

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1999  
Commission File No. 333-30795

RADIO ONE, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE 52-1166660  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

5900 PRINCESS GARDEN PARKWAY,  
8TH FLOOR  
LANHAM, MARYLAND 20706  
(Address of principal executive offices)

(301) 306-1111  
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No  
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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 1999
Class A Common Stock, \$.01 Par Value	12,034,395
Class B Common Stock, \$.01 Par Value	2,873,084
Class C Common Stock, \$.01 Par Value	3,195,064

RADIO ONE, INC. AND SUBSIDIARIES

Form 10-Q  
For the Quarter Ended June 30, 1999

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

(See pages 4-10 -- This page intentionally left blank.)

RADIO ONE, INC. AND SUBSIDIARIES  
CONSOLIDATED CONDENSED BALANCE SHEETS  
AS OF DECEMBER 31, 1998, AND JUNE 30, 1999

ASSETS

	December 31, 1998	June 30, 1999
	-----	-----
		(Unaudited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 4,455,000	\$ 5,018,000
Trade accounts receivable, net of allowance for doubtful accounts of \$1,243,000 and \$1,977,000, respectively	12,026,000	16,879,000
Prepaid expenses, deferred income taxes and other current assets	1,160,000	1,592,000
	-----	-----
Total current assets	17,641,000	23,489,000
PROPERTY AND EQUIPMENT, net	6,717,000	15,349,000
INTANGIBLE ASSETS, net	127,639,000	200,181,000
OTHER ASSETS	1,859,000	4,757,000
	-----	-----
Total assets	\$ 153,856,000	\$ 243,776,000
	=====	=====

LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 1,190,000	\$ 3,353,000
Accrued expenses	3,851,000	6,052,000
	-----	-----
Total current liabilities	5,041,000	9,405,000
DEFERRED INCOME TAX LIABILITY	15,251,000	14,943,000
LONG-TERM DEBT AND DEFERRED INTEREST:		
Senior subordinated notes (net of \$7,020,000 and \$5,042,000 unamortized discount, respectively)	78,458,000	80,436,000
Line of credit	49,350,000	16,000,000
Note payable and deferred interest	3,841,000	--
Other long-term debt	90,000	62,000
	-----	-----
Total liabilities	152,031,000	120,846,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:		
Series A, \$.01 par value, 140,000 shares authorized, 84,843 and no shares issued and outstanding	10,816,000	--
Series B, \$.01 par value, 150,000 shares authorized, 124,467 and no shares issued and outstanding	15,868,000	--
STOCKHOLDERS' (DEFICIT) EQUITY:		
Common stock - Class A, \$.001 par value, 30,000,000 shares authorized, no and 12,034,000 shares issued and outstanding, respectively	--	12,000
Common stock - Class B, \$.001 par value, 30,000,000 shares authorized, 1,572,000 and 2,873,000 shares issued and outstanding, respectively	2,000	3,000
Common stock - Class C, \$.001 par value, 30,000,000 shares authorized, 3,146,000 shares and 3,195,000 shares issued and outstanding, respectively	3,000	3,000
Additional paid-in capital	-	152,933,000
Accumulated deficit	(24,864,000)	(30,021,000)
	-----	-----
Total stockholders' (deficit) equity	(24,859,000)	122,930,000
	-----	-----
Total liabilities and stockholders' (deficit) equity	\$ 153,856,000	\$ 243,776,000
	=====	=====

The accompanying notes are an integral part of these consolidated condensed balance sheets.

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 1998 AND 1999

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1998	1999	1998	1999
<b>REVENUES:</b>				
Broadcast revenues including barter revenues of \$121,000, \$274,000, \$294,000 and \$572,000, respectively	\$ 13,231,000	\$ 24,083,000	\$ 22,328,000	\$ 37,473,000
Less: Agency commissions	1,726,000	3,046,000	2,800,000	4,619,000
Net broadcast revenues	11,505,000	21,037,000	19,528,000	32,854,000
<b>OPERATING EXPENSES:</b>				
Program and technical	1,868,000	3,405,000	3,503,000	5,877,000
Selling, general and administrative	3,578,000	8,062,000	7,007,000	13,206,000
Corporate expenses	678,000	1,070,000	1,319,000	1,928,000
Stock based compensation	--	--	--	225,000
Depreciation and amortization	1,859,000	4,347,000	3,632,000	7,475,000
Total operating expenses	7,983,000	16,884,000	15,461,000	28,711,000
Broadcast operating income	3,522,000	4,153,000	4,067,000	4,143,000
INTEREST EXPENSE, including amortization of deferred financing costs and LMA fees	2,547,000	3,752,000	4,925,000	7,489,000
OTHER INCOME, net	156,000	78,000	286,000	141,000
Income (loss) before provision for income taxes	1,131,000	479,000	(572,000)	(3,205,000)
PROVISION FOR INCOME TAXES	--	225,000	--	476,000
Net income (loss)	\$ 1,131,000	\$ 254,000	\$ (572,000)	\$ (3,681,000)
Net income (loss) applicable to common stockholders	\$ 224,000	\$ (217,000)	\$ (2,344,000)	\$ (5,157,000)
BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE APPLICABLE TO COMMON SHAREHOLDERS	\$ 0.02	\$ (0.01)	\$ (0.25)	\$ (0.40)
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED	9,393,000	16,013,000	9,393,000	12,739,000

The accompanying notes are an integral part of these consolidated statements.

RADIO ONE, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30, 1998 AND 1999  
(Unaudited)

	Six Months Ended June 30,	
	1998	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (572,000)	\$ (3,681,000)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	3,632,000	7,475,000
Amortization of deferred financing costs, unamortized discount and deferred interest	1,804,000	2,180,000
Noncash compensation to officer	--	225,000
Effect of change in operating assets and liabilities-		
Trade accounts receivable	(1,319,000)	(3,160,000)
Prepaid expenses and other	166,000	(159,000)
Other assets	(442,000)	(98,000)
Accounts payable	223,000	2,059,000
Accrued expenses	804,000	1,143,000
Net cash flows from operating activities	4,296,000	5,984,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,103,000)	(2,119,000)
Deposits and payments for acquisitions, net of cash received	(32,529,000)	(38,911,000)
Purchase of investments	--	(1,000,000)
Net cash flows from investing activities	(33,632,000)	(42,030,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt issuances	25,350,000	16,000,000
Repayment of debt	(453,000)	(69,476,000)
Repayment of Senior Cumulative Redeemable Preferred Stock	--	(28,160,000)
Proceeds from issuance of common stock, net of issuance costs	--	118,527,000
Deferred financing costs	(630,000)	(282,000)
Net cash flows from financing activities	24,267,000	36,609,000
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(5,069,000)	563,000
CASH AND CASH EQUIVALENTS, beginning of period	8,500,000	4,455,000
CASH AND CASH EQUIVALENTS, end of period	\$ 3,431,000	\$ 5,018,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for-		
Interest	\$ 3,104,000	\$ 5,207,000
Income taxes	\$ --	\$ 312,000

The accompanying notes are an integral part of these consolidated statements.

RADIO ONE, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE SIX MONTHS ENDED JUNE 30, 1999  
(Unaudited)

	Common Stock Class A -----	Common Stock Class B -----	Common Stock Class C -----	Additional Paid-In Capital -----
BALANCE, as of December 31, 1998	\$ --	\$ 2,000	\$ 3,000	\$ --
Net loss	--	--	--	--
Preferred stock dividends earned	--	--	--	--
Issuance of stock for acquisition	2,000	1,000	--	34,191,000
Stock issued to an employee	--	--	--	225,000
Conversion of warrants	5,000	--	--	(5,000)
Issuance of common stock	5,000	--	--	118,522,000
	-----	-----	-----	-----
BALANCE, as of June 30, 1999	\$ 12,000	\$ 3,000	\$ 3,000	\$ 152,933,000
	=====	=====	=====	=====
	Accumulated Deficit -----	Total Stockholders' Equity -----		
BALANCE, as of December 31, 1998	\$ (24,864,000)	\$ (24,859,000)		
Net loss	(3,681,000)	(3,681,000)		
Preferred stock dividends earned	(1,476,000)	(1,476,000)		
Issuance of stock for acquisition	--	34,194,000		
Stock issued to an employee	--	225,000		
Conversion of warrants	--	--		
Issuance of common stock	--	118,527,000		
	-----	-----		
BALANCE, as of June 30, 1999	\$ (30,021,000)	\$ 122,930,000		
	=====	=====		

The accompanying notes are an integral part of this consolidated statement.

RADIO ONE, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One, Inc. (a Delaware corporation referred to as Radio One) and its subsidiaries, Radio One Licenses, Inc., WYCB Acquisition Corporation (Delaware corporations), Broadcast Holdings, Inc. (a Washington, D.C., corporation), Bell Broadcasting Company (a Michigan corporation), Radio One of Detroit, Inc., Allur-Detroit, Inc., Allur Licenses, Inc. (Delaware corporations), Radio One of Atlanta, Inc. and its wholly owned subsidiaries, ROA Licenses, Inc., and Dogwood Communications, Inc. (Delaware corporations), and its wholly owned subsidiary, Dogwood Licenses, Inc. (a Delaware corporation) (collectively referred to as the Company) were organized to acquire, operate and maintain radio broadcasting stations. The Company owns and operates radio stations in the Washington, D.C.; Baltimore, Maryland; Philadelphia, Pennsylvania; Detroit, Michigan; Kingsley, Michigan; Atlanta, Georgia; Cleveland, Ohio; St. Louis, Missouri and Richmond, Virginia, markets. The Company's operating results are significantly affected by its market share in the markets that it has stations. The Company also operates radio stations in Richmond, Virginia, through a time brokerage agreement (TBA).

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Radio One, Inc. and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements

The interim consolidated financial statements included herein for Radio One, Inc. and subsidiaries have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. In management's opinion, the interim financial data presented herein include all adjustments (which include only normal recurring adjustments) necessary for a fair presentation. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations.



Results for interim periods are not necessarily indicative of results to be expected for the full year. It is suggested that these consolidated financial statements be read in conjunction with the Company's December 31, 1998, financial statement and notes thereto included in the Company's annual report on Form 10-K.

## 2. INITIAL PUBLIC OFFERING:

The Company effected an initial public offering (IPO) of common stock during May 1999, in which it sold approximately 5.4 million shares of Class A common stock. The Company realized approximately \$119 million from the offering, after deducting the expenses of the offering and used the proceeds to repay amounts borrowed under its line of credit, redeem its preferred stock, repay the note payable and deferred interest, fund planned acquisitions and for other general corporate purposes.

## 3. EARNINGS PER SHARE:

The Company had certain senior cumulative redeemable preferred stock outstanding, which paid dividends at 15% per annum. The Company accreted the dividends on this preferred stock, which were payable when the preferred stock was redeemed. In May 1999, the Company redeemed the outstanding preferred stock with proceeds from the IPO. The earnings available for common stockholders for the three and six months ended June 30, 1998 and 1999, is the net income (loss) for each of the periods, less the accreted dividends of \$907,000 and \$471,000 for the three months ended June 30, 1998 and 1999, and \$1,772,000 and \$1,476,000 for the six months ended June 30, 1998 and 1999, respectively, on the preferred stock.

The Company effected a 34,061 for one stock split, effective May 6, 1999, in conjunction with the IPO. All share data included in the accompanying consolidated financial statements and notes thereto are as if the stock split had occurred prior to the periods presented.

Also, effective February 25, 1999, the Company converted certain Class A Common Stock held by the principal stockholders to Class B Common Stock which have ten votes per share, as compared to Class A which has one vote per share, and certain of their Class A stock to Class C Common Stock. Class C Common Stock will have no voting rights except as required by Delaware law. All share data included in the accompanying consolidated financial statements and notes thereto are as if the stock conversion had occurred prior to the periods presented.

Earnings per share are based on the weighted average number of common and diluted common equivalent shares for stock options and warrants outstanding during the period the calculation is made, divided into the earnings available for common stockholders. Diluted common equivalent shares consist of shares issuable upon the exercise of stock options and warrants, using the treasury stock method. The weighted average number of shares outstanding for the three months ended June 30, 1998 and 1999, and for the six months ended June 30, 1998 and 1999, is 9,393,000, 16,013,000, 9,393,000 and 12,739,000, respectively. The warrants exercised concurrent with the closing of the IPO and the stock issued to an employee in January 1999 have both been reflected in the calculation of earnings per share as if the stock issued was outstanding for all periods presented. As of June 30, 1999, there were approximately 207,000 stock options outstanding from options granted in May 1999; however, the common stock equivalents of these options are not included in the diluted earnings per share as the stock options are antidilutive.

#### 4. ACQUISITIONS:

On March 30, 1999, the Company acquired all of the outstanding stock of Radio One of Atlanta, Inc. (ROA), an affiliate of the Company, for approximately 3,277,000 shares of common stock. At the time of the ROA acquisition, ROA owned approximately 33% of Dogwood Communications, Inc. (Dogwood). On March 30, 1999, ROA acquired the remaining approximately 67% of Dogwood for \$3.6 million. The acquisition was accounted for using purchase accounting, with the portion of the excess purchase price over the net book value of the assets acquired related to the noncontrolling stockholders being stepped up and that portion of the excess purchase price being recorded as goodwill. The remaining net book value of the assets acquired was recorded at historical cost.

On April 30, 1999, the Company completed the acquisition of the assets of WENZ-FM and WERE-AM in Cleveland, Ohio, for approximately \$20 million. The acquisition was financed with borrowings from the Company's line of credit.

On June 4, 1999, the Company completed the acquisition of the assets of WFUN-FM in St. Louis, Missouri, for approximately \$13.6 million. The acquisition was financed with borrowings from the Company's line of credit and IPO proceeds.

On May 6, 1999, the Company entered into an asset purchase agreement to acquire four stations in Richmond, Virginia, for approximately \$34 million.

On May 26, 1999, the Company entered into an asset purchase agreement to acquire WCAV-FM, located in the Boston, Massachusetts, metropolitan area for approximately \$10 million.

#### 5. STOCK OPTION PLAN AND GRANTS:

During 1999, the Company adopted a Stock Option Plan and Restricted Stock Grant Plan (the Plan) to enable directors, executives and other key employees to acquire interests in the Company through ownership of common stock. On May 5, 1999, the Company granted options of approximately 207,000 shares of common stock at \$24.00 per share. The options expire in 10 years and vest over a period of three to five years.

#### 6. SUBSEQUENT EVENTS:

##### ACQUISITIONS

On July 1, 1999, the Company completed the acquisition of WKJS-FM and WSOJ-FM in Richmond, Virginia, for approximately \$12 million.

On July 15, 1999, the Company completed the acquisition of WDYL-FM in Richmond, Virginia, for approximately \$4.6 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report and the audited financial statements and Management's Discussion and Analysis combined in the Company's Form 10-K filed for the year ended December 31, 1998.

RESULTS OF OPERATIONS

Comparison of periods ended June 30, 1998 to the periods ended June 30, 1999  
(all periods are unaudited - all numbers in 000s, except per share data).

	Three months ended June 30, 1998	Three months ended June 30, 1999	Six months ended June 30, 1998	Six months ended June 30, 1999
<b>STATEMENT OF OPERATIONS DATA:</b>				
<b>REVENUE:</b>				
Broadcast revenue	\$ 13,231	\$ 24,083	\$ 22,328	\$ 37,473
Less: Agency commissions	1,726	3,046	2,800	4,619
Net broadcast revenue	11,505	21,037	19,528	32,854
<b>OPERATING EXPENSES:</b>				
Programming and technical	1,868	3,405	3,503	5,877
Selling, G&A	3,578	8,062	7,007	13,206
Corporate expenses	678	1,070	1,319	1,928
Stock-based compensation	-	-	-	225
Depreciation & amortization	1,859	4,347	3,632	7,475
Total operating expenses	7,983	16,884	15,461	28,711
Operating income	3,522	4,153	4,067	4,143
INTEREST EXPENSE	2,547	3,752	4,925	7,489
OTHER INCOME, net	156	78	286	141
Income (loss) before provision for income taxes	1,131	479	(572)	(3,205)
PROVISION FOR INCOME TAXES	-	225	-	476
Net income (loss)	\$ 1,131	\$ 254	\$ (572)	\$ (3,681)
<b>PER SHARE DATA:</b>				
Net income (loss) per share	\$ 0.12	\$ 0.02	\$ (0.06)	\$ (0.29)
Preferred dividends per share	0.10	0.03	0.19	0.11
Net income (loss) per share applicable in common shareholders	\$ 0.02	\$ (0.01)	\$ (0.25)	\$ (0.40)
After-tax cash flow per share	0.32	0.29	0.33	0.30
<b>OTHER DATA:</b>				
Broadcast cash flow (a)	\$ 6,059	\$ 9,570	\$ 9,018	\$ 13,771
Broadcast cash flow margin	52.7%	45.5%	46.2%	41.9%
EBITDA (b)	\$ 5,381	\$ 8,500	\$ 7,699	\$ 11,843
EBITDA margin (b)	46.8%	40.4%	39.4%	36.0%
After-tax cash flow (c)	\$ 2,990	\$ 4,601	\$ 3,060	\$ 3,794
Weighted average shares outstanding - basic and diluted (d)	9,393	16,013	9,393	12,739

Net broadcast revenue increased to approximately \$21.0 million for the quarter ended June 30, 1999 from approximately \$11.5 million for the quarter ended June 30, 1998 or 82.6%. Net broadcast revenue increased to approximately \$32.9 million for the six months ended June 30, 1999 from approximately \$19.5 million for the six months ended June 30, 1998 or 68.7%. This increase in net broadcast revenue was the result of continuing broadcast revenue growth in the Company's Washington, Baltimore and Philadelphia markets as the Company benefited from historical ratings increases at certain of its radio stations, improved power ratios at these stations as well as industry growth in each of these markets. Additional revenue gains were derived from the Company's recent acquisitions in Detroit and Cleveland and from the radio stations being operated under a time brokerage agreement in Richmond, as well as the March, 1999 acquisition of the Company's former affiliate, Radio One of Atlanta, Inc.

Operating expenses excluding depreciation, amortization and stock-based compensation increased to approximately \$12.5 million for the quarter ended June 30, 1999 from approximately \$6.1 million for the quarter ended June 30, 1998 or 104.9%. Operating expenses excluding depreciation, amortization and stock-based compensation increased to approximately \$21.0 million for the six months ended June 30, 1999 from approximately \$11.8 million for the six months ended June 30, 1998 or 78.0%. These increases in expenses were related to the Company's rapid expansion within all of the markets in which it operates including higher costs in Washington associated with improved programming on its morning shows as well as start-up and expansion expenses in its newer markets of Detroit, Cleveland and Richmond, in particular, as well as higher costs associated with operating as a public company.

Broadcast operating income increased to approximately \$4.2 million for the quarter ended June 30, 1999 from approximately \$3.5 million for the quarter ended June 30, 1998. Broadcast operating income was flat at approximately \$4.1 million for each of the six month periods ended June 30, 1999 and June 30, 1998. This increase for the quarter and flatness for the six month period were attributable to higher depreciation and amortization expenses associated with the Company's several acquisitions made within the last year offset by higher revenue as described above.

Interest expense increased to approximately \$3.8 million for the quarter ended June 30, 1999 from approximately \$2.5 million for the quarter ended June 30, 1998 or 52.0%. Interest expense increased to approximately \$7.5 million for the six months ended June 30, 1999 from approximately \$4.9 million for the six months ended June 30, 1998 or 53.1%. These increases relate primarily to interest incurred on borrowings under the Company's bank credit facility to help fund the several acquisitions made by the Company within the past year.

Other income decreased to \$78,000 for the quarter ended June 30, 1999 from \$156,000 for the quarter ended June 30, 1998 or 50.0%. Other income decreased to \$141,000 for the six months ended June 30, 1999 from \$286,000 for the six months ended June 30, 1998 or 50.1%. These decreases were primarily attributable to lower interest income due to lower average cash balances as the Company partially used its free cash balances to help fund acquisitions made during the quarter as well as to help reduce its outstanding balance on its senior bank credit facility, which stood at \$16.0 million at June 30, 1999 as compared to approximately \$49.4 million at June 30, 1998.

Income before provision for income taxes decreased to approximately \$0.5 million for the quarter ended June 30, 1999 from approximately \$1.1 million for the quarter ended June 30, 1998 or 54.5%. Loss before provision for income taxes increased to approximately \$3.2 million for the six months ended June 30, 1999 from approximately \$0.6 million for the six months ended June 30, 1998 or 433.3%. This decrease in income for the quarter and increase in the loss for the six month period were primarily due to higher interest and depreciation and amortization expenses as described above, partially offset by higher revenue.

Net income decreased to approximately \$0.3 million for the quarter ended June 30, 1999 from approximately \$1.1 million for the quarter ended June 30, 1998 or 72.7%. Net loss increased to approximately \$3.7 million for the six months ended June 30, 1999 from approximately \$0.6 million for the six months ended June 30, 1998 or 516.7%. This decrease in income for the quarter and increase in the loss for the six month period was due to the factors described above as well as a tax provision for each of the second quarter and first six month periods of 1999 associated with an estimate of the Company's effective tax rate for all of 1999. In 1998, the Company used its remaining NOL and did not incur a tax liability during the first six months of 1998.

Broadcast cash flow increased to approximately \$9.6 million for the quarter ended June 30, 1999 from approximately \$6.1 million for the quarter ended June 30, 1998 or 57.4%. Broadcast cash flow increased to approximately \$13.8 million for the six months ended June 30, 1999 from approximately \$9.0 million for the six months ended June 30, 1998 or 53.3%. These increases were attributable to the increases in broadcast revenue partially offset by higher operating expenses as described above.

Earnings before interest, taxes, depreciation, and amortization (EBITDA), and excluding stock-based compensation expense, increased to approximately \$8.5 million for the quarter ended June 30, 1999 from approximately \$5.4 million for the quarter ended June 30, 1998 or 57.4%. Earnings before interest, taxes, depreciation, and amortization (EBITDA), and excluding stock-based compensation expense, increased to approximately \$11.8 million for the six months ended June 30, 1999 from approximately \$7.7 million for the six months ended June 30, 1998 or 53.2%. These increases were attributable to the increase in broadcast revenue partially offset by higher operating expenses and higher corporate expenses partially associated with the costs of operating as a public company.

