

## **EXHIBIT 1**

### **ESCROW AGREEMENT**

ESCROW AGREEMENT, dated as of August \_\_, 2002, by and among **BOMAR BROADCASTING COMPANY – TERRE HAUTE, INC.**, an Indiana corporation and **BOMAR BROADCASTING COMPANY – MARION, INC.**, an Indiana corporation (collectively, "Seller"), **STONEGATE ACQUISITION CORP.**, a Delaware corporation ("Buyer"), and **FRANK A. BOVE** ("Escrow Agent").

#### **WITNESSETH:**

**WHEREAS**, Buyer, Seller and certain shareholders of Seller are parties to a certain Asset Purchase Agreement dated as of August, 2002 (the "**Agreement**") relating to the sale by Seller, and the purchase by Buyer, of radio broadcast stations WLEZ(FM), WGOM(AM), and WMRI(FM); and

**WHEREAS**, the Agreement contemplates that Buyer shall deposit sums with Escrow Agent, to be held in escrow and placed in an interest bearing escrow account and subsequently disbursed as provided herein, in the aggregate amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) within the time period required by the terms of the Agreement (such deposit being referred to as the "**Escrowed Funds**").

**NOW, THEREFORE**, for and in consideration of the mutual promises and in consideration of the mutual benefits to be derived therefrom, the parties hereto agree as follows:

1. Escrow Agent will act hereunder as a depository and is not a party to or bound by the Agreement, or any other agreement, document or understanding to which Buyer and Seller are parties. Escrow Agent is not responsible or liable in any manner for the sufficiency, correctness, genuineness or validity of any agreements or documents between Buyer and Seller. Escrow Agent undertakes no responsibility or liability for the form or execution of any such agreements or documents or the identity, authority, title or rights of any person executing any such agreements or documents.
2. Except as expressly provided in this Agreement, Escrow Agent shall not be liable for any action which it may in good faith take or refrain from taking in connection herewith, believed by it to be authorized or within the rights and powers conferred upon it by this Escrow Agreement, and may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.
3. Escrow Agent is authorized to act upon any document, request, or notice which is believed by it in good faith to be genuine and signed or presented by the proper party or parties, and shall be protected in so acting.
4. All notices, requests, demands, and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when delivered personally (which shall

include delivery by Federal Express or other nationally recognized, reputable overnight courier service that issues a receipt or other confirmation of delivery) to the party for whom such communication is intended, or three (3) business days after the date mailed by certified or registered U.S. mail, return receipt requested, postage prepaid, addressed as follows:

(a) If to the Seller:

Bomar Broadcasting Company – Terre Haute, Inc.  
Bomar Broadcasting Company – Marion, Inc.  
820 South Pennsylvania Street  
Marion, Indiana 46953  
Attention: Mr. Michael O. Day, President

and to:

Mr. Frank A. Bove, Chairman  
Bomar Broadcasting Corporation  
c/o United Cartage  
5785 East 500 South  
Marion, Indiana 46953

or

P.O. Box 10  
Gas City, Indiana 46933

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

Shook, Hardy & Bacon L.L.P.  
Hamilton Square  
600 14th Street N.W.  
Suite 800  
Washington, D.C. 20005-2004  
Attention: Erwin Krasnow, Esq.

(b) If to Buyer:

StoneGate Acquisition Corp.  
20 Stanford Drive  
Farmington, CT 06032  
Attention: Mr. Joel M. Hartstone

With a copy to:

Michael F. Mulpeter, Esq.

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Cohn Birnbaum & Shea P.C.  
100 Pearl Street, 12<sup>th</sup> Floor  
Hartford, CT 06103-4500

(c) If to Escrow Agent:

And to:

Mr. Frank A. Bove, Chairman  
Bomar Broadcasting Corporation  
c/o United Cartage  
5785 East 500 South  
Marion, Indiana 46953

or

P.O. Box 10  
Gas City, Indiana 46933

5. In the event conflicting demands are made or conflicting notices are served upon Escrow Agent growing out of or directly related to Escrow Agent's duties under this Escrow Agreement, the parties hereto expressly agree and consent that the Escrow Agent may then promptly file an interpleader action and place the Escrowed Funds in the registry of the United States District Court for the Northern District of Indiana. Buyer and Seller jointly and severally agree to pay Escrow Agent's costs, including reasonable attorney's fees which the Escrow Agent may expend or incur in such interpleader suit, the amount of such costs to be paid within thirty (30) days of presentment to each by Escrow Agent. Upon the filing of the interpleader action and the payment of the Escrowed Funds into the registry of such United States District Court, Escrow Agent shall, ipso facto, be fully released and discharged from all obligations imposed on it in this Agreement. The Escrow Agent's liability under this Escrow Agreement shall be limited to its obligations hereunder.

