shall be determined under and governed by the terms, conditions and provisions of the Purchase Agreement, which is incorporated in this Escrow Agreement by reference.

5. *Investment of Escrow Fund.* The Escrow Agent deposits the Escrow Fund in an interest bearing trust account, determined by the Seller. During the term of the escrow all interest and/or other increments to the Escrow Fund shall be credited to the Seller.

6. *Written instructions to Escrow Agent.* Notwithstanding anything herein to the contrary, the Escrow Agent may act upon any written instructions given by the parties jointly.

7. *Status of the Escrow Agent.*

a. The Escrow Agent is to be considered and regarded as a depository only, and shall not be responsible or liable (except for their failure to exercise due care) for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited as part of this Escrow Fund, nor as to the identity, authority, or rights of any person executing the same. The Escrow Agent's duties hereunder shall be limited to the safekeeping and investment of money, instruments, and securities received by it as Escrow Agent and for their disbursement in accordance with the terms, provisions and conditions of this Escrow Agreement.

b. The Escrow Agent shall not be responsible for the genuineness of any certificate or signature and may rely conclusively upon and shall be protected when acting upon any notice, affidavit, request, consent, instruction, check, or other instrument believed by the Escrow Agent in good faith to be genuine or to be signed or presented by the proper person, or duly authorized, or properly made. The Escrow Agent shall have no responsibility except for the performance of the Escrow Agent's express duties under this Escrow Agreement and no additional duties shall be inferred or implied.

c. The Escrow Agent shall not be responsible or liable for any act or omission in the performance of the duties of the Escrow Agent under this Escrow Agreement unless such act or omission constitutes bad faith, gross negligence or fraud.

d. The Escrow Agent shall not be required to institute or defend any action involving any matters referred to in this Escrow Agreement or which affect the Escrow Agent or the duties or liabilities of the Escrow Agent under this Escrow Agreement unless or until requested to do so by any party to this Escrow Agreement and then only upon receiving full indemnity, in character satisfactory to the Escrow Agent, against all claims, liabilities and expenses.

8. *Disputes.* In the event of any dispute among the parties with respect to the Escrow Agent or the duties of the Escrow Agent:

a. the Escrow Agent may act or refrain from acting in respect of any matter referred to in this Escrow Agreement in full reliance upon and by and with the advice of counsel and shall be fully protected in so acting or in refraining from acting upon advice of counsel; or

b. the Escrow Agent may refrain from acting until required to do so by the order of a court of final authority.

9. *Fee of Escrow Agent.* Buyer shall be liable for the fees of the Escrow Agent, which shall not be chargeable against the Escrow Fund.

10. *Non-waiver.* No delay or failure by any party to exercise any right hereunder, and no partial or single exercise of any such right, shall constitute a waiver of that or any other right unless otherwise expressly provided herein.

11. *Time of essence.* Time is of essence of this Escrow Agreement.

12. *Notices.* All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed, postage prepaid, certified mail, return receipt requested or by overnight express mail (i.e. Federal Express):

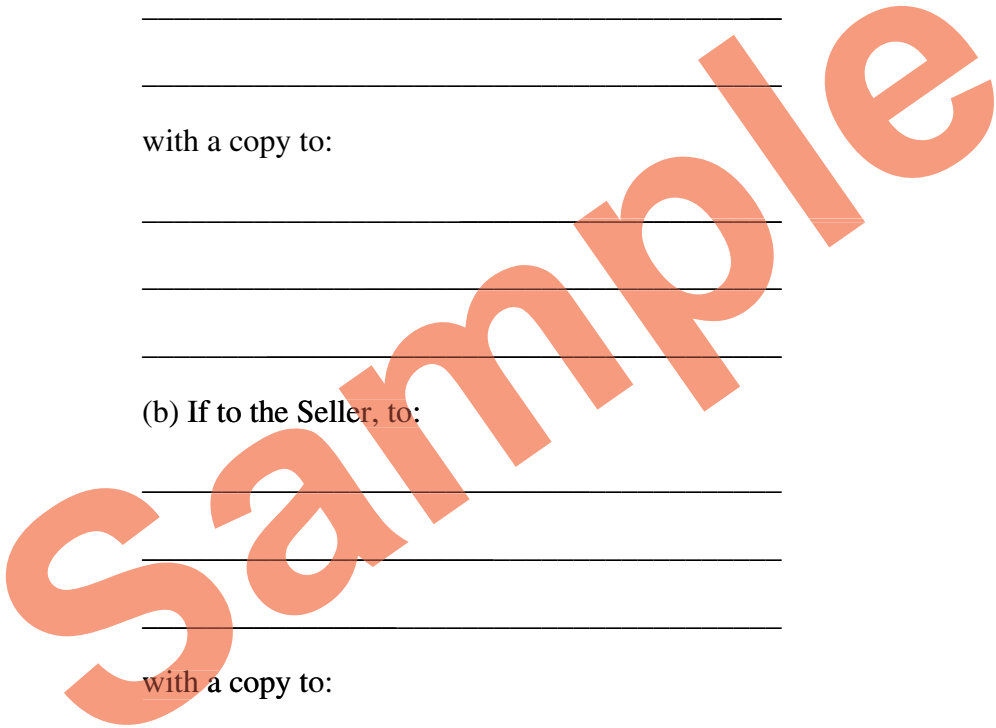
(a) If to the Buyer, to:

with a copy to:

(b) If to the Seller, to:

with a copy to:

(c) if to the Escrow Agent, to:



The address may be changed by any party in a notice duly given as provided herein.

13. *Nonexclusive protection.* The provisions of this Escrow Agreement are cumulative and not exclusive of all other rights or remedies which Purchaser may have at law or equity, or under the Purchase Agreement or other instrument or document.

14. *Binding Effect.* This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided that any permitted assignment of either party's obligations or liabilities shall not relieve that party of any of its liabilities or obligations under this Escrow Agreement.

15. *Titles.* The titles are for convenience or reference and shall not be deemed to modify or affect the interpretation of this Escrow Agreement. The term "herein" as used in this Escrow Agreement refers to this Escrow Agreement and any Exhibits to this Escrow Agreement.

16. *Modification.* Neither this Escrow Agreement nor any of its provisions shall be modified, changed, discharged, or terminated except by an instrument in writing signed by the party against whom the enforcement of any modification, change, discharge or termination is sought.

17. *Further Assurances.* In connection with the transactions contemplated by this Escrow Agreement, the parties agree to execute any additional documents and papers and to perform and do any additional acts and things as may be reasonably necessary and proper to effectuate and carry out the transactions contemplated by this Escrow Agreement.

18. *Delay.* No delay or omission on the part of any party in exercising any right shall operate as a waiver of that right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion.

19. *Governing Law.* This Escrow Agreement shall be governed by, construed and interpreted according to the laws of the state of New York and the Purchase Agreement.

20. *Counterparts.* This Escrow Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same Agreement. Any signature page of any such counterpart, or any electronic facsimile thereof, may be attached or appended to any other counterpart to complete a fully executed counterpart of this Agreement, and any telecopy or other facsimile transmission of any signature shall be deemed an original and shall bind each Party.

IN WITNESS, the parties have executed this Escrow Agreement.