After-tax cash flow increased to approximately \$4.6 million for the quarter ended June 30, 1999 from approximately \$3.0 million for the quarter ended June 30, 1998 or 53.3%. After-tax cash flow increased to approximately \$3.8 million for the six months ended June 30, 1999 from approximately \$3.1 million for the six months ended June 30, 1998. These increases were attributable to the increase in operating income partially offset by higher interest charges associated with the financings of various acquisitions as well as the provision for income taxes for 1999, as described above.

- (a) "Broadcast cash flow" is defined as broadcast operating income plus corporate expenses (including stock-based compensation) and depreciation and amortization of both tangible and intangible assets.
- (b) "EBITDA" is defined as earnings before interest, taxes, depreciation, amortization and stock-based compensation.
- (c) "After-tax cash flow" is defined as income before income taxes and extraordinary items plus depreciation, amortization and stock-based compensation, less the current income tax provision.

## LIQUIDITY AND CAPITAL RESOURCES

The capital structure of the Company consists of the Company's outstanding long-term debt and stockholders' equity. The stockholders' equity consists of common stock, additional paid-in capital and accumulated deficit. The Company's balance of cash and cash equivalents was approximately \$4.5 million as of December 31, 1998. The Company's balance of cash and cash equivalents was approximately \$5.0 million as of June 30, 1999. This increase resulted primarily from stronger cash flows from operating activities as well as the Company's initial public offering on May 6, 1999 from which it raised approximately \$119.0 million, partially offset by the repayment of debt and preferred stock with the proceeds from the initial public offering. At June 30, 1999 approximately \$84.0 million remained available (based on various covenant restrictions) to be drawn down from the Company's bank credit facility which was increased to a \$100.0 million facility in February 1999. In general, the Company's primary source of liquidity is cash provided by operations and, to the extent necessary, on undrawn commitments available under the Company's bank credit facility.

Net cash flow from operating activities increased to approximately \$6.0 million for the six months ended June 30, 1999 from approximately \$4.3 million for the six months ended June 30, 1998 or 39.5%. This increase was primarily due to a higher net loss due to higher interest charges associated with higher average levels of debt outstanding, higher depreciation and amortization charges associated with the various acquisitions made by the Company in the past year and a higher provision for income taxes as compared to the first half of 1998. Non-cash expenses of depreciation and amortization increased to approximately \$9.7 million for the six months ended June 30, 1999 from approximately \$5.4 million for the six months ended June 30, 1998 or 79.6% due to various acquisitions made by the Company within the past year.

Net cash flow used in investing activities increased to approximately \$42.0 million for the six months ended June 30, 1999 compared to approximately \$33.6 million for the six months ended June 30, 1998 or 25.0%. During the six months ended June 30, 1999 the Company, through its Radio One of Atlanta, Inc. subsidiary (which it acquired on March 30, 1999) acquired the remaining stock in Dogwood Communications, Inc. which it did not already own, for approximately \$3.6 million, acquired radio stations WENZ-FM and WERE-AM in Cleveland, Ohio for approximately \$20 million, acquired radio station WFUN-FM in St. Louis, Missouri for approximately \$13.6 million, entered into a time brokerage agreement to operate radio stations located in Richmond, Virginia and made a \$1.0 million investment in PNE Media, LLC. The Company also made escrow deposits on anticipated acquisitions of additional radio stations in Richmond, Virginia and Boston, Massachusetts. Also during the six months ended June 30, 1999 the Company made purchases of capital equipment totaling approximately \$2.1 million.

Net cash flow from financing activities was approximately \$36.6 million for the six months ended June 30, 1999. During the six months ended June 30, 1999, the Company completed its initial public offering of common stock and raised net proceeds of approximately \$119.0 million which was used to partially repay outstanding balances on its bank credit facility and to repay all of the Company's outstanding Senior Cumulative Redeemable Preferred Stock. Additionally, the Company increased the size of its bank credit facility to \$100.0 million. During the six months ended June 30, 1999, the Company partially used this bank credit facility to acquire its former affiliate, Radio One of Atlanta, Inc. which, in turn, acquired the remaining stock of Dogwood Communications, Inc. that it did not already own. The Company also acquired radio stations located in Cleveland, Ohio and St. Louis, Missouri. Net cash flow from financing activities was approximately \$24.3 million for the six months ended June 30, 1998. During the six months ended June 30, 1998, the Company used its bank credit facility to acquire, through an unrestricted subsidiary, the capital stock of Broadcast Holdings, Inc., the owner and operator of radio station WYCB-AM, for approximately \$3.8 million and to acquire Bell Broadcasting Company, an owner and operator of radio stations in Detroit and Kingsley, Michigan, for approximately \$34 million.

As a result of the aforementioned, cash and cash equivalents increased by approximately \$0.6 million during the six months ended June 30, 1999 compared to an approximate \$5.1 million decrease during the six months ended June 30, 1998.

## YEAR 2000 COMPLIANCE

Radio One has commenced a process to ensure Year 2000 compliance of all hardware, software, and ancillary equipment that are date dependent. This process involves four phases:

- Phase I Inventory and Data Collection. This phase involves an identification of all systems that are date dependent. This phase was completed during the first quarter of 1998.
- Phase II Compliance Identification. This phase involves Radio One identifying and beginning to replace critical systems that cannot be updated or certified as compliant. We commenced this phase in the first quarter of 1999 and completed the substantial majority of this phase before the end of the second quarter of 1999. To date, we have verified that our accounting, payroll, and local wide area network hardware and software systems are substantially compliant. In addition, we have determined that most of our personal computers and PC applications are compliant. We are currently reviewing our security systems and other miscellaneous systems.
- Phase III Test, Fix, and Verify. This phase involves testing all systems that are date dependent and upgrading all non-compliant systems. We expect to complete this phase during the third quarter of 1999.
- Phase IV Final Testing, New Item Compliance. This phase involves a review of failed systems for compliance and re-testing as necessary. We expect to complete this phase by the end of the third quarter of 1999.

To date, we have no knowledge that any of our major systems are not Year 2000 ready or will not be Year 2000 ready by the end of the third quarter of 1999. We have not incurred significant expenditures and believe we will achieve substantial Year 2000 readiness without the need to acquire significant new hardware, software or systems. As part of our expansion over the past two years, we have undertaken significant build-outs, upgrades and expansions to our radio station studios, business offices and technology infrastructure. These enhancement efforts are continuing in all of the markets in which we have recently acquired radio stations and will expand into the new markets in which we will be acquiring radio stations. We believe that most, if not all, of the new equipment installed in conjunction with these recent build-outs is Year 2000 compliant. Based upon our experience to date, we estimate the remaining costs to achieve Year 2000 readiness will be approximately \$100,000, independent of the costs associated with the previously-mentioned expansions which are being undertaken in the normal course of our business development. All costs directly related to preparing for Year 2000 readiness will be expensed as incurred. We are not aware of any Year 2000 problems that would have a material effect on our operations. We are also not aware of any non-compliance by our suppliers that is likely to have material impact on our business. Nevertheless, we cannot assure you that our critical systems, or the critical systems of our suppliers, will be Year 2000 ready.

We do not intend to develop any contingency plans to address possible failures by us or our vendors related to Year 2000 compliance. We do not believe that such contingency plans are required because we believe that we and our significant vendors will be Year 2000 compliant before January 2000.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is from time to time engaged in legal proceedings incidental to its business. The Company does not believe that any legal proceedings that it is currently engaged in, either individually or in the aggregate, will have a material adverse effect on the Company.

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At a meeting held on April 28, 1999, the shareholders voted to approve the election of Larry Marcus, Terry Jones, Alfred Liggins, Catherine Hughes and Brian McNeill as members of the Board of Directors.

At a meeting held on May 5, 1999, the shareholders voted to approve the proposed stock option grant (pursuant to the Company's Stock Option Plan) to employees.

ITEM 5. OTHER INFORMATION

On April 30, 1999, the Company completed the acquisition of radio stations WENZ-FM and WERE-AM in Cleveland, Ohio from Clear Channel Broadcasting, Inc., for approximately \$20 million.

On May 6, 1999, the Company entered into an Asset Purchase Agreement with Sinclair Telecable, Inc., and Commonwealth Broadcasting, LLC to acquire all of their radio stations in the Richmond, Virginia market for approximately \$34 million. The Company also on that date entered into a Time Brokerage Agreement that commenced on June 1, 1999.

On May 6, 1999, the Company completed an initial public offering of 7,150,000 shares of Class A Common Stock (including the exercise of the underwriters' over-allotment of 650,000 shares) at an offering price of \$24.00 per share. Of the 7,150,000 shares sold, 5,432,840 shares were sold by the Company and 1,717,160 shares were sold by selling shareholders. The Class A Common Stock is listed on the NASDAQ National Market under the symbol ROIA.

On May 26, 1999, the Company entered into an asset purchase agreement with KJI Broadcasting, LLC to acquire WCAV-FM, located in Brockton, Massachusetts and broadcasting in the Boston Metropolitan area, for approximately \$10 million.

On June 4, 1999, the Company completed the acquisition of WFUN-FM located in Bethalto, Illinois and broadcasting in the St. Louis, Missouri market, from Arch Broadcasting, L.P., for approximately \$13.6 million.

On July 1, 1999, the Company completed the acquisition of WKJS-FM and WSOJ-FM in the Richmond, Virginia market, from FM 100, Inc., for approximately \$12 million.

On July 15, 1999, the Company completed the acquisition of WDYL-FM in the Richmond, Virginia market, from Hoffman Communications, Inc., for approximately \$4.6 million.



ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

- (a) The following exhibits are filed as part of this registration statement.
- 3.1 Certificate of Incorporation of Radio One, Inc. (as of May 6, 1999) (incorporated by reference to Radio One's Amendment to its Registration Statement on Form S-1 filed on May 4, 1999 (File No. 333-74351; Film No. 99610524)).
  - 3.2 Amended and Restated By-laws of Radio One, Inc. (as of May 5, 1999).
  - 4.1 Indenture dated as of May 15, 1997, among Radio One, Inc., Radio One Licenses, Inc. and United States Trust Company of New York (incorporated by reference to Radio One's Annual Report filed on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
  - 4.2 First Supplemental Indenture dated as of June 30, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Bell Broadcasting Company, Radio One of Detroit, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed July 13, 1998 (File No. 333-30795; Film No. 98665139)).
  - 4.3 Second Supplemental Indenture dated as of December 23, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Allur-Detroit, Allur Licenses, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed January 12, 1999 (File No. 333-30795; Film No. 99504706)).
  - 4.8 Standstill Agreement dated as of June 30, 1998, among Radio One, Inc., the subsidiaries of Radio One, Inc., United States Trust Company of New York and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998)).
  - 4.9 Stockholders Agreement dated as of March 2, 1999, among Catherine L. Hughes and Alfred C. Liggins, III.
  - 10.1(a) Amendment to Office Lease dated January 22, 1999, between National Life Insurance Company and Radio One, Inc. for premises located at 5900 Princess Garden Parkway, Lanham, Maryland.
  - 10.7(a) Second Amendment to the Warrantholders' Agreement dated as of May 3, 1999, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.
  - 10.45(a) Asset Purchase Agreement dated as of May 6, 1999, relating to the acquisition of WCDX-FM, licensed to Mechanicsville, Virginia, WPLZ-FM, licensed to Petersburg, Virginia, WJRV-FM licensed to Richmond, Virginia, and WGCV-AM licensed to Petersburg, Virginia.
  - 10.45(b) Time Brokerage agreement dated May 6, 1999, among Radio One, Inc. and Sinclair Telecable, Inc., Commonwealth Broadcasting, L.L.C and Radio One, Inc.
  - 10.52 Asset Purchase Agreement dated as of May 24, 1999, relating to the acquisition of WCAV-FM, licensed to Brockton, Massachusetts.
  - 10.53 Time Brokerage agreement dated May 24, 1999, among Radio One, Inc. and Radio Station WCAV-FM, Brockton, Massachusetts.
  - 10.54 Agreement and Plan of Warrant Recapitalization dated as of February 25, 1999, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.
  - 27 Financial data schedule (Edgar version only)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RADIO ONE, INC.  
/s/ Scott R. Royster

August 12, 1999

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Scott R. Royster  
Executive Vice President and Chief Financial Officer  
(Principal Accounting Officer)

## AMENDED AND RESTATED

BYLAWS  
OF

RADIO ONE, INC.

(AS OF MAY 5, 1999)

## ARTICLE I - OFFICES

Section 1. Registered Office. The registered office in the State of Delaware shall be at 9 East Loockerman Street, in the City of Dover, County of Kent. The name of the corporation's registered agent at such address shall be National Registered Agents, Inc. The registered office or registered agent of the corporation may be changed from time to time by action of the board of directors on the filing of a certificate or certificates as required by law.

Section 2. Other Offices. The corporation may also have offices at such other places, both within and without the State of Delaware, as the board of directors may from time to time determine or the business of the corporation may require.

## ARTICLE II - MEETINGS OF STOCKHOLDERS

Section 1. Place and Time of Meetings. An annual meeting of the stockholders shall be held each year, beginning in the year 1998, prior to the last day of April. At such meeting, the stockholders shall elect the directors of the corporation and conduct such other business as may come before the meeting. The time and place of the annual meeting shall be determined by the board of directors. Special meetings of the stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Special meetings of the stockholders may be called by the president or the chairman of the board for any purpose and shall be called by the secretary if directed by the board of directors.

Section 2. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice of every annual or special meeting of the stockholders, stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the board of directors, the chairman of the board, the chief executive officer, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage prepaid and addressed to the stockholder at his or her address as it appears on the records of the corporation.

Section 3. Stockholders List. The officer having charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list arranged in alphabetical order of the stockholders entitled to vote at such meeting, specifying the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 4. Quorum. The presence of stockholders entitled to cast at least a majority of the votes that all stockholders are entitled to cast on a matter to be acted upon at a meeting of the stockholders shall constitute a quorum for the purposes of consideration and action on the matter, except as otherwise provided by statute or by the certificate of incorporation. If a quorum is not present, the holders of the shares present in person or represented by proxy at the meeting and entitled to vote thereat shall have the power, by the affirmative vote of the holders of a majority of such shares, to adjourn the meeting to another time or place. Unless the adjournment is for more than thirty days or unless a new record date is set for the adjourned meeting, no notice of the adjourned meeting need be given to any stockholder, provided that the time and place of the adjourned meeting were announced at the meeting at which the adjournment was taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

Section 5. Vote Required. When a quorum is present or represented by proxy at any meeting, the vote of a majority of the votes cast by all stockholders entitled to vote and, if any stockholders are entitled to vote as a class, the vote of a majority of the votes cast by the stockholders entitled to vote as a class, whether such stockholders are present in person or represented by proxy at the meeting, shall be the act of the stockholders, unless the question is one upon which by express provisions of an applicable statute or of the certificate of incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 6. Voting Rights. Except as otherwise provided by the Delaware General Corporation Law or by the certificate of incorporation of the corporation or any amendments thereto and subject to Section 3 of ARTICLE VI hereof, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of capital stock held by such stockholder.

Section 7. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

### ARTICLE III - DIRECTORS

Section 1. Number, Election and Term of Office. The board of directors shall be five (5) in number, including the Class A Directors (as hereinafter defined); provided, however, the number of members of the board of directors shall be increased to nine (9) at the election of Investors (as defined in the Preferred Stockholders' Agreement (the "PSA") dated as of May 14, 1997 among Radio One, Inc., Radio One Licenses, Inc., and the other parties thereto and the Warranholders' Agreement (the "WA") dated as of June 6, 1995 among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto, as amended by the First Amendment to Warranholders' Agreement dated as of the Closing Date (as defined in the PSA), as applicable) in accordance with, and subject to the terms and conditions of, Section 10 of the PSA or Article VI of the WA, as applicable (an election to increase the size of the board of directors is referred to herein as the "Special Election"). The board of directors shall include two directors elected by the holders of the Class A Common Stock by class vote pursuant to the amended and restated certificate of incorporation of the corporation (the "Class A Directors"). The directors shall be elected at the annual meeting of stockholders, except for the Class A Directors and except as provided in Section 3 of this ARTICLE III, and each director elected shall hold office until the next annual meeting of stockholders and until a successor is duly elected and qualified or until his or her death, resignation or removal as hereinafter provided. The Class A Directors shall be elected at each annual meeting of stockholders commencing with the annual meeting of stockholders to be held in 2000.

Section 2. Removal and Resignation. Any director or the entire board of directors may be removed at any time, with or without cause, by the vote of a majority of the votes cast by all stockholders entitled to vote at an election of directors, except that the Class A Directors may be removed only by the vote of the holders of a majority of the shares of Class A Common Stock, and except as otherwise provided by statute. Any director may resign at any time upon written notice to the corporation.

Section 3. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled only by the vote of a majority of the votes cast by all stockholders then entitled to vote at an election of directors at an annual or special meeting of stockholders, and each director so chosen shall hold office until the next annual meeting of stockholders and until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided; provided, however, that any vacancy resulting from the resignation or removal of a Class A Director may be filled only by the vote of the holders of a majority of the shares of Class A Common Stock; and provided, further, that any vacancy created as a result of the Special Election shall be filled in the manner provided for in Section 10 of the PSA or Article VI of the WA, as applicable, and a director so elected shall continue to serve as a director until the date on which the Special Election is no longer in effect, at which time the number of directors constituting the board of directors of the corporation shall decrease to such number as constituted the whole board of directors of the corporation immediately prior to the exercise of the Special Election.

Section 4. Annual Meetings. The annual meeting of each newly elected board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of stockholders.

Section 5. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the board. Special meetings of the board of directors may be called by or at the request of the chairman, the chief executive officer or the president on at least 24 hours notice to each director, either personally, by telephone, by mail, or by telegraph; in like manner and on like notice the secretary must call a special meeting on the written request of a majority of directors; in like manner on like notice, the secretary must call a special meeting on the written request of Investors holding a majority of the outstanding Preferred Shares (as defined in the PSA); provided that any such request made by such Investors must be called in good faith for a reasonable business purpose.

Section 6. Quorum. A majority of the total number of directors shall constitute a quorum for the transaction of business. The vote of a majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 7. Committees. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees. Each committee shall consist of one or more of the directors of the corporation, which, to the extent provided in such resolution and not otherwise limited by statute, shall have and may exercise the powers of the board of directors in the management and affairs of the corporation including without limitation the power to declare a dividend and to authorize the issuance of stock. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the directors when required.

Section 8. Committee Rules. Each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by the resolution of the board of directors designating such committee, but in all cases the presence of at least a majority of the members of such committee shall be necessary to constitute a quorum. In the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 7 of this ARTICLE III, of such committee is/are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 9. Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 10. Action by Written Consent. Any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board of directors or committee.

#### ARTICLE IV - OFFICERS

Section 1. Number. The officers of the corporation shall be elected by the board of directors and shall consist of a chairman of the board (if the board of directors so deems advisable and elects), a president (who shall perform the functions of the chairman of the board if none be elected), one or more vice-presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable, except the offices of president and secretary.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at the meeting of the board of directors held after each annual meeting of stockholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until the next annual meeting of the board of directors and until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5. Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of the fact that he or she is also a director of the corporation.

Section 6. Chairman of the Board. The chairman shall preside at all meetings of the board of directors and all meetings of the stockholders and shall have such other powers and perform such duties as may from time to time be assigned to him by the board of directors.

Section 7. The Chief Executive Officer. The chief executive officer of the corporation shall have such powers and perform such duties as are specified in these bylaws and as may from time to time be assigned to him by the board of directors.

The chief executive officer shall have overall management of the business of the corporation and its subsidiaries and shall see that all orders and resolutions of the boards of directors of the corporation and its subsidiaries are carried into effect. The chief executive officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The chief executive officer shall have general powers of supervision and shall be the final arbitrator of all differences among officers of the corporation and its subsidiaries, and such decision as to any matter affecting the corporation and its subsidiaries subject only to the boards of directors.

Section 8. The President. The president shall have such powers and perform such duties as are specified in these bylaws and as may from time to time be assigned to him by the board of directors.

The president shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect. The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The president shall have general powers of supervision and shall be the final arbitrator of all differences between officers of the corporation, and such decision as to any matter affecting the corporation subject only to the board of directors.

Section 9. Vice Presidents. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties and have such other powers as the board of directors may, from time to time, determine or these bylaws may prescribe.

Section 10. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors; perform such other duties as may be prescribed by the board of directors or president, under whose supervision he or she shall be; shall have custody of the corporate seal of the



corporation and the secretary, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 11. The Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements; and shall render to the president and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

Section 12. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

#### ARTICLE V - INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1. Right to Indemnification. Each person who was or is made party or is threatened to be made a party to or is otherwise involved (including involvement as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the corporation or, while a director or officer of the corporation, is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law ("DGCL"), as the same exists or may hereafter be amended (but, in the case of any

such amendment, only to the extent that such amendment permits the corporation to provide for broader indemnification rights than permitted as of the date of these bylaws), against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that except as provided in Section 2 of this ARTICLE V with respect to proceedings to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the board of directors of the corporation. The right to indemnification conferred in this Section 1 of this ARTICLE V shall be a contract right and shall include the obligation of the corporation to pay the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advance of expenses"); provided, however, that if and to the extent that the board of directors of the corporation requires, an advance of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 1 or otherwise. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same or lesser scope and effect as the foregoing indemnification of directors and officers.

Section 2. Procedure for Indemnification. Any indemnification of a director or officer of the corporation or advance of expenses under Section 1 of this ARTICLE V shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days) upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this ARTICLE V is required, and the corporation fails to respond within sixty days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days), the right to indemnification or advances as granted by this ARTICLE V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 1 of this ARTICLE V, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the corporation. Neither the failure of the corporation (including its board of directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual

determination by the corporation (including its board of directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The procedure for indemnification of other employees and agents for whom indemnification is provided pursuant to Section 1 of this ARTICLE V shall be the same procedure set forth in this Section 2 for directors or officers, unless otherwise set forth in the action of the board of directors of the corporation providing for indemnification for such employee or agent.