6. Escrow Agent shall invest the Escrowed Fund pursuant to Section 10 hereof and collect interest as the same becomes due.

7. Buyer and Seller agree to undertake to deliver to Escrow Agent, at the same time that Buyer and Seller determine, and in any event not later than two (2) business days prior to, the "**Closing Date**" (as defined in the Agreement), a notice of such Closing Date.

8. Contemporaneously with the completion of the Closing (as defined in the Agreement), the Escrow Agent will remit the Escrowed Funds together with all interest earned thereon to or at the direction of Buyer.

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9. In the absence of completion, or contemporaneous completion, of the Closing as provided in the Agreement, the Escrow Agent shall remit the Escrowed Funds solely upon the joint written instructions of Seller and Buyer. Upon any request or demand by only one of Seller and Buyer to

remit the Escrowed Funds, Escrow Agent may invoke its rights as stated in Section 5 hereof.

10. The Escrow Agent shall be responsible for the safekeeping of the Escrowed Funds and, in such connection, shall be entitled to invest and reinvest the Escrowed Funds in any accounts, certificates, shares or other investment instruments or vehicles as may be selected by the Escrow Agent, including, without limitation, any accounts maintained at, or certificates or securities issued by, Star Financial Wealth Management. The Escrow Agent shall be responsible for, and shall reimburse Buyer for, any loss of the Escrowed Funds. Interest, if any, earned on the Escrowed Funds shall be paid to Buyer.

11. Each of Buyer and Seller shall serve simultaneously upon the other a copy of any and all notices which each gives to Escrow Agent and Escrow Agent may presume upon the receipt of any notice that the requirement of this Section 11 has been complied with.

12. (a) The Escrow Agent (and any successor escrow agent) may at any time resign as such by delivering a written notice of resignation to the other parties hereto and by delivering the Escrowed Funds to any successor escrow agent jointly designated in writing by Seller and Buyer or, if such successor is not so designated, to any court of competent jurisdiction, whereupon the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of the Escrow Agent shall take effect upon the earlier of the appointment of a successor escrow agent or thirty (30) days after the date of delivery of the 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, the Escrow Agent's sole responsibility hereunder shall be the safekeeping of the Escrowed Funds, and to pay such amount as may be specified in a written agreement signed by Seller and Buyer or as any court of competent jurisdiction may order.

(b) If, at any time, the Escrow Agent receives a written notice signed by Seller and Buyer stating that they have selected another escrow agent, the Escrow Agent shall deliver the Escrowed Funds to such successor escrow agent within ten (10) business days of receiving the aforesaid notice.

14. The Buyer and the Seller, jointly, will indemnify the Escrow Agent against and hold the Escrow Agent harmless from any losses, costs, damages, expenses, claims and attorneys' fees suffered or incurred by the Escrow Agent as a result of, in connection with or arising from or out of the acts or omissions of the Escrow Agent in performance of or pursuant to this Agreement, except (i) such acts or omissions as may result from the Escrow Agent's willful misconduct or gross negligence, or (ii) liability for loss of the Escrowed Funds as expressly provided in Section 10 hereof.

15. After the Escrow Agent has delivered the Escrowed Funds and any interest earned thereon pursuant to the terms of this Agreement, the Escrow Agent shall have discharged all of its obligations hereunder and neither Seller nor Buyer shall thereafter have any claim against the Escrow Agent on account of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and through their duly authorized officers on the day and year first above written.

**BUYER:**

**STONEGATE ACQUISITION CORP.**

By: \_\_\_\_\_

Joel M. Hartstone  
Its Chairman

**SELLER:**

**BOMAR BROADCASTING COMPANY – TERRE HAUTE, INC.**

By \_\_\_\_\_

Its \_\_\_\_\_

**BOMAR BROADCASTING COMPANY – MARION, INC.**

By \_\_\_\_\_

Its \_\_\_\_\_

**ESCROW AGENT:**

\_\_\_\_\_  
Frank A. Bove

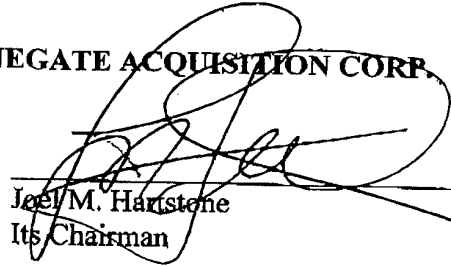
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**BUYER:**

**STONEGATE ACQUISITION CORP.**

By: \_\_\_\_\_

  
Joel M. Hartstone  
Its Chairman

**SELLER:**

**BOMAR BROADCASTING COMPANY – TERRE  
HAUTE, INC.**

By \_\_\_\_\_

Its

**BOMAR BROADCASTING COMPANY – MARION,  
INC.**

By \_\_\_\_\_

Its

**ESCROW AGENT:**

\_\_\_\_\_  
Frank A. Bove