

EXHIBIT 2

INDEMNIFICATION ESCROW AGREEMENT

INDEMNIFICATION ESCROW AGREEMENT, dated as of _____, 200__, by and among **BOMAR BROADCASTING COMPANY-TERRE HAUTE, INC.**, an Indiana corporation, and **BOMAR BROADCASTING COMPANY-MARION, INC.**, an Indiana corporation (together, "Seller"), **STONEGATE ACQUISITION CORP.**, a Delaware corporation ("Buyer"), and **FRANK A. BOVE** ("Escrow Agent").

B A C K G R O U N D:

Concurrently herewith Seller is selling to Buyer, and Buyer is purchasing from Seller, substantially all of the assets of Radio Stations WLEZ(FM), WGOM(AM) and WMRI(FM) (the "Stations"), pursuant to an Asset Purchase Agreement dated August, 2002 among Seller, certain shareholders of Seller and Buyer (the "Agreement"). This Escrow Agreement is being entered into pursuant to the Agreement for the purpose of securing to Buyer a source of payment for indemnification claims made by Buyer or other Buyer Indemnitees (in either case, an "Indemnatee") under the terms of the Agreement. Defined terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Agreement.

In consideration of the execution of the Agreement and the consummation of the transactions contemplated thereby, and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

I. ESCROWED FUNDS

1.01 Immediately upon the execution and delivery of this Escrow Agreement to the Escrow Agent, Seller shall deliver to Escrow Agent, by wire transfer of immediately available funds, the total sum of Four Hundred Thousand and 00/100 Dollars (\$400,000.00). The amount held hereunder at any given time by Escrow Agent being hereinafter referred to as the "Escrowed Funds").

1.02 Subject to the provisions of this Escrow Agreement, 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 the party entitled hereunder to receive, any loss of the Escrowed Funds. Interest, if any, earned on the Escrowed Funds shall be paid to Seller.

1.03 The Escrowed Funds shall remain in escrow as provided below. If, as of 11:59 p.m. on the date on which is the six (6) month anniversary of the Closing Date, there are no outstanding Claims pending, One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) of the Escrowed Funds (including interest earned on the Escrowed Funds) shall be returned to Seller pursuant to the written instructions of Seller to Escrow Agent. If there are any outstanding Claims at the sixth (6) month anniversary date, an amount of Escrowed Funds equal to the then outstanding Claims shall, in addition to the sum of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), remain in escrow pending a Determination of all Claims as provided below. If, as of 11:59 p.m. on the date which is the one (1) year anniversary of the Closing Date ("the Final Distribution Date"), there are no outstanding Claims pending, all remaining Escrowed Funds (plus interest earned on the Escrowed Funds) shall be returned to Seller pursuant to the written instructions of Seller to Escrow Agent. If there are any outstanding Claims at the Final Distribution Date, an amount of Escrowed Funds equal to the then outstanding Claims shall remain in escrow pending a Determination of all Claims as provided below.

II. DELIVERY OF ESCROWED FUNDS BY ESCROW AGENT

2.01 At any time and from time to time prior to the Distribution Date, Buyer may give notice to Escrow Agent, Seller and the Shareholders that, pursuant to the terms of the Agreement, an Indemnitee is asserting a claim for indemnification under Section 11.1.1 of the Agreement (a "Claim") against Seller. Each notice shall constitute the assertion of such Claim by an Indemnitee against the Escrowed Funds. Following receipt by Escrow Agent of each such notice of a Claim, Escrow Agent shall continue to hold in escrow an amount of the Escrowed Funds which shall be sufficient to pay each such Claim until Escrow Agent is authorized or directed by the terms of this Escrow Agreement to deliver such Escrowed Funds. Notice of a

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Claim given to Escrow Agent by Buyer pursuant to this Section 2.01 shall briefly set forth the basis of the Claim and, if then determinable by Buyer, a reasonable estimate of the amount thereof. If the estimated amount of a Claim is not set forth in the notice of a Claim, Buyer shall give a further notice to Escrow Agent and Seller setting forth Buyer's estimate of the amount of such Claim promptly after it is reasonably able to make such estimate (not later than ninety (90) days after Buyer's initial notice and, in any event, prior to the Distribution Date).

2.02 Promptly after the Determination of a Claim favorably to an Indemnitee in accordance with the provisions of Article III hereof, Escrow Agent shall deliver to Buyer, free and clear of any interest of Seller therein, Escrowed Funds equal to the amount of such Claim payable to Buyer pursuant to such Determination. If the amount of Escrowed Funds (plus interest earned thereon) then held by Escrow Agent is less than the amount so payable, Escrow Agent shall deliver to Buyer all of the Escrowed Funds (plus interest earned thereon) then held by it.

2.03 If, as of 11:59 p.m. on the Distribution Date, any Escrowed Funds remain after the deduction of the amount of all Claims made prior to the Distribution Date, Escrow Agent shall, upon the written instructions from Seller, deliver to Seller all remaining Escrowed Funds (plus interest earned on the Escrowed Funds) in excess of the amount so deducted.