Section 3. Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

Section 4. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the corporation (hereinafter a "subsidiary" for purposes of this ARTICLE V) shall be conclusively presumed to be serving in such capacity at the request of the corporation.

Section 5. Reliance. Persons who after the date of the adoption of these bylaws become or remain directors or officers of the corporation or who, while a director or officer of the corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this ARTICLE V in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this ARTICLE V shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 6. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this ARTICLE V shall not be exclusive of any other right which any person may have or hereafter acquire under these bylaws or the corporation's certificate of incorporation or under any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Section 7. Merger or Consolidation. For purposes of this ARTICLE V, references to "the corporation" shall include any constituent corporation (including any constituent of a constituent) absorbed into the corporation in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this ARTICLE V with respect to the resulting or

surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

#### ARTICLE VI - CERTIFICATES OF STOCK

Section 1. Form. Subject to ARTICLE X of the certificate of incorporation, every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the president or a vice-president, and the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him or her in the corporation. Where a certificate is signed (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such president, vice-president, secretary, or assistant secretary may be facsimile. In case any officer or officers have signed a certificate or certificates, or whose facsimile signature or signatures have been used on certificate or certificates, shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used on such certificate or certificates had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled, and no new certificate shall be issued in replacement until the former certificate for a like number of shares shall have been surrendered or canceled, except as otherwise provided in Section 2 with respect to lost, stolen or destroyed certificates.

Section 2. Lost Certificates. Subject to ARTICLE X of the certificate of incorporation, the board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 3. Fixing a Record Date. The board of directors may fix in advance a record date for the determination of stockholders entitled to notice of, and to vote at, any meeting of stockholders and any adjournment thereof; stockholders entitled to consent to corporate action in writing without a meeting; stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or entitled to exercise any rights in respect to any change, conversion or exchange of stock; or, for the purpose of any other lawful action, which record date may not precede the date on which the resolution fixing such record date is adopted by the board of

directors. The record date for the determination of stockholders entitled to notice of, and to vote at, a meeting of stockholders shall not be more than 60 days nor less than 10 days before the date of such meeting. The record date for the determination of stockholders entitled to consent to corporate action in writing without a meeting shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the board of directors. The record date for the determination of stockholders with respect to any other action shall not be more than 60 days before the date of such action. If no record date is fixed: the record date for determining stockholders entitled to notice of, and to vote at, a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; the record date for determining stockholders entitled to consent to corporate action in writing without a meeting when no prior action by the board of directors is required by the Delaware General Corporation Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded; and, the record date for determining stockholders with respect to any other action shall be the close of business on the day on which the board of directors adopts the resolution relating thereto.

#### ARTICLE VII - GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, equalize dividends, repair or maintain any property of the corporation, or for any other purpose, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3. Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including

any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing contained in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6. Corporate Seal. The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. Voting Securities Owned by Corporation. Voting securities in any other corporation held by the corporation shall be voted by the president or the vice president, unless the board of directors specifically confers authority to vote with respect thereto upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand upon oath stating the purpose thereof, have the right during the usual hours of business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9. Section Headings. Section headings in these bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. Inconsistent Provisions. In the event that any provision of these bylaws is or becomes inconsistent with any provision of the certificate of incorporation, the Delaware General Corporation Law or any other applicable law, the provision of these bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII - AMENDMENTS

These bylaws may be amended, altered or repealed and new bylaws adopted at any meeting of the board of directors by a majority vote, provided that the affirmative vote of the holders of a majority of the shares of common stock of the corporation then entitled to vote and of any series or class of preferred stock then outstanding shall be required to adopt any provision inconsistent with, or to amend or repeal any provision of, Section 1 or 3 of ARTICLE III or this ARTICLE VIII. The fact that the power to adopt, amend, alter or repeal the bylaws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

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STOCKHOLDERS AGREEMENT  
Dated as of March 2, 1999  
Among  
CATHERINE L. HUGHES  
AND  
ALFRED C. LIGGINS, III  
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## STOCKHOLDERS AGREEMENT

This STOCKHOLDERS AGREEMENT (this "AGREEMENT") is dated as of March 2, 1999 among CATHERINE L. HUGHES, an individual whose business address is 5900 Princess Garden Parkway, 8th Floor, Lanham, Maryland 20706 ("HUGHES" or a "PRINCIPAL STOCKHOLDER"), ALFRED C. LIGGINS, III, an individual whose business address is 5900 Princess Garden Parkway, 8th Floor, Lanham, Maryland 20706 ("LIGGINS" or a "PRINCIPAL STOCKHOLDER"), and each other person or entity who hereafter executes a counterpart of this Agreement (or otherwise agrees to be bound by the provisions hereof) (the Principal Stockholders and each such other person or entity are sometimes referred to herein individually as a "STOCKHOLDER" and collectively as the "STOCKHOLDERS").

The parties hereby agree as follows:

SECTION 1 DEFINITIONS. For purposes of this Agreement, the following terms have the indicated meanings:

"APPROVED SALE" is defined in Section 6.

"AUTHORIZATION DATE" is defined in Section 4(c).

"BENEFICIAL OWNERSHIP" means possession of the power and authority, either singly or jointly with another, to vote or dispose of or to direct the voting or disposition of shares of Common Stock.

"BENEFICIAL OWNER" in respect of shares of Common Stock shall mean the person or persons who possess Beneficial Ownership of such Common Stock.

"BOARD" means the Company's Board of Directors.

"CLASS A COMMON STOCK" means the Company's Class A common stock, par value \$.01 per share.

"CLASS B COMMON STOCK" means the Company's Class B common stock, par value \$.01 per share.

"CLASS C COMMON STOCK" means the Company's Class C common stock, par value \$.01 per share.

"CLASS B DIRECTORS" means those members of the Board as to the election or removal of which holders of the Class B Common Stock may exercise voting rights.

"COMMON STOCK" means the Class A Common Stock, the Class B Common Stock and the Class C Common Stock.

"COMPANY" means Radio One, Inc., a Delaware corporation.

"COMPANY SALE" means a transaction with one or more independent third parties pursuant to which such party or parties (i) acquire (whether by merger, consolidation or transfer or issuance of capital stock) capital stock of the Company (or any surviving or resulting corporation) possessing the voting power to elect a majority of the board of directors of the Company (or such surviving or resulting corporation) or (ii) acquire all or substantially all of the Company's assets determined on a consolidated basis.

"DEADLOCK" is defined in Section 8(a).

"FAIR MARKET VALUE" as of any date means (a) with respect to publicly traded Common Stock, the average market trading price of such Common Stock over the preceding twenty (20) trading days, and (b) with respect to non-publicly traded Common Stock, the per share fair market value of such Common Stock as of such date, as determined in good faith by the Board based on such factors as the Board may deem appropriate; provided that a Principal Stockholder may request, at his or her own expense, an independent appraisal of such Common Stock by a nationally recognized investment banking firm acceptable to the other Principal Stockholder, which such acceptance shall not be unreasonably withheld.

"FINAL AUCTION PRICE" is defined in Section 8(c).

"FINAL PURCHASE PRICE" is defined in Section 8(d).

"HUGHES" is defined in the preface.

"INCAPACITATED" means, with respect to an individual, that (1) such individual is under a legal disability (under the laws of such individual's domicile), (2) such individual has been certified in writing to be unable to manage his or her financial affairs by the principal physician attending to such individual's care, and the Stockholders and the Company may rely upon written notice of that determination without any duty to inquire into the authenticity of the certification or any of the facts upon which it is based, or (3) such individual's whereabouts are unknown and such individual has not been able to be located by an officer of the Company or a member of the Board for at least ninety (90) days.

"INITIAL AUCTION DATE" is defined in Section 8(b).

"INITIAL OFFER" is defined in Section 8(c).

"LAW" means all applicable statutes, laws, ordinances, regulations, rules, guidelines, orders, writs, injunctions, or decrees of any state, commonwealth, nation, territory, province, possession, township, county, parish, municipality or Tribunal.

"LIGGINS" is defined in the preface.

"OPTION PLAN" means that certain Management Stock Option Plan adopted by the Board as of March 2, 1999, as the same may be amended or supplemented from time to time.

"OPTIONS" means options to purchase shares of Common Stock granted by the Company pursuant to the Option Plan.

"OTHER STOCKHOLDERS" is defined in Section 6.

"PERMITTED TRANSFER" is defined in Section 4(b).

"PERMITTED TRANSFEREE" shall be, if the Stockholder is an individual:

- (A) the estate (or a revocable trust that is a substitute of an estate) of the Stockholder or any legatee, heir or distributees thereof;
- (B) the spouse or former spouse of the Stockholder;
- (C) any parent or grandparent and any lineal descendant (including any adopted child) of any parent or grandparent of the Stockholder or of the Stockholder's spouse or former spouse;
- (D) any guardian or custodian (including a custodian for purposes of the Uniform Gift to Minors Act or Uniform Transfers to Minors Act) for, or any executor, administrator, conservator and/or other legal representative of, the Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;
- (E) a trust (including a voting trust), and any savings or retirement account, such as an individual retirement account for purposes of federal income tax laws, whether or not involving a trust, principally for the benefit of such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof, including any trust in respect of which such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof has any general or special power of appointment or general or special non-testamentary power or special testamentary power of appointment limited to any Permitted Transferee or Permitted Transferees;
- (F) any corporation, partnership or other business entity if Substantial Beneficial Ownership thereof is held by such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;
- (G) any Principal Stockholder and/or any Permitted Transferee or Permitted Transferees of a Principal Stockholder; and
- (H) the Company.

A "Permitted Transferee" shall be, if the Stockholder is a corporation, partnership or other business entity:

- (A) any employee benefit plan, or trust thereunder or therefor, sponsored by the Stockholder;
- (B) any trust (including any voting or liquidating trust) principally for the benefit of the Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;
- (C) any corporation, partnership or other business entity if Substantial Beneficial Ownership thereof is held by such Stockholder and/or any Permitted Transferee or Permitted Transferees thereof;
- (D) the stockholders of the corporation, partners of the partnership or other owners of equity interests in any other business entity, who receive such shares, by way of dividend or distribution (upon dissolution, liquidation or otherwise), provided that such transfer will not result in Beneficial Ownership of any of such shares by any person who did not have the power to control such corporation, partnership or business entity at the time such corporation, partnership or business entity first acquired Beneficial Ownership of such shares of Class B Common (other than by any person who qualifies as a Permitted Transferee pursuant to any other provision of this paragraph);
- (E) the Company; and
- (F) any Principal Stockholder and/or any Permitted Transferee or Permitted Transferees of a Principal Stockholder.

"PERSON" means any individual, corporation, partnership, firm, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization, governmental or regulatory body or other legal entity.

"PRINCIPAL STOCKHOLDER" is defined in the preface.

"SALE NOTICE" is defined in Section 7.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"SELLING PRINCIPAL STOCKHOLDER" is defined in Section 7.

"STOCKHOLDER" is defined in the preface.

"STOCKHOLDER SHARES" means (i) all shares of Common Stock acquired by the Stockholders, including all shares of Common Stock acquired pursuant to the exercise of Options, and (ii) all shares of Common Stock or other securities issued or issuable directly or indirectly with respect to the securities referred to in clause (i) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. Stockholder Shares shall cease to be such when they have been sold (x) pursuant to

a registered public offering under the Securities Act or (y) to the public pursuant to Rule 144 under the Securities Act, or any successor provision.

"SUBSTANTIAL BENEFICIAL OWNERSHIP" in respect of any corporation, partnership or other business entity shall mean possession of the power and authority, either singly or jointly with another, to vote or dispose of or to direct the voting or disposition of at least 80% of each class of equity ownership interest in such corporation, partnership or other business entity.

"TRANSFER" means, with respect to any Stockholder Shares, the gift, sale, assignment, transfer, pledge, hypothecation or other disposition (whether for or without consideration and whether voluntary, involuntary or by operation of law) of such Stockholder Shares or any interest therein; provided, however, that "Transfer" does not include: (i) any pledge, assignment, hypothecation, encumbrance or similar disposition of Stockholder Shares for security as collateral security for obligations of the Company, either Stockholder, or affiliates of the Company under or in connection with that certain Amended and Restated Credit Agreement among the Company, the lenders from time to time party thereto (the "Lenders"), NationsBank, N.A., as Administrative Agent for the Lenders, First Union National Bank, as Syndication Agent for the Lenders, and Credit Suisse First Boston, as Documentation Agent for the Lenders, as such Credit Agreement may be amended, modified, restated, supplemented, renewed, extended, increased, rearranged, and/or substituted from time to time, or (ii) any sale or foreclosure of and such pledge, assignment, hypothecation, encumbrance or similar disposition for security.

"TRANSFER NOTICE" is defined in Section 4(c).

"TRIBUNAL" means any court or governmental department, commission, board, bureau, agency or instrumentality of the United States of America or any state, commonwealth, nation, territory, province, possession, township, county, parish or municipality, whether now or hereafter constituted or existing.

"VESTED OPTIONS" means Options that are exercisable by the holder thereof on the date of determination.

## SECTION 2. VOTING ARRANGEMENTS.

(a) ELECTION OF DIRECTORS. Each Stockholder agrees that such Person will vote, or cause to be voted, all voting securities of the Company over which such Person has the power to vote or direct the voting, and will take all other necessary or desirable action within such Person's control, to cause the authorized number of directors for the Board to be at least five persons and no more than seven persons, and to elect or cause to be elected to the Board and cause to be continued in such office, Hughes, Liggins and the individual or individuals designated by mutual agreement of the Principal Stockholders to fill the remainder of Board seats to be filled by Class B Directors, including the seat that would otherwise be filled by a Principal Stockholder if such Principal Stockholder is unwilling or unable to serve on the Board, or has been removed from the Board as the result of such Principal Stockholder's being Incapacitated; provided, however, that if either Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the sole power to exercise the designation rights granted to the Principal Stockholders pursuant to this paragraph.

(b) REMOVAL OF DIRECTORS. If at any time the Principal Stockholders shall notify the other Stockholders of their mutual desire to remove, with or without cause, any Class B Director from the Board, all such Persons so notified will vote, or cause to be voted, all voting securities of the Company over which they have the power to vote or direct the voting, and shall take all such other actions promptly as shall be necessary or desirable to cause the removal of such Class B Director; provided, however, that if either Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the sole power to exercise the removal rights granted to the Principal Stockholders pursuant to this paragraph, including, without limitation, requiring the removal of the Incapacitated Principal Stockholder.

(c) VACANCIES. If at any time any Class B Director ceases to serve on the Board (whether due to resignation, removal or otherwise), then the Principal Stockholders shall be entitled to designate a successor director to fill the vacancy created thereby on the terms and subject to the conditions of Section 2(a) above. Each Stockholder agrees that he, she or it will vote, or cause to be voted, all voting securities of the Company over which such Person has the power to vote or direct the voting, and shall take all such other actions as shall be necessary or desirable to cause the successor designated by the Principal Stockholders to be elected to fill such vacancy.

(d) RIGHTS UNIMPAIRED. Nothing in this Agreement shall be construed to impair any rights that the stockholders of the Company may have to remove any director. No removal for cause of an individual designated pursuant to this Section 2 shall affect the right of the Principal Stockholders to designate a different individual pursuant to Section 2 to fill the directorship from which such individual was removed.

(e) APPOINTMENT OF PROXY. IN ORDER TO SECURE THE OBLIGATIONS OF EACH AND EVERY STOCKHOLDER TO VOTE ALL COMMON SHARES HELD BY SUCH STOCKHOLDER IN ACCORDANCE WITH ALL OF THE PROVISIONS OF THIS AGREEMENT, EACH STOCKHOLDER HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS EACH OF CATHERINE L. HUGHES AND ALFRED C. LIGGINS, III AS SUCH STOCKHOLDER'S TRUE AND LAWFUL ATTORNEY, AGENT AND PROXY, WITH FULL POWER OF SUBSTITUTION, TO ATTEND MEETINGS OF STOCKHOLDERS OF THE COMPANY HELD FROM TIME TO TIME, AND TO VOTE ON SUCH STOCKHOLDER'S BEHALF AND IN SUCH STOCKHOLDER'S NAME, PLACE, AND STEAD, OR TO EXECUTE WRITTEN CONSENTS IN LIEU OF SUCH MEETINGS, THE NUMBER OF VOTES THAT SUCH STOCKHOLDER WOULD BE ENTITLED TO CAST IF ACTUALLY PRESENT OR WITH RESPECT TO WHICH SUCH STOCKHOLDER WOULD BE ENTITLED TO EXECUTE A WRITTEN CONSENT, IN CONNECTION WITH ANY ELECTION OF DIRECTORS (IN ACCORDANCE WITH THIS SECTION 2) OR ANY COMPANY SALE (IN ACCORDANCE WITH SECTION 6). THE POWERS GRANTED HEREIN WILL BE DEEMED TO BE COUPLED WITH AN INTEREST, WILL BE IRREVOCABLE AND WILL SURVIVE THE DEATH, INCOMPETENCY, DISABILITY OR DISSOLUTION OF ANY STOCKHOLDER.

(f) OTHER VOTING RIGHTS. In the event that a Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the right, in addition to the other rights granted pursuant to this Section 2, to vote, or cause to be voted, all voting securities of the Company

over which such Incapacitated Principal Stockholder would otherwise have the power to vote or direct the voting, as to all matters presented for a vote of the Company's stockholders.

(g) REGULATORY SAVINGS PROVISION. If at any time the possession by a Principal Stockholder of the voting power represented by the voting securities held by such Principal Stockholder, or over which such Principal Stockholder has the power to vote or direct the voting, differs from the voting power required or permitted to be held by such Principal Stockholder, or requires a consent or waiver that at such time has not been obtained, under any Law applicable to such Principal Stockholder or the Company, then (i) if such voting power exceeds the amount permitted to be held by such Principal Stockholder, or with respect to which such a consent or waiver has been obtained, the other Principal Stockholder shall have the sole power to vote, or cause to be voted, the number of voting securities of the Company representing such excess voting power and over which the first Principal Stockholder would otherwise have the power to vote or direct the voting, as to all matters presented for a vote of the Company's stockholders, and (ii) if such voting power is less than the amount required to be held by such Principal Stockholder, such Principal Stockholder shall have the sole power to vote, or cause to be voted, as to all matters presented for a vote of the Company's stockholders, that number, and only that number of voting securities of the Company representing sufficient voting power to eliminate such shortfall and over which the other Principal Stockholder would otherwise have the power to vote or direct the voting. In all cases, the provisions of this Section 4(g) shall be applied only to the extent and for the period necessary to bring the Principal Stockholders and the Company into compliance with applicable Law, and shall not operate to cause either Principal Stockholder not to be in compliance with applicable Law. In the exercise of voting rights provided by this Section 4(g), each Principal Stockholder shall remain subject to the other provisions of this Agreement.

#### SECTION 3 DISPOSITION OF INCAPACITATED PRINCIPAL STOCKHOLDER'S SHARES.

In the event that a Principal Stockholder is Incapacitated, the other Principal Stockholder shall have the right to direct the disposition of all Stockholder Shares held by the Incapacitated Principal Stockholder, including, without limitation, the right to purchase such Stockholder Shares; provided, however, that any Transfer of any such Stockholder Shares shall be for a consideration equal to the Fair Market Value of such Stockholder Shares.

#### SECTION 4 RESTRICTIONS ON TRANSFER.

(a) RESTRICTIONS ON TRANSFER. No Stockholder may Transfer any Stockholder Shares, except (i) in a Permitted Transfer or (ii) to any other Person, subject to the provisions of Section 4(c), if applicable.

(b) CERTAIN PERMITTED TRANSFERS. Section 4(a) shall not apply to Transfers ("PERMITTED TRANSFERS") of Stockholder Shares (i) to a Permitted Transferee of a Principal Stockholder; provided that, in connection with any such Transfer, each such Permitted Transferee not already a party to this Agreement executes a Joinder Agreement substantially in the form attached hereto as Exhibit A and thereby becomes a party to this Agreement, or (ii) pursuant to Sections 3, 6, 7 or 8. Notwithstanding the provisions of clause (i) of the first sentence of this Section 4(b), neither of the Principal Stockholders shall sell, assign or otherwise transfer any interest in any



shares of Class B Common Stock to the spouse or former spouse of such Principal Stockholder, or to any parent or grandparent or any lineal descendant (including any adopted child) of any parent or grandparent of such Principal Stockholder's spouse or former spouse (unless such lineal descendant is also a lineal descendant (including any adopted child) of such Principal Stockholder), including by gift, will, intestate succession or other operation of law, unless, as a condition of such transfer (a) such Principal Stockholder retains all voting power with respect to such Class B Common Stock so long as such Principal Stockholder is living, and (b) the estate of such Principal Stockholder, in the case of the death of the Principal Stockholder, or the transferee of such interest agrees (I) not to exercise any voting power with respect to such Class B Common Stock and (II) to cause such Class B Common Stock to be converted into shares of single vote or non-voting Common Stock of the Company upon the death of such Principal Stockholder.

(c) RIGHT OF FIRST REFUSAL. Notwithstanding the provisions of Section 4(a), a Stockholder may Transfer shares of Class C Common Stock so long as at least ninety (90) days prior to making any such Transfer, such Stockholder delivers a written notice (the "TRANSFER NOTICE") to each of the Principal Stockholders. The Transfer Notice will disclose in reasonable detail the identity of the prospective transferee(s) and the terms and conditions of the proposed Transfer. Such Stockholder shall not consummate any such Transfer until thirty (30) days after the Transfer Notice has been delivered to the Principal Stockholders (the "AUTHORIZATION DATE"). The Principal Stockholders may elect to purchase any or all of the shares of Class C Common Stock to be transferred upon the same terms and conditions as those set forth in the Transfer Notice, by delivering a written notice of such election to such Stockholder within thirty (30) days after the receipt of the Transfer Notice by the Principal Stockholders. If the aggregate number of shares of Class C Common Stock which the Principal Stockholders have elected to purchase is greater than the number of shares of Class C Common Stock specified in the Transfer Notice, then each Principal Stockholder will be entitled to purchase the number of shares of Class C Common Stock equal to the product of (i) the quotient determined by dividing the number of shares of Class C Common Stock elected to be purchased by such Principal Stockholder by the aggregate number of shares of Class C Common Stock elected to be purchased by both Principal Stockholders, multiplied by (ii) the number of shares of Class C Common Stock specified in the Transfer Notice. If the Principal Stockholders have not elected to purchase all of the shares of Class C Common Stock specified in the Transfer Notice, such Stockholder may Transfer the remaining shares of Class C Common Stock to the prospective transferee(s) as specified in the Transfer Notice, at a price and on terms no more favorable to the transferee(s) thereof than specified in the Transfer Notice, during the 90-day period immediately following the Authorization Date. Any shares of Class C Common Stock not so transferred within such 90-day period must be reoffered to the Principal Stockholders in accordance with the provisions of this Section 4(c).

(d) OPINION OF COUNSEL. No holder of Stockholder Shares may Transfer any such stock (other than pursuant to an effective registration statement under the Securities Act) without first delivering to the Company, if the Company so requests, an opinion of counsel reasonably acceptable in form and substance to the Company that registration under the Securities Act is not required in connection with such transfer.

#### SECTION 5 LEGENDS.

(a) STOCKHOLDERS AGREEMENT LEGEND. The certificates representing Stockholder Shares shall bear the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS AGREEMENT DATED AS OF March 2, 1999 AMONG RADIO ONE, INC. AND CERTAIN STOCKHOLDERS THEREOF, A COPY OF WHICH MAY BE OBTAINED WITHOUT CHARGE BY THE HOLDER HEREOF AT THE PRINCIPAL PLACE OF BUSINESS OF RADIO ONE, INC. DISPOSITION OF THIS CERTIFICATE OR THE SECURITIES REPRESENTED HEREBY OR ANY RIGHTS OR INTERESTS THEREIN IN VIOLATION OF SUCH STOCKHOLDERS AGREEMENT SHALL BE NULL AND VOID.

SECTION 6 SALE OF THE COMPANY. If the Principal Stockholders mutually approve a Company Sale (an "APPROVED SALE"), the other holders of Stockholder Shares (the "OTHER STOCKHOLDERS") shall consent to and raise no objections against such Approved Sale (and shall waive any rights of appraisal arising in connection therewith) and shall fully cooperate with and take all necessary and desirable actions in connection with the consummation of such Approved Sale, including without limitation (a) executing a purchase and sale agreement and any other agreement reasonably necessary to effectuate such Approved Sale in the form to be entered into by the Principal Stockholders, (b) amending the Company's Certificate of Incorporation, (c) merging, combining or consolidating the Company with any other Person, (d) reorganizing, recapitalizing, liquidating, dissolving or winding-up the Company, (e) exchanging or splitting stock of the Company or (f) selling, leasing or exchanging all or substantially all of the property and assets of the Company and its subsidiaries on a consolidated basis. If the Approved Sale is structured as a sale of stock, the Other Stockholders shall agree to sell all of their shares of Common Stock and rights to acquire shares of Common Stock on the terms and conditions approved by the Board and the Principal Stockholders. The obligations of the Other Stockholders with respect to any Approved Sale are subject to the conditions that (a) upon the consummation of such Approved Sale, all of the holders of Common Stock will receive the same form and amount of consideration per share of Common Stock, or if any holders are given an option as to the form and amount of consideration to be received, all holders will be given the same option and (b) no stockholder shall be required to incur indemnification obligations (whether several or joint and several) which are in excess of the net proceeds received by such Stockholder in connection with such Approved Sale. In the event that a Principal Stockholder is Incapacitated, any Company Sale that is approved by the Principal Stockholder that is not Incapacitated shall be deemed to be an Approved Sale for all purposes hereof, and all references to the Principal Stockholders in this paragraph shall be deemed to exclude the Incapacitated Principal Stockholder.

SECTION 7 PARTICIPATION RIGHTS. Not less than twenty (20) days prior to any proposed Transfer of Stockholder Shares by a Principal Stockholder (the "SELLING PRINCIPAL STOCKHOLDER"), the Selling Principal Stockholder shall deliver to the other Principal Stockholder (so long as such other Principal Stockholder is not Incapacitated) a written notice (the "SALE NOTICE") specifying in reasonable detail the identity of the proposed transferee(s) and the terms and conditions of the proposed Transfer. Provided that the other Principal Stockholder is not Incapacitated and has not elected to exercise the right of first refusal provided in Section 4(c) with respect to the Transfer specified in the Sale Notice, such other Principal Stockholder may elect to participate in the proposed

Transfer by delivering to the Selling Principal Stockholder a written notice of such election within the 10-day period following delivery of the Sale Notice. If the other Principal Stockholder elects to participate in such Transfer, the Selling Principal Stockholder and such other Principal Stockholder will be entitled to sell in such proposed Transfer, at the same price and on the same terms, a number of shares of each class of Common Stock specified in the Sale Notice equal to the product of (i) the quotient determined by dividing the number of shares of such class of Common Stock then held by the Selling Principal Stockholder or such other Principal Stockholder, as the case may be, by the aggregate number of shares of such class of Common Stock then held by the Selling Principal Stockholder and such other Principal Stockholder, multiplied by (ii) the number of shares of such class of Common Stock to be sold in such proposed Transfer. For purposes of this Section 7, the amount of Common Stock held by a Principal Stockholder shall be deemed to include all shares of Common Stock acquirable pursuant to the exercise of Vested Options then held by such Principal Stockholder. Notwithstanding the foregoing, this Section 7 shall not apply to (i) Transfers pursuant to Rule 144 under the Securities Act (or any successor provision), (ii) Transfers pursuant to Section 4, or (v) Transfers pursuant to Section 6.

#### SECTION 8 DEADLOCKS.

(a) DEFINITION. For purposes hereof, a "DEADLOCK" shall be deemed to have occurred if, after having tried on a good-faith basis to do so for a period of at least ninety (90) days after delivery by one Principal Stockholder to the other Principal Stockholder of a written notice requesting the commencement of such good faith efforts, the Principal Stockholders are unable to reach mutual agreement with respect to either (i) the individual or individuals to fill one or more of the Board seats to be filled by Class B Directors, other than Hughes or Liggins, or (ii) a Company Sale proposed by one of the Principal Stockholders.

(b) INITIATION OF AUCTION. Upon the occurrence of a Deadlock, either Principal Stockholder may, by written notice delivered to the other Principal Stockholder, initiate a bidding process to determine which Principal Stockholder shall acquire all of the other Principal Stockholder's Stockholder Shares. Such bidding process shall begin on the date (the "INITIAL AUCTION DATE") mutually agreed to by the Principal Stockholders, which date shall be not later than thirty (30) days after delivery of the notice referred to in the preceding sentence. Such bidding process shall in all events proceed in two stages: first, the Principal Stockholders shall determine a market valuation for the corporation, taken as a whole, through the competitive bidding procedures described in paragraph (c) below and second, the purchase price for the winning bidder to purchase all of the losing bidder's Stockholder Shares shall be determined based on the formula set forth in paragraph (d) below.

(c) AUCTION PROCEDURE. On the Initial Auction Date, each Principal Stockholder shall initiate the bidding process by delivering simultaneously to the other Principal Stockholder a written offer (the "INITIAL OFFER") which sets forth its valuation of the outstanding Common Stock of the Company, taken as a whole. The higher of the valuations shall constitute the initial bid. Such initial bid and each subsequent valuation must be met in turn, within forty-eight (48) hours following delivery thereof, by either acceptance or delivery of a written counteroffer. Each counteroffer after the initial bid must be in a minimum amount equal to the lesser of (a) the amount that is five percent (5%) higher than the preceding bid (on a percentage basis) and (b) the amount

that is \$10,000.00 higher than the preceding bid. Any failure to respond within forty-eight (48) hours of delivery of a bid as provided above shall be deemed to constitute an irrevocable and unconditional acceptance of that bid. This bidding process shall continue until one Principal Stockholder accepts the other Principal Stockholder's latest valuation, either affirmatively or by failing to make a counteroffer (such final valuation, the "FINAL AUCTION PRICE").

(d) DETERMINATION OF FINAL PURCHASE PRICE. The final purchase price (the "FINAL PURCHASE PRICE") payable by the winning bidder for all of the losing bidder's Stockholder Shares shall be the amount equal to the product of (x) the Final Auction Price and (y) the percentage of the outstanding Common Stock of the Company represented by the Stockholder Shares held by the losing bidder.

(e) CONSUMMATION OF SALE AND TRANSFER. The sale and transfer of the losing bidder's Stockholder Shares to the winning bidder shall be consummated as soon as practicable after the determination of the Final Auction Price, subject to receipt of necessary governmental, regulatory and antitrust approvals. Each Principal Stockholder shall cooperate with the other to take all actions necessary to conclude the sale and transfer contemplated hereunder.

SECTION 9. TRANSFERS IN VIOLATION OF AGREEMENT. Any Transfer or attempted Transfer of any Stockholder Shares in violation of this Agreement shall be void, and the Company shall not be obligated to record such Transfer on its books or treat any purported transferee of such Stockholder Shares as the owner of such shares for any purpose.

SECTION 10. AMENDMENT AND WAIVER. Except as otherwise provided herein, no amendment or waiver of any provision of this Agreement shall be effective against the Stockholders unless such amendment or waiver is approved in writing by the Principal Stockholders other than any Incapacitated Principal Stockholder. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms.

SECTION 11. SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 12. ENTIRE AGREEMENT. Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

SECTION 13. SUCCESSORS AND ASSIGNS; THIRD PARTY BENEFICIARY. This Agreement shall bind and inure to the benefit of and be enforceable by the Stockholders and their respective permitted

successors and assigns so long as such Stockholders and their respective permitted successors and assigns hold Stockholder Shares. The Company is and shall be an intended third party beneficiary of this Agreement.

SECTION 14. COUNTERPARTS. This Agreement may be executed in separate counterparts each of which shall be an original and all of which taken together shall constitute one and the same agreement.

SECTION 15. REMEDIES. The Company and the Stockholders shall be entitled to enforce their rights under this Agreement specifically to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that the Company or any Stockholder may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting a bond or other security) in order to enforce or prevent any violation of the provisions of this Agreement.

SECTION 16. NOTICES. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or sent via facsimile, or mailed first class mail (postage prepaid) or sent by reputable overnight courier service (charges prepaid) to the Principal Stockholders at their respective addresses set forth in the preface to this Agreement, and to any subsequent holder of Stockholder Shares subject to this Agreement at such address as indicated by the Company's records, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder when delivered personally or sent via facsimile (against receipt therefor), three days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

SECTION 17. GOVERNING LAW. The corporate law of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal law, and not the law of conflicts, of Maryland.

SECTION 18. DESCRIPTIVE HEADINGS. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

SECTION 19. TERMINATION. Notwithstanding anything herein to the contrary, this Agreement shall terminate upon a Company Sale.

IN WITNESS WHEREOF, the parties have executed this  
Stockholders Agreement as of the date first above written.

-----  
Catherine L. Hughes

-----  
Alfred C. Liggins, III

FORM OF JOINDER  
TO  
STOCKHOLDERS AGREEMENT

This Joinder (this "Agreement") is made as of the date written below by the undersigned (the "Joining Party") in favor of and for the parties to the Stockholders Agreement, dated as of March 2, 1999 (the "Stockholders Agreement"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Stockholders Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by his or her execution of this Joinder, the Joining Party will be deemed to be a party to the Stockholders Agreement and shall have all of the obligations of a Stockholder thereunder as if he or she had executed the Stockholders Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Stockholders Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date written below.

-----  
Name:  
Date:

LEASE AMENDMENT

This Lease Amendment is dated January 22, 1999 by and between National Life Insurance Company ("Landlord") and Radio One, Inc. ("Tenant").

WITNESSETH

WHEREAS, the parties hereto entered into a Standard Office Lease dated the 3rd of February 1997 for the Premises known as Suites 100, 720 and 800 of Lanham Centre at 5900 Princess Garden Parkway, Lanham Maryland ("Lease"); and

WHEREAS, Tenant desires to lease additional space in Lanham Centre.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, it is agreed between Landlord and Tenant that the Lease is hereby modified as follows.

1. PREMISES AND TERM: The Premises shall be increased, effective February 1, 1999, to include Suite 150, containing approximately 4,371 rentable square feet.
2. ADDITIONAL BASE RENT: The base rent defined in the Lease is increased monthly by the following:
 

February 1, 1999 -- December 31, 1999	\$5,114.07 per month
January 1, 2000 -- December 31, 2000	\$5,318.05 per month
January 1, 2001 -- December 31, 2001	\$5,532.96 per month
January 1, 2002 -- December 31, 2002	\$5,751.51 per month
January 1, 2003 -- December 31, 2003	\$5,980.99 per month
January 1, 2004 -- December 31, 2004	\$6,221.39 per month
January 1, 2005 -- December 31, 2005	\$6,472.72 per month
January 1, 2006 -- December 31, 2006	\$6,731.34 per month
January 1, 2007 -- December 31, 2007	\$6,997.24 per month
January 1, 2008 -- December 31, 2008	\$7,277.72 per month
January 1, 2009 -- December 31, 2009	\$7,569.12 per month
January 1, 2010 -- December 31, 2010	\$7,871.44 per month
January 1, 2011 -- December 31, 2011	\$8,188.34 per month
3. USE: Suite 150 shall be used only for General Office and/or Reception uses and/or Broadcast Studio use. In the event Tenant uses Suite 150 for Broadcast Studio use, the electric service to such broadcast studio(s) shall be routed through the electric submeter for the existing Broadcast Suite and the electric cost of such Broadcast Studio use in Suite 150 shall be included with the cost of electricity for the Broadcast Suite and roof top antennas as provided in Paragraph 11.2 of the Lease.
4. CONDITION AT COMMENCEMENT: Suite 150 shall be delivered to Tenant upon lease execution in "as is" condition in accordance with Paragraph 6.3(b) of the Lease.
5. LANDLORD CONTRIBUTION TO TENANT'S CONSTRUCTION: Landlord will contribute \$52,452.00 toward Tenant's construction of improvements in Suite 150, payable upon completion and issuance of a Certificate of Occupancy and delivery to Landlord of an acceptable final lien waiver. Tenant shall comply with all the provisions of Paragraph 7.3 and 7.6 in the construction of its improvements to Suite 150.
6. REAL ESTATE TAXES: The percentage in Paragraph 1.11 of the Lease is amended to 27.79% effective February 1, 1999.
7. LANDLORD'S NOTICE ADDRESS: Paragraph 23 is amended to replace the notice address for the Landlord with:

National Life Insurance Company  
 Equity Real Estate Department  
 One National Life Drive  
 Montpelier, VT 05604

All other terms and conditions of the Lease remain in full force and effect.

IN WITNESS OF THIS LEASE AMENDMENT, Landlord and Tenant have properly executed it as on the dates set out below.

LANDLORD: NATIONAL LIFE INSURANCE COMPANY

By: /s/ Richard D. MacKinnon  
 -----  
 Richard D. MacKinnon  
 Vice President, Equity Real Estate  
 Date: 2/3/99  
 -----

TENANT: RADIO ONE, INC.



By: /s/ Alfred Liggins

-----  
Alfred Liggins  
President

Date: -----

Amendment to Lease Amendment

National Life Insurance Company ("Landlord") and Radio One, Inc. ("Tenant") entered into that certain Lease Amendment dated January 22, 1999 with respect to Tenant's lease of Suite 150 in Lanham Centre at 5900 Princess Garden Parkway, Lanham, Maryland (the "Leased Premises"). Paragraph 5 of said Lease Amendment provides that Landlord will contribute \$52,452.00 to Tenant in connection with certain improvements to be made to the Leased Premises; but such contribution is to be made upon completion of such work, and upon the satisfaction of certain other conditions.

Landlord hereby waives the conditions, and has paid Tenant \$52,452.00 in complete satisfaction of its contribution obligations under paragraph 5 of the Lease Amendment. Tenant hereby acknowledges receipt of \$52,452.00 from Landlord in complete satisfaction of Landlord's obligations under paragraph 5 of the Lease Amendment, and further agrees that neither Landlord nor any successor landlord (including but not limited to Cadle's Lanham Centre, LLC, the contract purchaser of Lanham Centre) has any liability to Tenant under paragraph 5 of the Lease Amendment.

All other terms of the Lease remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Lease Amendment in counterparts (each of which will be considered an original) this 29th day of July, 1999.

RADIO ONE, INC.

NATIONAL LIFE INSURANCE  
COMPANY

/s/ Alfred C. Liggins

-----  
By: Richard D. Mackinnon

By: Alfred C. Liggins

-----  
Its: Vice President, Equity  
Real Estate

Its: President

ACKNOWLEDGED:

CADLE'S LANHAM CENTRE, LLC

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By: Rick Parsinger

Its: Manager

SECOND AMENDMENT TO THE  
WARRANTHOLDERS' AGREEMENT

This Second Amendment to the Warrantholders' Agreement (this "Amendment") is made as of this 3rd day of May, 1999, by and among Radio One, Inc., a Delaware corporation (the "Company"), Catherine L. Hughes, Alfred C. Liggins and Jerry A. Moore III (collectively, the "Management Stockholders"), the investors listed on the signature pages hereto as Series B Preferred Investors (the "Series B Preferred Investors"), and the investors listed on the signature pages hereto as Series A Preferred Investors (the "Series A Preferred Investors") (the Series B Preferred Investors and the Series A Preferred Investors being collectively referred to herein as the "Investors" and each individually as an "Investor," and the Investors and the Management Stockholders being collectively referred to herein as the "Securityholders" and each individually as a "Securityholder").

W I T N E S S E T H

WHEREAS, the Company, Radio One Licenses, Inc., the Management Stockholders and the Investors are parties to a Warrantholders' Agreement, dated as of June 6, 1995, as amended by the First Amendment to the Warrantholders' Agreement dated as of May 19, 1997, and the Agreement and Plan of Warrant Recapitalization dated as of February 25, 1999 (as so amended, the "Warrantholders' Agreement");

WHEREAS, the Company, the Management Stockholders and the Investors wish to further amend the Warrantholders' Agreement in order to facilitate the public offering and sale by the Company of shares of the Company's Common Stock contemplated by the Form S-1 Registration Statement filed on March 12, 1999, as subsequently amended (the "Common Stock Registration Statement"), and the public offering and sale by the Company of shares of the Company's Senior Cumulative Exchangeable Preferred Stock contemplated by the Form S-1 Registration Statement filed on March 19, 1999, as subsequently amended (the "Preferred Stock Registration Statement").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree to amend the Warrantholders' Agreement as follows:

1. Amendment to Section 9.12 of the Warrantholders' Agreement. Effective as of the Effective Time (as defined below), Section 9.12 of the Warrantholders' Agreement shall be amended by deleting the existing Section 9.12 in its entirety, and replacing it with the following:

"Section 9.12. Term. This Agreement shall remain in effect so long as any of the Investors hold Warrants or Registrable Securities; provided, however, that the provisions of Articles III, IV, V, VI, VII and VIII shall terminate upon the closing of a Qualified

Public offering by the Company; and, provided, further, that the provisions of Article VIII hereof shall, in any event, terminate on the tenth anniversary of the date hereof."

2. Effectiveness of Amendment. For purposes hereof, the term "Effective Time" shall mean the first date on which both of the Common Stock Registration Statement and the Preferred Stock Registration Statement have been declared effective by the Securities and Exchange Commission.

3. Documents Otherwise Unchanged. Except as provided herein, the Warrantholders' Agreement shall remain unchanged and in full force and effect.

4. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be identical and all of which, when taken together, shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart.

5. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties hereto and any respective successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Second Amendment to the Warrantholders' Agreement as of the date first above written.

RADIO ONE, INC.

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

Its: \_\_\_\_\_

-----  
Catherine L. Hughes

-----  
Alfred C. Liggins, III

SYNCOM CAPITAL CORPORATION

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

Its: \_\_\_\_\_

ALTA SUBORDINATED DEBT PARTNERS III, L.P.

By: Alta Subordinated Debt Management  
Partners III, L.P.

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

Its: \_\_\_\_\_

BANCBOSTON INVESTMENTS INC.

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

Its: \_\_\_\_\_

ALLIANCE ENTERPRISE CORPORATION

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

OPPORTUNITY CAPITAL CORPORATION

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

MEDALLION CAPITAL, INC.

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

TSG VENTURES, L.P.

By: TSGVI Associates, Inc.  
Its: General Partner

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

FULCRUM VENTURE CAPITAL CORPORATION

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

-----  
Grant M. Wilson



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ASSET PURCHASE AGREEMENT  
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by and among  
SINCLAIR TELECABLE, INC.

d/b/a SINCLAIR COMMUNICATIONS

and

COMMONWEALTH BROADCASTING, LLC

and

RADIO ONE, INC.

for the sale and purchase of

Station WCDX-FM, Station WPLZ-FM, Station WGCV-AM and Station WJRV-FM

Dated as of May 6, 1999  
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TABLE OF EXHIBITS

EXHIBIT 1 -- Escrow Agreement

EXHIBIT 2 -- Time Brokerage Agreement

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ASSET PURCHASE AGREEMENT

This Agreement, made and entered into as of this \_\_\_\_\_ day of May, 1999, by and among Sinclair Telecable, Inc. d/b/a Sinclair Communications, an Indiana corporation, Commonwealth Broadcasting, LLC, a Commonwealth of Virginia limited liability company (collectively "Seller", individually, "Sinclair" and "Commonwealth" respectively), and Radio One, Inc., a Delaware corporation ("Buyer").