III. DETERMINATION OF CLAIMS

3.01 The "Determination" of a Claim asserted hereunder shall be made as follows:

(a) A Claim shall be deemed to have resulted in a Determination in favor of an Indemnitee, and to have resulted in a liability of Seller to an Indemnitee in an amount equal to the amount of such Claim, on the twentieth (20th) day after Buyer gives Escrow Agent and Seller notice of the estimated amount of such Claim pursuant to Section 2.01 hereof unless, prior thereto, Escrow Agent and Buyer have received written notice from Seller that Seller disputes such Claim.

(b) If a Claim asserted hereunder is disputed by Seller, the Determination shall be made either by mutual agreement of Buyer and Seller (evidenced by appropriate instructions in writing to Escrow Agent signed by Buyer and Seller) or by a binding and final arbitrator's award, MFM:dml/114352v5

provided Buyer and Seller shall have agreed to submit such Claim to arbitration, or by a final judgment, order or decree of a court of competent jurisdiction in the United States of America in an action commenced by any of the parties hereto (the time for appeal therefrom having expired and no appeal having been perfected), all costs and expenses of which (including reasonable attorneys' fees) shall be borne by the party against whom any such arbitrator or court makes a Determination of Claim. Escrow Agent shall be under no duty to institute or defend any such proceedings and none of the costs and expenses of any such proceedings shall be borne by Escrow Agent. Prior to Determination of a Claim, Escrow Agent shall retain in its possession, without liability to anyone, all or such portion of the Escrowed Funds as is sufficient to pay in full such Claim.

IV. CONCERNING THE ESCROW AGENT

4.01 Upon request by Escrow Agent (which shall not be made more than once during any three (3) month period commencing within the three (3) month period beginning on the date hereof) and upon submission to Seller of a reasonably detailed itemized statement, Seller shall reimburse Escrow Agent for all reasonable expenses, disbursements and advances (including reasonable attorneys' fees and expenses) incurred or made by it in performance of its duties hereunder.

4.02 Escrow Agent may resign and be discharged from its duties hereunder at any time by giving written notice of such resignation to Buyer and Seller specifying a date not less than thirty (30) days after the giving of such notice. Promptly after such notice, a successor escrow agent shall be appointed by mutual agreement of Buyer and Seller effective upon the resignation date specified in such notice. In such event, the Escrow Agent will provide written notice to Seller and Buyer which shall include an assignment executed by the former Escrow Agent and an acceptance executed by the new Escrow Agent. If Buyer and Seller are unable to agree upon a successor escrow agent within thirty (30) days after such notice, Escrow Agent shall be entitled to appoint its successor. Buyer and Seller may agree at any time to substitute a new escrow agent by giving notice thereof to Escrow Agent then acting. Escrow Agent, in each case

described in the two preceding sentences, shall continue to serve until its successor accepts the escrow and receives the Escrowed Funds.

4.03 Escrow Agent undertakes to perform only such duties as are specifically set forth herein. Escrow Agent acting in good faith shall not be liable for any mistake of fact or error of judgment made by it or for any of its acts or omissions unless caused by willful misconduct or gross negligence, and shall be entitled to rely, and shall be protected in doing so, (i) upon any written notice, instrument or signature which it believes to be genuine and to have been signed or presented by the proper party or parties duly authorized to do so and (ii) upon the advice of counsel (which may be of the Escrow Agent's own choosing).

4.04 Buyer and Seller hereby jointly and severally agree to indemnify Escrow Agent and hold it harmless against any and all liabilities incurred by it hereunder except for (i) liabilities incurred by Escrow Agent resulting from its own willful misconduct or gross negligence, or (ii) liabilities for loss of the Escrowed Funds as provided in Section 1.02.

4.05 In the event that (a) any Claim shall not have resulted in a Determination pursuant to clause (a) or (b) of Section 3.01, or (b) Escrow Agent gives a notice of resignation and no substitute Escrow Agent is appointed pursuant to the mutual agreement of Buyer and Seller pursuant to Section 4.02 within thirty (30) days of the giving of such resignation notice, the Escrow Agent shall be entitled to 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 attorneys' fees, which 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 him in this Agreement. Escrow Agent's liability under this Escrow Agreement shall be limited to his obligations hereunder.

V. MISCELLANEOUS

5.01 This Escrow Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective beneficiaries, representatives, successors and assigns of the parties hereto.

5.02 This Escrow Agreement contains the entire understanding of the parties with respect to this subject matter, and may be amended only by a written instrument duly executed by all the parties hereto.

5.03 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:

- (i) If to Seller:
Bomar Broadcasting Company - Terre Haute, Inc.
Bomar Broadcasting
820 South Pennsylvania Street
Marion, Indiana 46953
Attention: Mr. Michael O. Day

and to:

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

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, DC 20005-2004
Attention: Erwin Krasnow, Esq.

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(ii) If to Buyer:

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

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

Michael F. Mulpeter, Esq.
Cohn Birnbaum & Shea P.C.
100 Pearl Street
Hartford, Connecticut 06103-4500

(iii) If to the Escrow Agent:

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

5.04 This Escrow Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Indiana.

5.05 This Escrow Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

5.06 This Escrow Agreement shall remain in full force and effect until Escrow Agent has delivered all of the Escrowed Funds in its possession in accordance with the terms hereof.

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IN WITNESS WHEREOF, this Escrow Agreement has been duly executed and delivered by Buyer, Seller, the Shareholders and Escrow Agent on the date 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:

Frank A. Bove

[SIGNATURE PAGE TO INDEMNIFICATION ESCROW AGREEMENT
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