WITNESSETH THAT:

WHEREAS, Sinclair is the licensee of Stations WCDX-FM, Mechanicsville, Virginia, 92.1 MHz, WPLZ-FM, Petersburg, Virginia, 99.3 MHz, and WGCV-AM, Petersburg, Virginia, 1240 KHz and Commonwealth is the licensee of Station WJRV-FM, Richmond, Virginia, 105.7 MHz (the "Stations"); and

WHEREAS, the parties desire that Buyer purchase the assets used or held for use in the operation of the Stations and acquire the authorizations issued by the Federal Communications Commission (the "Commission") for the operation of the Stations; and

WHEREAS, Seller may elect to structure this Transaction as a tax-deferred like-kind exchange pursuant to Internal Revenue Code Section 1031, consistent with the provisions contained herein; and

WHEREAS, the authorizations issued by the Commission may not be assigned to Buyer without the Commission's prior consent.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties, intending to be legally bound, agree as follows:

1.0 RULES OF CONSTRUCTION.

1.1. DEFINED TERMS. As used in this Agreement, the following terms shall have the following meanings:

"ADMINISTRATIVE VIOLATION" means those violations described in Section 8.6 hereof.

"ASSIGNMENT APPLICATION" means the applications on FCC Form 314 that Seller and Buyer shall join in and file with the Commission requesting its consent to the assignment of the FCC Licenses (as hereinafter defined) from Seller to Buyer.

"BUSINESS RECORDS" means all business records of Seller (including logs, public files materials and engineering records) relating to or used in the operation of the Stations and not relating solely to Seller's internal corporate affairs.

"BUYER" means Radio One, Inc., a Delaware corporation.



"BUYER DOCUMENTS" means those documents, agreements and instruments to be executed and delivered by Buyer in connection with this Agreement as described in Section 7.2.

"CLOSING" means the consummation of the Transaction (as hereinafter defined).

"CLOSING DATE" means the date on which the Closing takes place, as determined by Section 11.

"CODE" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"COMMISSION" means the Federal Communications Commission.

"COMMUNICATIONS ACT" shall mean the Communications Act of 1934, as amended.

"CONTRACTS" means those contracts, leases and other agreements listed or described in Schedule 2.1(c)(1) which are in effect on the date hereof and which Buyer has agreed to assume, but not including Sales Agreements and Trade Agreements (as hereinafter defined).

"ENVIRONMENTAL LAW" means any law, rule, order, decree or regulation of any Governmental Authority relating to pollution or protection of human health and the environment, including any law or regulation relating to emissions, discharges, releases or threatened releases of Hazardous Substances (as hereinafter defined) into ambient air, surface water, groundwater, land or other environmental media, and including without limitation all laws, regulations, orders and rules pertaining to occupational health and safety.

"ESCROW AGENT" means Wilmington Trust Company.

"ESCROW AGREEMENT" means the escrow agreement described in Section 3, the form of which is attached as Exhibit 1.

"ESCROW DEPOSIT" means the monies deposited with the Escrow Agent described in Section 3.

"EQUIPMENT" means all tangible personal property and fixtures used or useful in the operation of the Stations as described in Section 2.1(b).

"EXCLUDED ASSETS" means those assets excluded from the Purchased Assets and retained by the Seller, to the extent in existence on the Closing Date, as specifically described in Section 2.2.

"FCC LICENSES" means all licenses, pending applications, permits and other authorizations issued by the Commission for the operation of the Stations listed on Schedule 6.5.

"FINAL ORDER" means any action that shall have been taken by the Commission (including action duly taken by the Commission's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the Commission with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the Commission shall have expired or otherwise terminated.

"FINANCIAL STATEMENTS" means Seller's audited and unaudited financial statements as described in Section 6.10.

"GOVERNMENTAL AUTHORITY" means any nation or government, any state or other political subdivision thereof, and any agency, court or other entity that exercises executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"HAZARDOUS SUBSTANCES" means any hazardous, dangerous or toxic waste, substance or material, as those or similar terms are defined in or for purposes of any applicable federal, state or local Environmental Law, and including without limitation any asbestos or asbestos-related products, oils, petroleum or petroleum-derived compounds, CFCs, or PCBs.

"INTANGIBLE PROPERTY" means all of Seller's right, title and interest in and to the goodwill and other intangible assets used or useful in or arising from the business of the Stations as described in Section 2.1(f).

"INTELLECTUAL PROPERTY" means all Seller's right, title and interest in and to the trademarks, tradenames, service marks, patents, franchises, copyrights, including registrations and applications for registration of any of them, slogans, jingles, logos, computer programs and software, trade secrets and similar materials and rights relating to the Stations as listed on Schedule 6.8.

"KNOWLEDGE OF BUYER" means the actual knowledge, after reasonable inquiry of Buyer's senior management, and the books and records of Buyer.

"KNOWLEDGE OF SELLER" means the actual knowledge, after reasonable inquiry of Seller's senior management, the books and records of the Stations, and the actual knowledge of J. David Sinclair and Benjamin Miles.

"MATERIAL CONTRACTS" means those leases, contracts and agreements specifically designated in Schedule 2.1(c)(1) as being "Material Contracts."

"PERMITTED ENCUMBRANCES" means those permitted liens or encumbrances to the Purchased Assets described in Section 6.4 and set forth on Schedule 6.4.

"PURCHASE PRICE" shall mean the total consideration for the Purchased Assets as described in Section 4.1.

"PURCHASED ASSETS" means those assets which are the subject matter of this Agreement that Seller shall sell, assign, transfer, convey and deliver to Buyer at Closing as described in Section 2.1.

"SALES AGREEMENTS" means agreements entered into by Seller for the sale of time on the Stations for cash, as described in Section 2.1(c)(2).

"SELLER" means Sinclair Telecable, Inc. d/b/a Sinclair Communications, and Commonwealth Broadcasting, LLC.

"SELLER DOCUMENTS" means those documents, agreements and instruments to be executed and delivered by Seller in connection with this Agreement as described in Section 6.1.

"SPECIFIED EVENT" means those broadcast transmission failures described in Section 8.5(b).

"STATIONS" means WCDX-FM, Mechanicsville, Virginia, 92.1 MHz, WPLZ-FM, Petersburg, Virginia, 99.3 MHz, WJRV-FM, Richmond, Virginia, 105.7 MHz, and WGCV-AM, Petersburg, Virginia, 1240 KHz.

"STUDIO SITE" means the leased real estate located at 2809 Emerywood Parkway, Suite 300, Petersburg, Virginia that is currently used as the studio and office facilities for Stations WCDX-FM, WPLZ-FM and WJRV-FM.

"WGCV-AM STUDIO SITE" means the leased real estate located at 10537 South Crater Road, Petersburg, Virginia.

"TRADE AGREEMENTS" means agreements entered into by Seller for the sale of time on the Stations in exchange for merchandise or services, including those listed on Schedule 2.1(c)(1).

"TRADE BALANCE" means the difference between the aggregate value of time owed pursuant to the Trade Agreements and the aggregate value of goods and services to be received pursuant to the Trade Agreements, as computed in accordance with the Station's customary bookkeeping practices. The Trade Balance is "negative" if the value of time owed as of Closing exceeds the value of goods and services to be received. The Trade Balance is "positive" if the value of time owed as of Closing is less than the value of goods and services to be received.

"TRANSACTION" means the sale and purchase and assignments and assumptions contemplated by this Agreement and the respective obligations of Seller and Buyer set forth herein.

"WCDX-FM BACKUP TRANSMITTER SITE" means the real estate located at 8216 Meadowbridge Road, Mechanicsville, Virginia owned by John Sinclair, that is currently used as Station WCDX's backup transmitter site.

"WCDX-FM TRANSMITTER SITE" means the real estate located at 3425 Basie Road, Richmond, Virginia that is currently used as Station WCDX's transmitter site.

"WPLZ-FM TRANSMITTER SITE" means the real estate located at Hare and Culpepper Streets, Petersburg, Virginia that is currently used as Station WPLZ's transmitter site.

"WJRV-FM TRANSMITTER SITE" means the real estate located at 701 German School Road, Richmond, Virginia that is currently used as Station WJRV's transmitter site.

"WGCV-AM TRANSMITTER SITE" means the real estate located at Hare and Culpepper Streets, Petersburg, Virginia that is currently used as Station WGCV's transmitter site.

"WPLZ STL SITE" means the real estate located at 3249 Basie Road, Richmond, Virginia that is currently used as Station WPLZ's Studio Transmitter Link ("STL") site.

1.2. OTHER DEFINITIONS. Other capitalized terms used in this Agreement shall have the meanings ascribed to them herein.

1.3. NUMBER AND GENDER. Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders.

1.4. HEADINGS AND CROSS-REFERENCES. The headings of the Sections and Paragraphs hereof, the Table of Exhibits, and the Table of Schedules have been included for convenience of reference only, and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to Sections or Paragraphs herein shall mean the Sections or Paragraphs of this Agreement unless otherwise stated or clearly required by the context. All references to Schedules herein shall mean the Schedules to this Agreement. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context. The term "including" means "including without limitation."

1.5. COMPUTATION OF TIME. Whenever any time period provided for in this Agreement is measured in "business days" there shall be excluded from such time period each day that is a Saturday, Sunday, recognized federal legal holiday, or other day on which the Commission's offices are closed and are not reopened prior to 5:30 p.m. Washington, D.C. time. In all other cases all days shall be counted.

## 2.0 ASSETS TO BE CONVEYED.

2.1. PURCHASED ASSETS. On the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer free of all liens, encumbrances, mortgages, security interests of any kind or type whatsoever, all of Seller's assets used in the conduct of the business and operations of the

Stations (collectively referred to as the "Purchased Assets"), including, but not limited to, the following:

(A) LICENSES. The FCC Licenses, and all other transferrable licenses, permits and authorizations issued by any other Governmental Authority that are used in or necessary for the lawful operation of the Stations as currently operated by Seller.

(B) EQUIPMENT. All tangible personal property and fixtures used or held for use in the operation of the Stations, including the property and assets listed or described in Schedule 6.6, together with supplies, inventory, spare parts and replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date (the "Equipment").

(C) CONTRACTS AND AGREEMENTS. The Contracts, Sales Agreements and Trade Agreements, subject to the following:

(1) Buyer shall be obligated to assume only those Contracts that are listed in Schedule 2.1(c)(1) or that have been or will have been entered into in the ordinary course of the Station's business and in accordance with the terms of this Agreement, between the date hereof and the Closing Date, provided that, unless otherwise approved in writing by Buyer, the obligations of the Stations or Buyer under such Contracts entered into in the ordinary course of business do not exceed Five Thousand Dollars (\$5,000) per annum per Contract or Twenty-five Thousand Dollars (\$25,000) per annum in the aggregate or are terminable by the Stations on not more than 30 days' notice.

(2) Except for those Sales Agreements to be assumed by Buyer that are listed on Schedule 2.1(c)(1), Buyer shall be obligated to assume only those Sales Agreements with terms of no longer than ten (10) weeks, or if containing terms of longer than 10 weeks, are terminable by the Station on not more than 15 days' notice and are (i) in existence as of the date of this Agreement or (ii) will have been entered into in the ordinary course of business and in accordance with the terms of this Agreement at commercially reasonable rates.

(3) Except with regard to that certain Trade Agreement dated February 4, 1999, between Sinclair Telecable, Inc. and Moore Cadillac (the "Cadillac Lease"), Buyer shall be obligated to assume only those Trade Agreements that are listed in Schedule 2.1(c)(1) or that have been or will have been entered into in the ordinary course of business and in accordance with the terms of this Agreement, between the date hereof and the Closing Date, and are (i) immediately preemptible for cash time sales; (ii) require the provision of air time only on a "run of schedule" basis; and (iii) primarily inure or will inure to the benefit of the Stations. Notwithstanding the foregoing and except with regard to the Cadillac Lease, Buyer's obligation to assume Trade Agreements (including those Trade Agreements listed on Schedule 2.1(c)(1) and those entered into by the Station on or before May 31, 1999 in the ordinary course of business) that have an aggregate negative Trade Balance exceeding Five Thousand Dollars (\$5,000), is conditioned upon Seller's agreement that Buyer will receive a credit against the Purchase Price at

Closing equivalent to the amount that such negative Trade Balance exceeds Five Thousand Dollars (\$5,000) as of May 31, 1999.

(4) Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Contract or other agreement, undertaking or obligation if (i) an attempted assignment, without the consent required for such assignment, may constitute a breach thereof or may in any way have a material adverse effect on Seller's rights thereunder prior to Closing or Buyer's rights thereunder after Closing and (ii) such consent is not obtained by Seller prior to Closing, provided, however, that Seller will use its best efforts at its own expense to obtain all such consents prior to Closing.

(D) PROGRAMMING MATERIALS. All programs, programming material, and music libraries in whatever form or nature owned by Seller and used or intended for use in the operation of the Stations.

(E) INTELLECTUAL PROPERTY. All Seller's right, title and interest in and to the Intellectual Property used in the operation of the Stations.

(F) INTANGIBLE PROPERTY. All of Seller's right, title and interest in and to the goodwill and other intangible assets used or useful in or arising from the business of the Stations, including all customer lists, and sales plans.

(G) BUSINESS RECORDS. All business records of Seller (including logs, public file materials and engineering records) relating to or used in the operation of the Stations and not relating solely to Seller's internal corporate affairs.

(H) STATION RECORDS. All of the Stations' proprietary information, technical information and data, machinery and equipment warranties (to the extent such warranties are assignable), maps, plans, diagrams, blueprints, schematics, files, records, studies, data, lists, general accounting records, books of account, in whatever form, used or held for use for the business or operation of the Stations, including filings with the FCC which relate to the Stations.

(I) REAL PROPERTY. The Real Property described in Schedule 6.13 which is used as both the WPLZ-FM Transmitter Site and WGCV-AM Transmitter Site.

(J) REAL PROPERTY LEASES. Sinclair currently holds a leasehold interest in the Real Property described in Schedule 6.13 which is used as the WCDX-FM Transmitter Site and the WPLZ(FM) Studio Transmitter Link site (WPJB292 call sign). Commonwealth currently holds a leasehold interest in the Real Property described in Schedule 6.13 which is used as the WJRV-FM Transmitter Site. At Closing, Seller shall transfer and assign any and all of its rights, title and interest in these leasehold interests to Buyer. In addition, John Sinclair hold title to the Real Property described in Schedule 6.13 which is used as the WCDX-FM Backup Transmitter Site. At Closing, Seller shall at Buyer's option cause John Sinclair (or his successors and assigns) to enter into a lease with Buyer for an initial term of ten (10) years, with, at Buyer's

option, two (2) renewal terms of ten (10) years each, for the amount of \$100 per year for continued use of the site.

(K) STUDIO SITE LEASES. Seller currently holds a leasehold interest in the Real Property described in Schedule 6.13 which is used as the Studio Site and the WGCV-AM Studio Site. At Closing, Seller shall transfer and assign any and all of its rights, title and interest in the Studio Site Leases to Buyer.

2.2. EXCLUDED ASSETS. There shall be excluded from the Purchased Assets and retained by the Seller, to the extent in existence on the Closing Date, the following assets (the "Excluded Assets"):

(A) RECEIVABLES. All Accounts Receivable.

(B) CASH AND INVESTMENTS. All cash and cash equivalents on hand or in bank accounts and other cash items and investment securities of Seller on the Closing Date.

(C) INSURANCE. All contracts of insurance (including any cash surrender value thereof) and all insurance proceeds of settlement and insurance claims made by Seller on or before the Closing Date, except that any insurance proceeds Seller receives due to damaged equipment will be used to repair or replace such equipment.

(D) EMPLOYEE BENEFIT ASSETS. All pension, profit sharing and savings plans and trusts, and any assets thereof, except that any employee account balances under any plan qualified under Section 401(k) of the Code shall be promptly transferred to a plan qualified under Section 401(k) and, at Buyer's request, made available by or on behalf of Buyer if such employee is hired by Buyer, to the extent allowed under each such plan and applicable law.

(E) CONTRACTS. All contracts that will have terminated or expired prior to Closing by their terms and all contracts, agreements, instruments, undertakings and obligations not expressly assumed by Buyer hereunder.

(F) TAX ITEMS. All claims, rights and interest in and to any refunds for federal, state or local taxes to which Seller is entitled for periods prior to the Closing Date.

(G) CORPORATE RECORDS. Seller's corporate minute books and other books and records relating to internal corporate minutes.

3.0 ESCROW DEPOSIT. Simultaneously with the execution and delivery of this Agreement by both parties, Buyer has deposited with Wilmington Trust Company ("Escrow Agent"), a cash deposit of One Million Two Hundred and Fifty Thousand Dollars (\$1,250,000) (the "Escrow Deposit"). The Escrow Deposit shall be held in an interest-bearing account and disbursed by Escrow Agent pursuant to the terms of an escrow agreement in the form attached hereto as Exhibit 1 (the "Escrow Agreement"), which Escrow Agreement has been entered into by Seller, Buyer and Escrow Agent simultaneously herewith.

4.0 PURCHASE PRICE AND METHOD OF PAYMENT.

4.1. CONSIDERATION. The total consideration for the Purchased Assets at Closing (the "Purchase Price") shall be Thirty Four Million Dollars (\$34,000,000) payable as set forth in this Section 4.

4.2. PAYMENT AT CLOSING. At Closing, Buyer shall pay:

(a) Thirty Two Million Seven Hundred and Fifty Thousand Dollars (\$32,750,000) (as adjusted pursuant to Sections 8.5 and 12.1) to Seller by check or wire transfer of same day funds pursuant to wire transfer instructions which shall be delivered by Seller to Buyer at least five business days prior to Closing.

(b) One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) to Seller by causing the Escrow Agent to release the Escrow Deposit to Seller, with all interest earned on the Escrow Deposit remitted to Buyer.

4.3. ALLOCATION. The Purchase Price shall be allocated to the Purchased Assets in accordance with an allocation schedule prepared by Seller pursuant to Section 1060 of the Code and mutually agreed upon by Seller and Buyer. Seller and Buyer shall use such allocation for tax accounting (including preparation of IRS Form 8594), and all other purposes. If Seller and Buyer have not agreed upon the allocation prior to the Closing Date, Closing shall take place as scheduled and any dispute shall be resolved by a qualified media appraiser mutually acceptable to Seller and Buyer, whose decision shall be final and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer. If the allocation must be determined by a media appraiser, Seller and Buyer agree to cooperate in good faith so that such appraisal may be completed within sixty (60) days after Closing.

4.4. SELLER'S LIABILITIES. Buyer does not and shall not assume or be deemed to assume, pursuant to this Agreement or otherwise, any agreements, liabilities, undertakings, obligations or commitments of Seller or the Stations of any nature whatsoever except: (i) liabilities accruing after Closing under the Contracts, Sales Agreements and Trade Agreements listed in Schedule 2.1(c)(1) or otherwise expressly assumed by Buyer pursuant to, and subject to, Section 2.1(c), provided, that, Buyer shall not assume liability for any breaches, violations or defaults under the Contracts, Sales Agreements and Trade Agreements that occurred prior to Closing; and (ii) prorated items that are to be paid by Buyer after Closing pursuant to Section 12.1.

5.0 HART-SCOTT-RODINO. As promptly as practicable and no later than ten (10) days following the execution of this Agreement, Seller and Buyer shall complete any filing that may be required pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Seller and Buyer shall diligently take all necessary and proper steps and provide any additional information reasonably requested in order to comply with the requirements of such Act. Buyer shall pay the filing fee.



6.0 SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Seller hereby makes to and for the benefit of Buyer, the following representations, warranties and covenants:

6.1. EXISTENCE, POWER AND IDENTITY. Sinclair is a corporation duly organized and validly existing under the laws of the State of Indiana and Commonwealth is a limited liability company duly organized and validly existing under the laws of the Commonwealth of Virginia. Both Sinclair and Commonwealth are licensed to do business in the Commonwealth of Virginia with full corporate power and authority (a) to own, lease and use the Purchased Assets as currently owned, leased and used, (b) to conduct the business and operation of the Stations as currently conducted and (c) to execute and deliver this Agreement and each other document, agreement and instrument to be executed and delivered by Seller in connection with this Agreement (collectively, the "Seller Documents"), and to perform and comply with all of the terms, obligations and covenants to be performed and complied with by Seller hereunder and thereunder. The addresses of Seller's chief executive office and all of Seller's additional places of business, and all places where any of the tangible personal property included in the Purchased Assets is now located, or has been located during the past 180 days, are correctly listed in Schedule 6.1. Except as set forth in Schedule 6.1, during the past five years, Seller has not been known by or used, nor, to the best of Seller's knowledge, has any prior owner of the Stations been known by or used, any corporate, partnership, fictitious or other name in the conduct of the Stations' business or in connection with the ownership, use or operation of the Purchased Assets.

6.2. BINDING EFFECT. The execution, delivery and performance by Seller of this Agreement has been and the Seller Documents will be duly authorized by all necessary corporate or limited liability company action, and copies of those authorizing resolutions, certified by an officer, member, partner or manager as appropriate, shall be delivered to Buyer at Closing. No other action by Sinclair or Commonwealth is required for Seller's execution, delivery and performance of this Agreement. This Agreement has been duly and validly executed and delivered by Seller to Buyer and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors, and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

6.3. NO VIOLATION. Except as set forth on Schedule 6.3, none of (i) the execution, delivery and performance by Seller of this Agreement or any of the Seller Documents, (ii) the consummation of the Transaction, or (iii) Seller's compliance with the terms or conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Seller's articles of incorporation, bylaws, operating agreement or limited liability company agreement, (y) any judgment, decree, order, consent, agreement, lease or other instrument (including any Contract, Sales Agreement or Trade Agreement) to which Seller is a party or by which Seller or any of its assets (including the Purchased Assets) or the Stations is or may be legally bound or affected, or (z) any law, rule,

regulation or ordinance of any Governmental Authority applicable to Seller or any of its assets (including the Purchased Assets) or the operation of the Stations.

6.4. CONVEYANCE OF ASSETS. At Closing, Seller shall convey to Buyer good and marketable title to all the Purchased Assets, free and clear of all liens, pledges, collateral assignments, security interests, capital or financing leases, easements, covenants, restrictions and encumbrances or other defects of title except: (i) the inchoate lien for current taxes or other governmental charges not yet due and payable and that will be prorated between Seller and Buyer pursuant to Section 12.1; and (ii) the Permitted Encumbrances.

6.5. GOVERNMENTAL AUTHORIZATIONS. Except for the FCC Licenses which are set forth in Schedule 6.5, no transferable licenses, permits, or authorizations from any Governmental Authority are required to own, use or operate the Purchased Assets, to operate the Stations or to conduct Seller's business as currently operated and conducted by Seller. The FCC Licenses are all the Commission authorizations held by Seller with respect to the Stations, and are all the Commission authorizations used in or necessary for the lawful operation of the Stations as currently operated by Seller. The FCC Licenses are in full force and effect, are subject to no conditions or restrictions other than those which appear on their face and are unimpaired by any acts or omissions of Seller, Seller's officers, employees or agents. Seller has delivered true and complete copies of all FCC Licenses to Buyer. There is not pending or, to the Knowledge of Seller, threatened, any action by or before the Commission or any other Governmental Authority to revoke, cancel, rescind or modify any of the FCC Licenses (other than proceedings to amend Commission rules of general applicability or otherwise affecting the broadcast industry generally), and there is not now issued, outstanding or pending or, to the Knowledge of Seller, threatened, by or before the Commission or any other Governmental Authority, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or otherwise with respect to the Stations. The Stations are operating in compliance with all FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the current rules, regulations, policies and practices of the Commission. The Commission's most recent renewals of the FCC Licenses were not challenged by any petition to deny or any competing application. Seller has no knowledge of any facts relating to it that, under the Communications Act or the current rules, regulations, policies and practices of the Commission may cause the Commission to deny Commission renewal of the FCC Licenses or deny Commission consent to the Transaction.

6.6. EQUIPMENT. Seller has good and marketable title, both legal and equitable, to the Equipment. The Equipment, together with any improvements and additions thereto and replacements thereof less any retirements or other dispositions as permitted by this Agreement between the date hereof and the Closing Date, will, at Closing, be all the tangible personal property used or useful in the lawful operation of the Stations as currently operated by Seller. Except as specifically indicated to the contrary in Schedule 6.6, all Equipment is serviceable, in good

operating condition (reasonable wear and tear excepted), and is not in imminent need of repair or replacement. All items of transmitting and studio equipment included in the Equipment (i) have been maintained in a manner consistent with generally accepted standards of good engineering practice and (ii) will permit the Stations to operate in accordance with the terms of the FCC Licenses.

6.7. CONTRACTS. Seller has made available to Buyer or its representatives complete and correct copies of all Contracts and Trade Agreements listed on Schedule 2.1(c)(1) hereto. The list of Trade Agreements on Schedule 2.1(c)(1) is accurate and complete. Except for Sales Agreements that comply with the terms of this Agreement, Schedule 2.1(c)(1) includes all the contracts, leases, and agreements to which Seller is a party and which Buyer has agreed to assume, other than those contracts that will be performed in full prior to the Closing. To the Knowledge of Seller, each Contract is in full force and effect and is unimpaired by any acts or omissions of Seller, Seller's employees or agents, or Seller's officers. Except as set forth on Schedule 2.1(c)(1), there has not occurred as to any Contract any event of default by Seller or any event that, with notice, the lapse of time or otherwise, could become an event of default by Seller. There has not occurred as to any Contract any default by any other party thereto or any event that, with notice, the lapse of time or otherwise, or at the election of any person other than Seller, could become an event of default by such party. Those Contracts whose stated duration extends beyond the Closing Date will, at Closing, be in full force and effect, unimpaired by any acts or omissions of Seller, Seller's employees or agents, or Seller's officers. If any Contract requires the consent of any third party in order for Seller to assign that Contract to Buyer, Seller shall use its best efforts to obtain at its own expense such consent prior to Closing.

6.8. PROMOTIONAL RIGHTS. The Intellectual Property set forth on Schedule 6.8 includes all call signs and trademarks that Seller is transferring to Buyer, used to promote or identify the Stations. Except as set forth on Schedule 6.8, the Intellectual Property is in good standing and uncontested by any third party. Except as set forth on Schedule 6.8, Seller has no Knowledge of any infringement or unlawful or unauthorized use of those promotional rights, including the use of any call sign, slogan or logo by any broadcast or cable stations in the Richmond or Petersburg metropolitan areas that may be confusingly similar to those currently used by the Stations. Except as set forth on Schedule 6.8, to the Knowledge of Seller, the operations of the Stations do not infringe, and no one has asserted to Seller that such operations infringe, any copyright, trademark, tradename, service mark or other similar right of any other party.

6.9. INSURANCE. Schedule 6.9 lists all insurance policies held by Seller with respect to the Purchased Assets and the business and operation of the Stations. Such insurance policies are in full force and effect, all premiums with respect thereto are currently paid and Seller is in compliance with the terms thereof. Seller has not received any notice from any issuer of any such policies of its intention to cancel, terminate, or refuse to renew any policy issued by it. Seller will maintain the insurance policies listed on Schedule 6.9 in full force and effect through the Closing Date.

#### 6.10. FINANCIAL STATEMENTS.

(a) Seller has furnished Buyer with the audited Financial Statements for fiscal years 1996, and 1997 as well as unaudited Financial Statements for December 31, 1998. The Financial Statements: (i) have been prepared in accordance with generally accepted accounting

principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Seller's financial position, income, expenses, assets, liabilities, shareholder's equity and the results of operations of the Stations as of the dates and for the periods indicated. Since December 31, 1998, there has been no material adverse change in the business, assets, properties or condition (financial or otherwise) of the business. No event has occurred that would make such Financial Statements misleading in any respect.

(b) Except as reflected in the most recently available balance sheets, including the notes thereto or otherwise disclosed in this Agreement or the Schedules hereto, and except for the current liabilities and obligations incurred in the ordinary course of business of the Stations (not including for this purpose any tort-like liabilities or breach of contract) since the date of the most recently available balance sheets, there exist no liabilities or obligations of Seller, contingent or absolute, matured or unmatured, known or unknown. Except as set forth on Schedule 6.10(b) since the date of the most recently available balance sheets, (i) Seller has not made any contract, agreement or commitment or incurred any obligation or liability (contingent or otherwise), except in the ordinary course of business and consistent with past business practices, (ii) there has not been any discharge or satisfaction of any obligation or liability owed by Seller, which is not in the ordinary course of business or which is inconsistent with past business practices, (iii) there has not occurred any sale of or loss or material injury to the business, or any material adverse change in the business or in the condition (financial or otherwise) of the Stations, (iv) Seller has operated the business in the ordinary course and (v) Seller has not increased the salaries or any other compensation of any of its employees or agreed to the payment of any bonuses. The monthly balance sheets (i) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Company's financial position, income, expenses, assets, liabilities, shareholder's or member's equity and the results of operations of the Stations as of the dates and for the periods indicated, subject to year end adjustments which do not materially affect the operations of Seller.

6.11. EMPLOYEES. Except as otherwise listed on Schedule 6.11, (i) no employee of the Stations is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and, to the knowledge of Seller, there has been no concerted effort to unionize any of the Stations' employees and (ii) Seller has no other written or oral employment agreement or arrangement with any Station employee, and no written or oral agreement concerning bonus, termination, hospitalization or vacation. Seller has delivered to Buyer a list of all persons currently employed at the Stations together with an accurate description of the terms and conditions of their respective employment as of the date of this Agreement. Seller will promptly advise Buyer of any terminations or resignations of management employees or on-air staff that occur prior to the earlier of commencement of the Time Brokerage Agreement between the parties or the Closing Date.

6.12. EMPLOYEE BENEFIT PLANS.

(1) Except as described in Schedule 6.12, neither Seller nor any Affiliates (as defined below) have at any time established, sponsored, maintained, or made any contributions to, or been parties to any contract or other arrangement or been subject to any statute or rule requiring them to establish, maintain, sponsor, or make any contribution to, (i) any "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA")) ("Pension Plan"); (ii) any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) ("Welfare Plan"); or (iii) any deferred compensation, bonus, stock option, stock purchase, or other employee benefit plan, agreement, commitment, or arrangement ("Other Plan"). Seller and the Affiliates have no obligations or liabilities (whether accrued, absolute, contingent, or unliquidated, whether or not known, and whether due or to become due) with respect to any "employee benefit plan" (as defined in Section 3(3) of ERISA), or Other Plan that is not listed in Schedule 6.12. For purposes of this Section 6.12, the term "Affiliate" shall include all persons under common control with Seller within the meaning of Sections 4001(a)(14) or (b)(1) of ERISA or any regulations promulgated thereunder, or Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code").

(2) Each plan or arrangement listed in Schedule 6.12 (and any related trust or insurance contract pursuant to which benefits under such plans or arrangements are funded or paid) has been administered in all material respects in compliance with its terms and in both form and operation is in compliance with applicable provisions of ERISA, the Code, the Consolidated Omnibus Budget Reconciliation Act of 1986 and regulations thereunder, and other applicable law. Each Pension Plan listed in Schedule 6.12 has been determined by the Internal Revenue Service to be qualified under Section 401(a) and, if applicable, Section 401(k) of the Code, and nothing has occurred or been omitted since the date of the last such determination that resulted or could result in the revocation of such determination. Seller and the Affiliates have made all required contributions or payments to or under each plan or arrangement listed in Schedule 6.12 on a timely basis and have made adequate provision for reserves to meet contributions and payments under such plans or arrangements that have not been made because they are not yet due.

(3) To the knowledge of Seller, the consummation of this Agreement (and the employment by Buyer of former employees of Seller or any employees of an Affiliate) will not result in any carryover liability to Buyer for taxes, penalties, interest or any other claims resulting from any employee benefit plan (as defined in Section 3(3) of ERISA) or Other Plan. In addition, Seller and each Affiliate make the following representations (i) as to all of their Pension Plans: (A) neither Seller nor any Affiliate has become liable to the PBGC under ERISA under which a lien could attach to the assets of Seller or an Affiliate; (B) Seller and each Affiliate has not ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA; and (C) Seller and each Affiliate has not made a complete or partial withdrawal from a multiemployer plan (as defined in Section 3(37) of ERISA) so as to incur withdrawal liability as defined in Section 4201 of ERISA, and (ii) all group health plans maintained by the Seller and each Affiliate have been operated in material compliance with Section 4980B(f) of the Code.

(4) The parties agree that Buyer does not and will not assume the sponsorship of, or the responsibility for contributions to, or any liability in connection with, any Pension Plan, any Welfare Plan, or Other Plan maintained by Seller or an Affiliate for its employees, former employees, retirees, their beneficiaries or any other person.

6.13. REAL PROPERTY. Sinclair holds title to the real property described in Schedule 6.13 which is used as the WPLZ-FM Transmitter Site and the WGCV-AM Transmitter Site. In addition, John Sinclair holds title to the real property described in Schedule 6.13 which is used as the WCDX-FM Backup Transmitter Site. Sinclair also holds leasehold interests in the real property described in Schedule 6.13 which is used as the WCDX-FM Transmitter Site, the WPLZ-FM STL Site and the real property described in Schedule 6.13 which is used as the WCDX-FM, WPLZ-FM and WJRV-FM Studio Site. Commonwealth holds a leasehold interest in the property described in Schedule 6.13 which is used as the WJRV Transmitter Site. Sinclair holds a leasehold interest in the real property described in Schedule 6.13 which is used as the WGCV-AM Studio Site. All such interests in real property are hereinafter referred to as "Real Property". Except as listed on Schedule 6.13, all of the improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and the building, health, fire and environmental protection codes of all applicable governmental jurisdictions, and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. None of the improvements have any structural defects. No portion of the Real Property described in Schedule 6.13 is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and to the Knowledge of Seller, no such proceedings are threatened. There are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Seller, planned to be instituted, which would materially affect the use and operations of the Real Property for any lawful purpose, and Seller has not received notice of any special assessment proceedings materially affecting the Real Property. The Real Property has direct and unobstructed access to all public utilities necessary for the uses to which the Real Property is currently devoted by Seller in the operation of the Stations.

6.14. ENVIRONMENTAL PROTECTION. Except as set forth on Schedule 6.14, (i) no Hazardous Substances have been treated, stored, used, released or disposed of on the Studio Site, or the WGCV-AM Studio Site, (collectively the "Studio Sites"), the WPLZ-FM Transmitter Site, the WGCV-AM Transmitter Site, the WCDX-FM Transmitter Site, the WJRV-FM Transmitter Site, the WCDX-FM Backup Transmitter Site or the WPLZ-FM STL Site (collectively the "Transmitter Sites") by Seller or to the Knowledge of Seller, by any other party; (ii) to the Knowledge of Seller, Seller is not liable for cleanup or response costs with respect to any present or past emission, discharge, or release of any Hazardous Substances; (iii) to the Knowledge of Seller, no "underground storage tank" (as that term is defined in regulations promulgated by the federal Environmental Protection Agency) is used in the operation of the Stations or is located on the Studio Sites or the Transmitter Sites; (iv) there are no pending actions, suits, claims, legal proceedings or any other proceedings based on environmental conditions or noncompliance at the

Studio Sites or Transmitter Sites, or any part thereof, arising from Seller's activities involving Hazardous Substances; (v) there are no conditions, facilities, procedures or any other facts or circumstances caused by the Seller, or to the Knowledge of the Seller, caused by any other party at the Studio Sites or Transmitter Sites which constitute noncompliance with Environmental Law or regulations; and (vi) there are no structures, improvements, equipment, activities, fixtures or facilities at the Studio Sites or Transmitter Sites that have been placed by the Seller, or to the Knowledge of the Seller, by any other party which are constructed with, use or otherwise contain Hazardous Substances, including, but without limitation, asbestos or polychlorinated biphenyls.

6.15. COMPLIANCE WITH LAW. There is no outstanding complaint, citation, or notice issued by any Governmental Authority asserting that Seller is in violation of any law, regulation, rule, ordinance, order, decree or other material requirement of any Governmental Authority (including any applicable statutes, ordinances or codes relating to zoning and land use, health and sanitation, environmental protection, occupational safety and the use of electric power) affecting the Purchased Assets or the business or operations of the Stations, and Seller is in material compliance with all such laws, regulations, rules, ordinances, decrees, orders and requirements. Without limiting the foregoing:

(a) The Stations' transmitting and studio equipment is in material respects operating in accordance with the terms and conditions of the FCC Licenses, all underlying construction permits, and the rules, regulations, practices and policies of the Commission, including all requirements concerning equipment authorization and human exposure to radio frequency radiation.

(b) Seller has, in the conduct of the Stations' business, materially complied with all applicable laws, rules and regulations relating to the employment of labor, including those concerning wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of Social Security and similar taxes, and Seller is not liable for any arrears of wages or any tax penalties due to any failure to comply with any of the foregoing.

(c) Except as set forth in Schedule 6.15, all ownership reports, employment reports, tax returns and other material documents required to be filed by Seller with the Commission or other Governmental Authority have been filed; such reports and filings are accurate and complete in all material respects; such items as are required to be placed in the Stations' local public records files have been placed in such files; all proofs of performance and measurements that are required to be made by Seller with respect to the Stations' transmission facilities have been completed and filed at the Stations; and all information contained in the foregoing documents is true, complete and accurate.

(d) Seller will, prior to Closing, use its best efforts to make the Stations' local public file complete in all material respects.

(e) The location of the Stations' main studio(s) complies with the FCC's rules.

(f) Seller has paid to the Commission the regulatory fees due for the Stations for the years 1994-98.

6.16. LITIGATION. Except for proceedings affecting radio broadcasters generally and except as set forth on Schedule 6.3, there is no litigation, complaint, investigation, suit, claim, action or proceeding pending, or to the Knowledge of Seller, threatened before or by the Commission, any other Governmental Authority, or any arbitrator or other person or entity relating to the business or operations of the Stations or to the Purchased Assets. Except as set forth on Schedule 6.3, there is no other litigation, action, suit, complaint, claim, investigation or proceeding pending, or to the Knowledge of Seller, threatened that may give rise to any material claim against any of the Purchased Assets or adversely affect Seller's ability to consummate the Transaction as provided herein. To the Knowledge of Seller, there are no facts that could reasonably result in any such proceedings.

6.17. INSOLVENCY PROCEEDINGS. No insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller, the Stations' Assets or the Purchased Assets are pending or, to the Knowledge of Seller, threatened. Seller has not made an assignment for the benefit of creditors.

6.18. SALES AGREEMENTS. The Sales Agreements in existence on the date hereof have been entered into in the ordinary course of the Stations' business, at rates consistent with Seller's usual past practices and each Sales Agreement is for a term no longer than 10 weeks or, if longer, is terminable by the Stations upon not more than 15 days notice.

6.19. LIABILITIES. There are no known liabilities or obligations of Seller relating to the Stations, whether related to tax or non-tax matters, due or not yet due, except as and to the extent set forth on the most recent Financial Statements described in Section 6.10.

6.20. SUFFICIENCY OF ASSETS. The Purchased Assets in conjunction with the leases referred to in Section 2.1(j) are and, on the Closing Date will be, sufficient to conduct the operation and business of the Stations in the manner in which it is currently being conducted.

6.21. RELATED PARTIES. Except as disclosed in Schedule 6.21 neither Seller nor any member, manager, shareholder, officer or director of Seller has any interest whatsoever in any corporation, firm, partnership or other business enterprise which has had any business transactions with Seller relating to the Purchased Assets or the Stations, and no member, manager, shareholder, officer or director of Seller has entered into any transactions with Seller relating to the Purchased Assets or the Stations.

6.22. TAXES. The Seller has timely filed with all appropriate Governmental Authority all federal, state, commonwealth, local, and other tax or information returns and tax reports (including, but not limited to, all income tax, unemployment compensation, social security, payroll, sales and use, profit, excise, privilege, occupation, property, ad valorem, franchise, license, school and any other tax under the laws of the United States or of any state or any



commonwealth or any municipal entity or of any political subdivision with valid taxing authority) due for all periods ended on or before the date hereof. Seller has paid in full all federal, state, commonwealth, foreign, local and other governmental taxes, estimated taxes, interest, penalties, assessments and deficiencies (collectively, "Taxes") which have become due pursuant to such returns or without returns or pursuant to any assessments received by Seller. The Seller has timely withheld and paid over all taxes with respect to employees, independent contractors and shareholders. Such returns and forms are true, correct and complete in all material respects, and Seller has no liability for any Taxes in excess of the Taxes shown on such returns. Seller is not a party to any pending action or proceeding and, to the Knowledge of Seller, there is no action or proceeding threatened by any Governmental Authority against Seller for assessment or collection of any Taxes, and no unresolved claim for assessment or collection of any Taxes has been asserted against Seller.

6.23. NO MISLEADING STATEMENTS. This Agreement, and any disclosures made in this Agreement and any Schedule attached hereto will not contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading. Seller represents and warrants that it has disclosed, and agrees it will continue to disclose to Buyer, any fact that Seller is obligated to disclose to assure the continuing accuracy of the representations and warranties contained in this Section 6.

7.0 BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Buyer hereby makes to and for the benefit of Seller, the following representations, warranties and covenants:

7.1. EXISTENCE AND POWER. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to assume and perform this Agreement, and as of the Closing Date will be authorized to do business in the Commonwealth of Virginia.

7.2. BINDING EFFECT. The execution, delivery and performance by Buyer of this Agreement, and each other document, agreement and instrument to be executed and delivered by Buyer in connection with this Agreement (collectively, the "Buyer Documents") has been or will be duly authorized by all necessary corporate action, and copies of those authorizing resolutions, certified by Buyer's Secretary shall be delivered to Seller at Closing. This Agreement has been, and each of the Buyer Documents will be, duly and validly executed and delivered by Buyer to Seller and constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

7.3. NO VIOLATION. The execution, delivery and performance by Buyer of this Agreement or any of the Buyer's documents will not, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Buyer's articles of incorporation or by-laws, (y) any judgment, decree, order,

consent agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound, or (z) any law, rule, regulation or ordinance of any Governmental Authority applicable to Buyer.

7.4. LITIGATION. There is no litigation, action, suit, complaint, proceeding or investigation, pending or, to the Knowledge of Buyer, threatened that may adversely affect Buyer's ability to consummate the Transaction as provided herein. To the Knowledge of Buyer, there are no facts that could reasonably result in any such proceedings.

7.5. LICENSEE QUALIFICATIONS. To the Knowledge of Buyer, there is no existing fact that would, under the current published and written policies, rules and regulations of the Commission or any other federal agency, disqualify Buyer from being the assignee of the FCC Licenses or the owner and operator of the Stations. Should Buyer become aware of any such fact, it will so inform Seller, and Buyer will use commercially reasonable efforts to remove any such disqualification. If such commercially reasonable efforts by Buyer are unsuccessful, Seller shall have the right in accordance with the terms hereof to terminate this Agreement.

7.6. FINANCIAL QUALIFICATIONS. Buyer will have available on the Closing Date, sufficient funds to enable it to consummate the Transaction contemplated hereby.

8.0 PRE-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period prior to Closing:

8.1. APPLICATION FOR COMMISSION CONSENT. Seller and Buyer shall join in and file the Assignment Application no later than June 1, 1999. Once the Assignment Application is filed, Seller and Buyer shall diligently take all reasonable steps necessary or desirable and proper expeditiously to prosecute the Assignment Application and to obtain the Commission's determination that grant of the Assignment Application will serve the public interest, convenience and necessity. Each party shall promptly provide the other with a copy of any pleading, order or other document served on the other relating to the Assignment Application. In the event that Closing occurs prior to a Final Order, then each party's obligations hereunder shall survive the Closing.

8.2. ACCESS. Between the date hereof and the Closing Date, Seller shall, in consultation with Buyer and upon reasonable notice to Seller, give Buyer and representatives of Buyer reasonable access during business hours to the Purchased Assets, the Stations, the employees of Seller and the Stations and the books and records of Seller relating to the business and operations of the Stations. It is expressly understood that, pursuant to this Section, Buyer, at its expense, shall be entitled to conduct such engineering inspections of the Stations, such environmental assessments and surveys of the Studio Site, the WGCV-AM Studio Site and the Transmitter Sites, and such reviews of the Station's financial records as Buyer may desire, so long as the same do not unreasonably interfere with Seller's operation of the Stations. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties and covenants

hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants.

8.3. MATERIAL ADVERSE CHANGES; FINANCIAL STATEMENTS. Through the Closing Date:

(a) Seller shall promptly notify Buyer of any event of which Seller obtains knowledge which has caused or is likely to cause a material adverse change to the financial condition or operation of the Stations.

(b) Seller shall furnish to Buyer (i) monthly Financial Statements for Seller and (ii) such other reports as Buyer may reasonably request relating to Seller. Each of the Financial Statements delivered pursuant to this Section 8.3(b) shall be prepared in accordance with GAAP consistently applied during the periods covered (except as disclosed therein).

8.4. OPERATIONS PRIOR TO CLOSING. Between the date of this Agreement and the Closing Date:

(a) Seller shall operate the Stations in a manner consistent with Seller's and the Stations' past practice and in material compliance with all applicable laws, regulations, rules, decrees, ordinances, orders and requirements of the Commission and all other Governmental Authority. Seller shall promptly notify Buyer of any actions or proceedings that from the date hereof are commenced against Seller or the Stations or, to the Knowledge of Seller, against any officer, director, employee, consultant, agent or other representative of Seller with respect to the business of the Stations or the Purchased Assets.

(b) Seller shall: (i) use the Purchased Assets only for the operation of the Stations; (ii) maintain the Purchased Assets in substantially their present condition (reasonable wear and tear in normal use and damage due to unavoidable casualty excepted); (iii) replace and/or repair the Purchased Assets as necessary in the ordinary course of business; (iv) maintain all inventories of supplies, tubes and spare parts at levels at least equivalent to those existing on the date of this Agreement; and (v) promptly give Buyer written notice of any unusual or materially adverse developments with respect to the Purchased Assets or the business or operations of the Stations.

(c) Seller shall maintain the Stations' Business Records in the usual, regular and ordinary manner, on a basis consistent with prior periods.

(d) Seller shall not: (i) sell, lease, encumber or otherwise dispose of any Purchased Assets or any interest therein except in the ordinary course of business and only if any property disposed of is replaced by property of like or better value, quality and utility prior to Closing; (ii) cancel, terminate, modify, amend or renew any of the Contracts without Buyer's express prior written consent; (iii) increase the compensation payable or to become payable to any employee of the Stations; or (iv) except to the extent expressly permitted in Section 2.1(c), enter into any Contract or other agreement, undertaking or obligation or assume any liability that may impose any obligation on Buyer after Closing, whether Seller is acting within or outside of

the ordinary course of the Stations' business, without Buyer's prior written consent. Such consent shall not be unreasonably withheld provided that such action by Seller is taken in accordance with the ordinary course of business.

(e) Seller and the Stations will enter into Sales Agreements only in the ordinary course of the Stations' business at commercially reasonable rates and each such Sales Agreement shall have a term not longer than 10 weeks or, if longer, shall be terminable by the Stations upon not more than 15 days notice.

(f) Seller and the Stations will enter into Trade Agreements only in the ordinary course of the Stations' business and only if such Trade Agreements are (i) immediately preemptible for cash time sales; (ii) require the provision of air time only on a "run of schedule" basis; and (iii) primarily inure or will inure to the benefit of the Stations.

(g) Seller shall use its best efforts to preserve the operations, organization and reputation of the Stations intact, by continuing to make expenditures and engage in activities designed to promote the Stations and encourage the purchase of advertising time on the Stations in a manner consistent with Seller's past practices. Seller shall use its best efforts to preserve the goodwill and business of the Stations' advertisers, suppliers and others having business relations with the Stations, and to continue to conduct financial operations of the Stations, including credit and collection policies, with no less effort, as in the prior conduct of the business of the Stations.

(h) Seller shall not make or agree to any material amendment to any FCC License relating to the Stations.

(i) Seller shall not, except as required by law, adopt any profit-sharing, bonus, deferred compensation, insurance, pension, retirement, severance or other employee benefit plan, payment or arrangement or enter into any employment, consulting or management contract.

(j) With respect to the Purchased Assets, Seller shall not merge or consolidate with any other corporation, acquire control of any other corporation or business entity, or take any steps incident to, or in furtherance of, any of such actions, whether by entering into an agreement providing therefore or otherwise.

(k) Seller shall not solicit, either directly or indirectly, initiate, encourage or accept any offer for the purchase or acquisition of the Purchased Assets by any party other than Buyer.

(l) Seller shall not terminate without comparable replacement or fail to renew any insurance coverage applicable to the Purchased Assets or Real Property of Seller.

(m) Seller shall not take any action or fail to take any action that would cause the Seller to materially breach the representations, warranties and covenants contained in this Agreement.

8.5. DAMAGE.

(A) RISK OF LOSS. The risk of loss or damage, confiscation or condemnation of the Purchased Assets shall be borne by Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing or restoring any lost or damaged property is One Hundred Thousand Dollars (\$100,000) or less, and Seller has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former condition. If the cost to repair, replace, or restore the lost or damaged property exceeds One Hundred Thousand Dollars (\$100,000), and Seller has not repaired, replaced or restored such property prior to the Closing Date to the reasonable satisfaction of Buyer, Buyer may, at its option:

(1) elect to consummate the Closing in which event Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former condition in which event Seller shall be entitled to all proceeds under any applicable insurance policies with respect to such claim; or

(2) elect to postpone the Closing, with prior consent of the Commission if necessary, for such reasonable period of time (not to exceed ninety (90) days) as is necessary for Seller to repair, replace or restore the lost or damaged property to its former condition.

If, after the expiration of such extension period the lost or damaged property has not been fully repaired, replaced or restored to Buyer's satisfaction, Buyer may terminate this Agreement, in which event the Escrow Deposit and all interest earned thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

(B) FAILURE OF BROADCAST TRANSMISSIONS. Seller shall give prompt written notice to Buyer if any of the following (a "Specified Event") shall occur and continue for a period of more than twelve (12) consecutive hours: (i) the transmission of the regular broadcast programming of any of the Stations in the normal and usual manner is interrupted or discontinued; or (ii) any of the Stations is operated at less than its licensed antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power. If, prior to Closing, any of the Stations is not operated at its licensed operating parameters for more than forty-eight (48) hours (or, in the event of force majeure or utility failure affecting generally the market served by the Stations, one hundred and twenty (120) hours, whether or not consecutive, during any period of thirty (30) consecutive days, or if there are three (3) or more Specified Events each lasting more than twelve (12) consecutive hours, then Buyer may, at its option: (i) terminate this Agreement, or (ii) proceed in the manner set forth in Paragraph 8.5(a)(1) or 8.5(a)(2). In the event of termination of this Agreement by Buyer pursuant to this Section, the

Escrow Deposit together with all interest accrued thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

(C) RESOLUTION OF DISAGREEMENTS. If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section, the disagreement shall be referred promptly to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half each by Seller and Buyer.

8.6. ADMINISTRATIVE VIOLATIONS. If Seller receives any finding, order, complaint, citation or notice prior to Closing which states that any aspect of any of the Stations' operations violates or may violate any rule, regulation or order of the Commission or of any other Governmental Authority (an "Administrative Violation"), including, any rule, regulation or order concerning Environmental Law, the employment of labor or equal employment opportunity, Seller shall promptly notify Buyer of the Administrative Violation, use its best efforts to remove or correct the Administrative Violation, and be responsible prior to Closing for the payment of all costs associated therewith, including any fines or back pay that may be assessed.

8.7. [THIS SECTION INTENTIONALLY OMITTED]

8.8. CONTROL OF STATIONS. The Transaction shall not be consummated until after the Commission has given its written consent thereto and between the date of this Agreement and the Closing Date, Seller shall control, supervise and direct the operation of the Stations.

8.9. COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. Between the date hereof and the Closing Date, Seller, its shareholders, members, managers, officers, directors and employees shall cooperate and Seller shall cause its independent accounting firm to cooperate with Buyer for the purpose of preparing Financial Statements reviewed by Buyer's independent accountants for purposes of including such statements in any reports filed by Buyer with any Governmental Authority. Buyer shall be permitted to disclose the audited Financial Statements for, 1996, 1997 and 1998 as well as unaudited Financial Statements for any period subsequent to 1998 available prior to Closing and this Agreement in any filings submitted by the Buyer to any Governmental Authority.

8.10. CLOSING OBLIGATIONS. Seller and Buyer shall make commercially reasonable efforts to satisfy the conditions precedent to Closing.

8.11 ENVIRONMENTAL ASSESSMENT. From the date hereof through the date that is within thirty (30) days prior to Closing, Buyer may commence and complete, at its expense, a Phase I and, if necessary, a Phase II Environmental Assessment of the owned and leased Real Property, including the WGCV-AM and WPLZ-FM Transmitter Site, the WCDX-FM Transmitter Site, the WCDX Backup Transmitter Site, the WJRV-FM Transmitter Site, the WPLZ-FM STL Site, the WGCV-AM Studio Site and the Studio Site. Seller agrees to cooperate with Buyer and such firm

in performing such Environmental Assessment. Buyer shall provide a copy of such Environmental Assessment to Seller but such delivery shall not relieve Seller of any obligation with respect to any representation, warranty or covenant in this Agreement or waive any condition to Buyer's obligation under this Agreement.

8.12. TIME BROKERAGE AGREEMENT. Seller and Buyer shall enter into a Time Brokerage Agreement ("TBA") that will commence on June 1, 1999 in the form attached hereto as Exhibit 2.

8.13. TAX-DEFERRED EXCHANGE. Seller has advised Buyer that it may elect to structure this Transaction as a tax-deferred like-kind exchange pursuant to Internal Revenue Code Section 1031. Buyer will cooperate with Seller to effectuate such an exchange provided, that, such tax-deferred, like-kind exchange shall (i) not commence a second statutory 30-day public notice period for the Assignment Application under the Commission's published rules, regulations or policies, (ii) not result in any additional cost or expense to Buyer, (iii) not result in any tax consequences to Buyer, (iv) not affect Seller's liability to Buyer for any of the representations, warranties, covenants and obligations of Seller pursuant to this Agreement and (v) not require Buyer to serve as the qualified intermediary.

8.14. OBJECTIONS TO PENDING APPLICATIONS. To the Knowledge of Buyer, there have been no petitions to deny or informal objections filed with the Commission against any application which is pending as of the date of this Agreement for assignment of license or transfer of control of any broadcast station to Buyer. Between the date hereof and the Closing Date, Buyer shall promptly inform Seller if any party files a petition to deny or informal objection with the Commission against any pending application for assignment of license or transfer of control of any broadcast station to Buyer.

#### 9.0 STATUS OF EMPLOYEES.

9.1. EMPLOYMENT RELATIONSHIP. All Station employees shall be and remain Seller's employees, subject to Seller's discretion, with Seller having full authority and control over their actions, and Buyer shall not assume the status of an employer or a joint employer of, or incur or be subject to any liability or obligation of an employer with respect to, any such employees unless and until actually hired by Buyer. Seller shall be solely responsible for any and all liabilities and obligations Seller may have to its employees, including, compensation, severance pay and accrued vacation time and sick leave. Seller shall be solely responsible for any and all liabilities, penalties, fines or other sanctions that may be assessed or otherwise due under such laws on account of the Transaction and the dismissal or termination of any of Seller's employees.

9.2. BUYER'S RIGHT TO EMPLOY. Seller consents to Buyer discussing with the Stations' employees, at any time after ten (10) business days from the execution of this Agreement the possibility of their employment by Buyer. Seller agrees and acknowledges, however, that Buyer is under no obligation to offer employment to any of those employees.

10.0 CONDITIONS PRECEDENT.

10.1. MUTUAL CONDITIONS. The respective obligations of both Buyer and Seller to consummate the Transaction are subject to the satisfaction of each of the following conditions:

(A) APPROVAL OF ASSIGNMENT APPLICATION. The Commission shall have granted the Assignment Application, and such grant shall be in full force and effect on the Closing Date.

(B) ABSENCE OF LITIGATION. As of the Closing Date, no litigation, action, suit or proceeding enjoining, restraining or prohibiting the consummation of the Transaction shall be pending before any court, the Commission or any other Governmental Authority or arbitrator; provided, however, that this Section may not be invoked by a party if any such litigation, action, suit or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, such party.

(C) HART-SCOTT-RODINO. All applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired.

10.2. ADDITIONAL CONDITIONS TO BUYER'S OBLIGATION. In addition to the satisfaction of the mutual conditions contained in Section 10.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction or waiver by Buyer of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. The representations and warranties of Seller to Buyer shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(B) COMPLIANCE WITH CONDITIONS. All of the terms, conditions and covenants to be complied with or performed by Seller on or before the Closing Date under this Agreement and the Seller Documents shall have been duly complied with and performed in all material respects.

(C) DISCHARGE OF LIENS. Seller shall have obtained and delivered to Buyer, at least 10 days prior to Closing, a report prepared by C.T. Corporation System (or similar firm reasonably acceptable to Buyer) showing the results of searches of lien, tax, judgment and litigation records, demonstrating that the Purchased Assets are being conveyed to Buyer free and clear of all liens, security interests and encumbrances except for Permitted Encumbrances or otherwise consented to by Buyer in writing. The record searches described in the report shall have taken place no more than 15 days prior to the Closing Date. Buyer and Seller shall each pay one half of the expenses associated with these reports.



(D) THIRD-PARTY CONSENTS. Seller shall have obtained (i) all required third-party consents to Buyer's assumption of the Material Contracts, such that Buyer will, after Closing, enjoy all the rights and privileges of Seller under the Material Contracts subject only to the same obligations as are binding on Seller pursuant to the Material Contracts' current terms; and (ii) all other requisite third-party consents and approvals which may be necessary to consummate the Transaction.

(E) ESTOPPEL CERTIFICATES. At Closing, Seller shall deliver to Buyer a certificate executed by the other party to each Material Contract, including the landlord under the leases for the Studio Site, the WGCV-AM Studio Site, the WCDX-FM Transmitter Site, the WPLZ-FM STL Site and the WJRV-FM Transmitter Site dated no more than 15 days prior to the Closing Date, stating (i) that such Contract is in full force and effect and has not been amended or modified; (ii) the date to which all rent and/or other payments due thereunder have been paid; and (iii) that Seller is not in breach or default under such Material Contract, and that no event has occurred that, with notice or the passage of time or both, would constitute a breach or default thereunder by Seller.

(F) NO MATERIAL ADVERSE CHANGE. None of the Stations nor the Purchased Assets shall have suffered a material adverse change since the date of this Agreement, and there shall have been no changes since the date of this Agreement in the business, operations, condition (financial or otherwise), properties, assets or liabilities of Seller, of the Stations or of the Purchased Assets, except changes contemplated by this Agreement and changes which are not (either individually or in the aggregate) materially adverse to the Stations.

(G) OPINION OF SELLER'S COUNSEL. At Closing, Seller shall deliver to Buyer the written opinion or opinions of Seller's counsel, dated the Closing Date, in scope and form satisfactory to Buyer, to the following effect:

(1) Sinclair is a corporation duly organized, validly existing and in good standing under the laws of the State of Indiana, and licensed to do business in the Commonwealth of Virginia with all requisite corporate power and authority to enter into and perform this Agreement.

(2) Commonwealth is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia, with all requisite corporate power and authority to enter into and perform this Agreement.

(3) This Agreement has been duly executed and delivered by Seller and such action has been duly authorized by all necessary corporate action. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

(4) None of (i) the execution and delivery of this Agreement, (ii) the consummation of the Transaction, or (iii) compliance with the terms and conditions of this Agreement will, with or without the giving of notice or lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Seller's operating agreement, articles of incorporation or bylaws, any law, rule, regulation or other requirement of any Governmental Authority, or any judgment, decree, order, agreement, lease or other instrument to which Seller is a party or by which Seller, the Stations or any of the Seller's assets, including the Purchased Assets, may be bound or affected.

(5) Except as disclosed in Schedule 6.3, to such counsel's knowledge, no suit, action, claim or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to enjoin, restrain or prohibit Seller from carrying out the Transaction.

(6) Except as disclosed in Schedule 6.3, to such counsel's knowledge, there is no outstanding judgment, or any suit, action, claim or proceeding pending, threatened or deemed by Seller's counsel to be probable of assertion, or any governmental proceeding or investigation in progress (other than proceedings affecting radio broadcasters generally) that could reasonably be expected to have an adverse effect upon the Purchased Assets or upon the business or operations of the Stations after Closing.

(7) Seller is the authorized legal holder of the FCC Licenses, the FCC Licenses are in full force and effect, and the FCC Licenses are not the subject of any pending license renewal application. The FCC Licenses set forth on Schedule 6.5 constitute all FCC licenses and authorizations issued in connection with the operation of the Stations and are the only such licenses and authorizations required for the operation of the Stations, as currently operated. There are no applications pending before the Commission with respect to the Stations.

(8) The Commission has consented to the assignment of the FCC Licenses to Buyer and, to such counsel's knowledge, no appeal or petition for reconsideration was filed.

(9) To the best of such counsel's knowledge, there is no Commission investigation, notice of apparent liability or order of forfeiture, pending or outstanding against the Stations, or any complaint, petition to deny or proceeding against or involving the Stations pending before the Commission.

The foregoing opinions shall be for the benefit of and may be relied on by Buyer and Buyer's lenders. In rendering such opinions, Seller's counsel may rely upon such corporate records of Seller and such certificates of public officials and officers of Seller as Seller's counsel deems appropriate.

(H) FINAL ORDER. The Commission's action granting the Assignment Application shall have become a Final Order.

(I) FINANCIAL STATEMENTS. The financial information set forth in the Stations' Financial Statements for the years ending December 31, 1997 and December 31, 1998, and for the period ending thirty (30) days prior to the Closing Date fairly and accurately reflect the financial performance and results of operation of the Stations for those periods.

(J) TRADE BALANCE. The Trade Balance, if negative, will not exceed Five Thousand Dollars (\$5,000).

(K) COMPENSATION. Seller shall have satisfied all amounts due employees for compensation, whether pursuant to the terms of a written agreement or otherwise, including bonuses, vacation and sick pay and reimbursement of expenses, that have accrued as of the Closing.

(L) STUDIO SITE LEASE. At Closing, Sinclair shall have assigned its interest in or have caused the owner of the Studio Site to enter into a written lease with Buyer for the use of the real property described in Section 6.13 as the Studio Site.

(M) WGCV-AM STUDIO SITE LEASE. At Closing, Seller shall have assigned its interest in or have caused the owner of the WGCV-AM Studio Site to enter into a written lease with Buyer for the use of the real property described in Schedule 6.13 as the WGCV-AM Studio Site.

(N) WCDX-FM TRANSMITTER SITE LEASE. At Closing, Sinclair shall have assigned its interest in or have caused the owner of the WCDX-FM Transmitter Site to enter into a written lease with Buyer for the use of the real property described in Schedule 6.13 as the WCDX-FM Transmitter Site.

(O) WJRV-FM TRANSMITTER SITE LEASE. At Closing, Commonwealth shall have assigned its interest in or have caused the owner of the WJRV-FM Transmitter Site to enter into a written lease with Buyer for the use of the real property described in Schedule 6.13 as the WJRV-FM Transmitter Site.

(P) WCDX-FM BACKUP TRANSMITTER SITE LEASE. At Closing, Seller shall have caused John Sinclair (or his successors and assigns) to enter into a written lease with Buyer for the use of the WCDX-FM Backup Transmitter Site for an initial term of ten (10) years, with, at Buyer's option, two (2) renewal terms of ten (10) years each for the amount of \$100 per year.

(Q) WPLZ-FM STL SITE. At Closing, Seller shall have assigned its interest in or have caused the owner of the WPLZ-FM STL Site to enter into a written lease with Buyer for the use of the real property described in Schedule 6.13 as the WPLZ-FM STL Site.

(R) ENVIRONMENTAL REMEDIATION. Seller shall have cured, to Buyer's satisfaction, any deficiency identified in the Environmental Assessment, provided that in no event shall Seller be required to effect any cure except to the extent any Hazardous Substances

would give rise to liability under Environmental Law as it applies to the present use of the Real Property, and provided further that Seller shall not be required to expend more than Fifty Thousand Dollars (\$50,000) to cure such deficiency.

(S) TITLE INSURANCE AND SURVEYS. Buyer, at its cost and expense, will obtain with respect to each parcel of owned real property described in Schedule 6.13 which is used as Station WPLZ-FM Transmitter Site and Station WGCV-AM Transmitter Site not less than forty-five (45) days prior to Closing, (i) an owner's policy, in an amount equal to the fair market value of such real property (including all improvements located thereon), insuring Buyer's fee simple title to such real property as of the Closing without defects in title, together with such endorsements for zoning, continuity, public access and extended coverage as Buyer or its lender may reasonably request and (ii) a current survey of each parcel of real property certified to Buyer and its lender, prepared by a licensed surveyor and conforming to current ALTA Minimum Detail Requirements for Land Title Surveys, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters shown customarily on such surveys, and showing access affirmatively to public streets and roads ("Survey") which shall not disclose any defect or encroachment from or onto any of the real property which has not been cured or insured over prior to the Closing.

(T) CLOSING DOCUMENTS. At the Closing Seller shall deliver to Buyer (i) such assignments, bills of sale and other instruments of conveyance as are necessary to vest in Buyer title to the Purchased Assets, all of which documents shall be dated as of the Closing Date, duly executed by Seller and in form reasonably acceptable to Buyer; (ii) a certificate, dated the Closing Date, executed by Seller's President certifying as to those matters set forth in Section 10.2(a) and (b); (iii) copies of Seller's corporate and governing resolutions authorizing the Transaction, each certified as to accuracy and completeness by Seller's Secretary, (iv) a document providing that Seller indemnifies Buyer for any claims that the intermediate party participating in the like-kind exchange may have against Buyer and (v) a certificate stating that the Operating Agreement for Station WGCV-AM with Hoffman Communications, Inc. has been terminated and all obligations under that agreement have been satisfied.

10.3. ADDITIONAL CONDITIONS TO SELLER'S OBLIGATION. In addition to satisfaction of the mutual conditions contained in Section 10.1, the obligation of Seller to consummate the Transaction is subject, at Seller's option, to the satisfaction or waiver by Seller of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. The representations and warranties of Buyer to Seller shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(B) COMPLIANCE WITH CONDITIONS. All of the terms, conditions and covenants to be complied with or performed by Buyer on or before the Closing Date under this Agreement shall have been duly complied with and performed in all material respects.

(C) ASSUMPTION OF LIABILITIES. Buyer shall assume and agree to pay, perform and discharge Seller's obligations under the Contracts, Sales Agreements and Trade Agreements to the extent Buyer has expressly agreed to assume such obligations pursuant to Section 4.4.

(D) PAYMENT. Buyer shall pay Seller the Purchase Price due at Closing, as provided in Section 4.2.

(E) CLOSING DOCUMENTS. Buyer shall deliver to Seller at the Closing (i) copies of Buyer's corporate resolutions authorizing the Transaction certified as to accuracy and completeness by Buyer's Secretary; and (ii) a certificate, dated the Closing Date, executed by Buyer's President certifying as to those matters set forth in Section 10.3(a) and (b).

11.0. CLOSING. The Closing shall occur no earlier than the tenth day after the date on which the Commission's grant of the Assignment Application becomes a Final Order and no later than eighteen (18) months from the date of this Agreement. Notwithstanding the preceding sentence, Seller shall have the option, upon sixty (60) days prior written notice to Buyer, of establishing a date for Closing that is no earlier than the tenth day after the date on which the Commission's grant of the Assignment Application becomes a Final Order and no later than eighteen (18) months from the date of this Agreement, provided that, all of the conditions to Closing described in Section 10 have been satisfied or waived. Seller and Buyer shall cooperate in seeking extensions from the Commission as necessary to permit Closing to occur consistent with the terms hereof. Closing shall take place at 10:00 a.m. on the Closing Date at the offices of Buyer's counsel, Kirkland & Ellis, 655 15th Street, NW, Suite 1200, Washington, D.C. 20005.

12.0. PRORATIONS.

12.1. APPORTIONMENT OF EXPENSES. To the extent that they are not prorated pursuant to Section 13.0 of the Time Brokerage Agreement, Seller shall be responsible for all expenses arising out of the business of the Stations until 11:59 p.m. on the Closing Date, and Buyer shall be responsible for all expenses arising out of the business of the Stations after 11:59 p.m. on the Closing Date to the extent such expenses relate to liabilities assumed by Buyer pursuant to Section 4.4. All overlapping expenses shall be prorated or reimbursed, as the case may be, as of 11:59 p.m. on the Closing Date, provided however, that Seller shall be responsible for the payment of any and all Regulatory Fees for Fiscal Year 1999 (covering authorizations held in connection with the Stations as of October 1, 1998), owing to the Federal Communications Commission for each of the Stations and any and all auxiliary broadcast facilities licensed to Seller and used in the operation of Stations.

12.2. DETERMINATION AND PAYMENT. Prorations shall be made, insofar as feasible, at Closing and shall be paid by way of adjustment to the Purchase Price. As to the prorations that cannot be made at Closing, the parties shall, within ninety (90) days after the Closing Date, make and pay all such prorations. If the parties are unable to agree upon all such prorations within that 90-day period, then any disputed items shall be referred to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final, and whose fees and expenses shall be allocated between and paid by Seller and Buyer, respectively, to the

extent that such party does not prevail on the disputed matters decided by the accountants. If the disputed amount of the prorations are Ten Thousand Dollars (\$10,000) or less, Seller and Buyer shall each pay one-half.

13.0. POST-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period subsequent to Closing:

13.1. INDEMNIFICATION.

(A) BUYER'S RIGHT TO INDEMNIFICATION. Seller hereby indemnifies and holds Buyer, its officers, directors and shareholders harmless from and against (i) any breach, misrepresentation, or violation of any of Seller's representations, warranties, covenants, or other obligations contained in this Agreement or in any Seller Document; (ii) all obligations and liabilities of Seller and/or the Stations not expressly assumed by Buyer pursuant to Section 4.4; and (iii) all claims by third parties (including employees) against Buyer attributable to the operation of the Stations and/or the use or ownership of the Purchased Assets prior to Closing. This indemnity is intended by Seller to cover all actions, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs and expenses (including reasonable fees and expenses of counsel), whether suit is instituted or not and, if instituted, whether at the trial or appellate level, with respect to any and all of the specific matters set forth in this indemnity.

(B) SELLER'S RIGHT TO INDEMNIFICATION. Buyer hereby indemnifies and holds Seller, its officers, directors, shareholders, managers and members harmless from and against (i) any breach, misrepresentation or violation of any of Buyer's representations, warranties, covenants or obligations contained in this Agreement; (ii) all obligations and liabilities expressly assumed by Buyer hereunder pursuant to Section 4.4; and (iii) all claims by third parties against Seller attributable to Buyer's operation of the Stations after Closing. This indemnity is intended by Buyer to cover all actions, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs and expenses (including reasonable fees and expenses of counsel), whether suit is instituted or not and, if instituted, whether at the trial or appellate level, with respect to any and all of the specific matters set forth in this indemnity.

(C) PROCEDURE FOR INDEMNIFICATION. The procedure for indemnification shall be as follows:

(1) The party claiming indemnification (the "Claimant") shall give written notice to the party from which indemnification is sought (the "Indemnitor") promptly after the Claimant learns of any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless and failure to provide prompt notice shall not be deemed to jeopardize Claimant's right to demand indemnification, provided, that, Indemnitor is not prejudiced by the delay in receiving notice.

(2) With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have 15 days to make any investigation of the claim that the Indemnitor deems necessary or desirable, or such lesser time if a 15-day

period would jeopardize any rights of Claimant to oppose or protest the claim. For the purpose of this investigation, the Claimant agrees to make available to the Indemnitor and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the 15-day period, or lesser period if required by this section (or any mutually agreed upon extension hereof) the Claimant may seek appropriate legal remedies.

(3) The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of such claim, provided, that, Indemnitor acknowledges in writing to Claimant that Indemnitor would assume responsibility for and demonstrates its financial ability to satisfy the claim should the party asserting the claim prevail. In the event that the Indemnitor shall not satisfy the requirements of the preceding sentence or shall elect not to undertake such defense, or within 15 days after notice of any such claim from the Claimant shall fail to defend, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor. Anything in this Section 13.1(c)(3) to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Claimant other than as a result of money damages or other money payments, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim, (ii) the Indemnitor shall not, without the Claimant's written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the plaintiff to the Claimant of a release from all liability in respect of such claim, and (iii) in the event that the Indemnitor undertakes defense of any claim consistent with this Section, the Claimant, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such claim.

(D) ASSIGNMENT OF CLAIMS. If any payment is made pursuant to this Section 13.1, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of Claimant, and Claimant shall assign to Indemnitor, for its use and benefit, any and all claims, causes of actions, and demands of whatever kind and nature that Claimant may have against the person, firm, corporation or entity giving rise to the loss for which payment was made. Claimant agrees to reasonably cooperate in any efforts by Indemnitor to recover such loss from any person, firm, corporation or entity.

(E) INDEMNIFICATION NOT SOLE REMEDY. The right to indemnification provided for in this Section shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties, covenants or other obligations hereunder, nor shall such indemnification be deemed to prejudice or operate as a waiver of any right or remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

(F) THRESHOLD CONCERNING SECTIONS 13.1(A) AND (B). Notwithstanding anything to the contrary in Sections 13.1(a) and (b), the parties shall not be entitled to indemnity under Sections 13.1(a) and (b) unless the aggregate loss indemnified against thereunder exceeds \$25,000 (in which case, the Claimant shall be entitled to recovery from the Indemnitor of the full amount of the loss).

13.2 COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. From the date of Closing and for a period of three (3) years thereafter, Seller shall provide Buyer with such cooperation and information as Buyer shall reasonably request in Buyer's: (i) analysis and review of the Financial Statements or (ii) preparation of documentation to fulfill any reporting requirements of Buyer including reports that may be filed with the Securities and Exchange Commission. Seller shall make its independent accounting firm available, the cost of said firm to be paid by the Buyer, and the information relied upon by that firm, including its opinions and Financial Statements for the Seller, to provide explanations of any documents or information provided hereunder and to permit disclosure by Buyer, including disclosure to any Governmental Authority.

13.3. LIABILITIES. Following the Closing Date, Seller shall pay promptly when due all of the debts and liabilities of Seller relating to the Stations, other than liabilities specifically assumed by Buyer hereunder.

#### 14. DEFAULT AND REMEDIES.

14.1. OPPORTUNITY TO CURE. If either party believes the other to be in breach or in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of: (i) the Closing Date, or (ii) within 10 days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such 10-day period and continues such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest the alleged default through appropriate proceedings.

14.2. SELLER'S REMEDIES. Buyer recognizes that if the Transaction is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the Transaction is not consummated due to the default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with its obligations under this Agreement, shall be entitled to the Escrow Deposit, with interest earned thereon. The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Seller might otherwise be entitled due to Buyer's failure to consummate the Transaction as a result of a default by Buyer.

14.3. BUYER'S REMEDIES. Seller agrees that the Purchased Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably



injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees (i) to waive the defense in any such suit that Buyer has an adequate remedy at law and (ii) to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. If Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to the return of the Escrow Deposit together with all interest earned thereon, and in addition thereto, to initiate a suit for damages. Buyer and Seller hereby agree that the total amount of damages to be recovered by Buyer from any suit for damages shall equal Two Million Dollars (\$2,000,000).

15.0. TERMINATION OF AGREEMENT.

15.1. FAILURE TO CLOSE. This Agreement may be terminated at the option of either party upon written notice to the other if the Commission has not granted the Assignment Application within twelve (12) months after the Commission accepts the Assignment Application for filing or may be terminated by Buyer if the Commission's action granting the Assignment Application has not become a Final Order within eighteen (18) months from execution of this Agreement. This Agreement may also be terminated upon the mutual agreement of Buyer and Seller. In the event of termination pursuant to this Section, the Escrow Deposit, together with all interest earned thereon, shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder unless the failure to consummate the Transaction is attributable to Buyer's default, and Seller is not in default and has otherwise complied with its obligations under this Agreement, in which case the Escrow Deposit plus interest earned thereon shall be released to Seller as liquidated damages pursuant to Section 14.2.

15.2. DESIGNATION FOR HEARING. The time for approval provided in Section 15.1 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the Commission, provided, however, that written notice of termination must be given within 10 days after release of the hearing designation order and that the party giving such notice is not in default and has otherwise complied with its obligations under this Agreement. Upon termination pursuant to this Section and provided that Buyer is not in default, the Escrow Deposit together with all interest earned thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

15.3. ENVIRONMENTAL REMEDIATION. By either Buyer or Seller if the Environmental Assessment shows the presence of conditions that must be cured or removed and such remediation will cost in excess of Fifty Thousand Dollars (\$50,000) ("Threshold Amount") and Seller declines to pay for remediation in excess of the Threshold Amount, provided that neither Buyer nor Seller will be entitled to terminate this Agreement pursuant to this Section 15.3 if Buyer elects to pay for remediation in excess of the Threshold Amount and such excess payment does not reduce the Purchase Price.

15.4. FAILURE TO PAY TIME BROKERAGE AGREEMENT FEES. If Buyer defaults on its obligations to pay the Time Brokerage Fee as defined in the Time Brokerage Agreement or the

expenses defined in Schedule 3.0 of the Time Brokerage Agreement and such default has not been cured within the period defined in the Time Brokerage Agreement, Seller may terminate this Agreement and exercise the remedies provided to Seller in Section 14.2 hereof.

16. GENERAL PROVISIONS.

16.1. BROKERAGE. Seller and Buyer represent to each other that neither party has dealt with a broker in connection with the Transaction, except that Seller has retained Star Media Group. No finders fee is due to any person or entity in connection with the Transaction except for Star Media Group and such fee shall be paid one half by Buyer and one half by Seller at Closing, provided that Buyer shall not be required to pay more than \$265,000.

16.2. FEES. All Commission filing fees for the Assignment Application, and all recording costs, transfer taxes, sales tax, document stamps and other similar charges shall be paid one-half by Seller and one-half by Buyer. Except as otherwise provided herein, all other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

16.3. NOTICES. All notices, requests, demands and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when (i) delivered personally (which shall include delivery by Federal Express or other recognized overnight courier service that issues a receipt or other confirmation of delivery) to the party for whom such communication is intended, (ii) delivered by facsimile transmission or (iii) three business days after the date mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Sinclair or Commonwealth:

Mr. Robert Sinclair  
Sinclair Telecable, Inc.  
500 Dominion Tower  
999 Waterside Drive  
Norfolk, Virginia 23510  
Fax: (757) 640-8552

and

Mr. J. David Sinclair  
6158 Yellow Birch Court  
Plainfield, IN 46168  
Fax: (317) 838-7225

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

Howard M. Weiss, Esq.  
Fletcher Heald & Hildreth  
1300 North 17th Street  
11th Floor  
Arlington, VA 22209  
Fax: (703) 812-0486

If to Buyer:

Mr. Alfred C. Liggins, President  
Radio One, Inc.  
5900 Princess Garden Parkway  
8th Floor  
Lanham, MD 20706  
Fax: (301) 306-9694

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

Linda J. Eckard, Esquire  
Radio One, Inc.  
5900 Princess Garden Parkway  
8th Floor  
Lanham, MD 20706  
Fax: (301) 306-9638

and

Mr. Scott R. Royster  
Executive Vice President  
Radio One, Inc.  
5900 Princess Garden Parkway  
8thFloor  
Lanham, MD 20706  
Fax: (301) 306-9426

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as set forth in this Section shall be deemed ineffective.

16.4. ASSIGNMENT. Neither party may assign this Agreement without the other party's express prior written consent, provided, however, Buyer may assign its rights and obligations pursuant to this Agreement without Seller's consent prior to closing to (i) an entity which is a subsidiary or parent of Buyer or to an entity owned or controlled by Buyer or its principals

provided that, Buyer remains obligated to pay the Purchase Price, or (ii) to Buyer's lenders as collateral for any indebtedness incurred by Buyer; and subsequent to Closing to (x) any entity which acquires all or substantially all of the Purchased Assets or (y) to Buyer's lenders as collateral for any indebtedness incurred by Buyer. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

16.5. EXCLUSIVE DEALINGS. For so long as this Agreement remains in effect, neither Seller nor any person acting on Seller's behalf shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity concerning the acquisition of all or any interest in any of the Purchased Assets or the Stations, other than Buyer or Buyer's permitted assignees.

16.6. THIRD PARTIES. Nothing in this Agreement, whether express or implied, is intended to: (i) confer any rights or remedies on any person other than Seller, Buyer and their respective successors and permitted assignees; (ii) relieve or discharge the obligations or liability of any third party; or (iii) give any third party any right of subrogation or action against either Seller or Buyer.

16.7. INDULGENCES. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by either party of any default by the other shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by either party for the performance of any obligation or act by the other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

16.8. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations, warranties, and indemnification obligations of the parties contained herein shall survive for twelve (12) months after the Closing Date except that claims properly asserted within the twelve (12) month period shall survive until finally and fully resolved; provided, however, that Seller's representations and warranties in Sections 6.2, 6.3, 6.4, 6.5, 6.10, 6.13 and 6.21 and Buyer's indemnification rights with respect thereto and with respect to Section 13.1(a)(ii) shall survive the Closing until the end of the applicable statute of limitations period.

16.9. PRIOR NEGOTIATIONS. This Agreement supersedes in all respects all prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of such prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

16.10. EXHIBITS AND SCHEDULES. The Exhibits and Schedules attached hereto or referred to herein are a material part of this Agreement, as if set forth in full herein.

16.11. ENTIRE AGREEMENT; AMENDMENT. This Agreement, the Exhibits and Schedules to this Agreement set forth the entire understanding between the parties in connection with the

Transaction, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be altered or amended in any manner except by an instrument in writing signed by each of the parties hereto.

16.12. COUNSEL/INTERPRETATION. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement. This Agreement shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either party.

16.13. GOVERNING LAW, JURISDICTION. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the Commonwealth of Virginia without regard to the choice of law rules utilized in that jurisdiction. Buyer and Seller each (a) hereby irrevocably submit to the jurisdiction of the courts of that state and (b) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Buyer and Seller each hereby consent to service of process by registered mail at the address to which notices are to be given. Each of Buyer and Seller agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party hereto. Final judgment against Buyer or Seller in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction; provided, however, that any party may at its option bring suit, or institute other judicial proceedings, in any state or federal court of the United States or of any country or place where the other party or its assets, may be found.

16.14. SEVERABILITY. If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

16.15. COUNTERPARTS. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

16.16. FURTHER ASSURANCES. Seller shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may reasonably request to vest and confirm in Buyer (or its assignee) the title and rights to and in all the Purchased Assets to be and intended to be transferred, assigned and conveyed hereunder.

IN WITNESS WHEREOF, and to evidence their assent to the foregoing, Seller and Buyer have executed this Asset Purchase Agreement under seal as of the date first written above.

SELLER:

SINCLAIR TELECABLE, INC.  
d/b/a SINCLAIR COMMUNICATIONS

By: \_\_\_\_\_  
J. David Sinclair  
President

AND

COMMONWEALTH BROADCASTING, LLC

By: \_\_\_\_\_  
J. David Sinclair  
Member

BUYER:

RADIO ONE, INC.

By: \_\_\_\_\_  
Alfred C. Liggins  
President

## TIME BROKERAGE AGREEMENT

This Agreement is made this 6th day of May, 1999, by and between Sinclair Telecable, Inc., an Indiana corporation, and Commonwealth Broadcasting, L.L.C., a Virginia limited liability company (collectively "Licensee"), licensees of Stations WCDX-FM, Mechanicsville, Virginia, WPLZ-FM, Petersburg, Virginia, WGCV-AM, Petersburg, Virginia, and WJRV-FM, Richmond, Virginia, respectively (the "Stations"), and Radio One, Inc., a Delaware corporation ("Timebroker").

## 1.0 Programming.

1.1 In consideration for the mutual obligations herein contained and the payment by Timebroker to Licensee of the sums of money provided for herein, Licensee agrees to sell and Timebroker agrees to buy, beginning June 1, 1999 (the "Commencement Date") and until the earlier of the termination, according to its terms, of the Asset Purchase Agreement (the "Asset Purchase Agreement" dated May 6th, 1999) or the Closing, as defined in the Asset Purchase Agreement between the parties, or some earlier date on which this Agreement terminates, those certain segments of air time (hereinafter referred to as "Sold Time") on the Stations. Subject to the rules and policies of the Federal Communications Commission ("FCC" or "Commission") and the limitations contained herein, Sold Time shall consist of up to 168 hours per week of programming which shall be provided to Licensee by Timebroker, including entertainment programs and commercials when and as selected by Timebroker. Licensee, however, reserves for use, at its option, one hour between 5:00 and 6:00 a.m. each Saturday and Sunday.

1.2 Licensee may produce or present on the Stations public affairs or other informational programming and such additional programming as it elects to present during the preemptions provided for in paragraph 1.3 hereof. Licensee's public affairs programs shall respond to the needs and interests of Richmond, Mechanicsville, and Petersburg.

## 2

1.3 Timebroker's programming shall consist primarily of music, commercial announcements, news and informational programming. Timebroker shall not alter the format of any of the stations without Licensee's prior consent. Licensee may, from time to time, preempt portions of Sold Time to broadcast emergency information or programs it deems would better serve the public interest, and may refuse to broadcast any program and/or announcement of Timebroker should Licensee deem such program and/or announcement to be contrary to the public interest. However, such authority shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee. Timebroker shall be notified, unless such advance notice is impossible or impractical, at least one week in advance of any preemption of Timebroker's programming for the purpose of broadcasting programs Licensee deems necessary to serve the public interest. In the event of any such preemption, Timebroker shall receive a pro-rated credit for the preempted time against the monthly payment required by paragraph 3.0 and described in subparagraph (a) of Schedule 3.0 hereof.

1.4 Timebroker shall broadcast (a) an announcement in form satisfactory to Licensee at the beginning of each hour to identify each respective Station's call sign and city of license, (b) an announcement at the beginning of each segment of Sold Time (i.e., at the beginning of each broadcast day) to indicate that program time has been purchased by Timebroker, (c) sponsorship identification announcements for all commercial matter included in Sold Time that comply with Section 73.1212(a) of the FCC's rules and regulations, and (d) any other announcement that may be required by law, regulation, or the Stations' policy, as provided, in writing, to Timebroker.

## 2.0 Record Keeping.

2.1 Licensee shall promptly provide Timebroker with a copy of any official correspondence it receives from the FCC or any other federal, state or local governmental authority, which relates in any way to, or alleges a violation by Licensee, of any law, rule, regulation, ordinance or any other governmental requirement. Licensee also shall continue to be responsible for maintenance of all FCC required logs and records for the Stations, including the

public inspection file and quarterly lists of community problems and programs broadcast in response thereto. In this regard, Timebroker shall, at its expense, and under Licensee's supervision, compile and complete all such logs, records and reports relating to the Stations' Sold Time as are customary in the broadcast industry, and such logs, records and reports shall be the property of Licensee, but shall be available at all times to Timebroker. Timebroker will, forthwith upon receipt of same, furnish to Licensee all correspondence it receives from the public regarding the Stations' operations or programming during Sold Time.

2.2 Upon the request of Licensee, Timebroker shall provide for Licensee's approval a schedule describing the play lists and a day part breakdown of the programming matter to be transmitted by Timebroker for broadcast on each of the Stations during the week (Sunday-Saturday) following such request, and Licensee will notify Timebroker by 5:00 p.m. on the Friday preceding the week for which the schedule has been provided of any objection Licensee has to Timebroker's planned programming, based upon Licensee's obligation to provide programming consistent with the FCC's Rules. Timebroker shall conform or alter its programming schedule to meet any such objections. Also, for any particular broadcast day, Timebroker shall provide Licensee, within two (2) days following Licensee's request, program and traffic logs setting forth, respectively, all of the programming and commercial matter that was transmitted by Timebroker for broadcast on the Stations. Such logs shall include notations that identify the subjects known to have been addressed in any public affairs and talk shows, public service announcements or other programs addressing local needs and interests, and shall identify the sponsor, the time and the duration of each commercial announcement. Timebroker shall also provide in a timely manner, upon Licensee's advance request, air checks of the Stations' operations.

3.0 Payments. Commencing on June 1, 1999, and on the first day of each month thereafter during the term of this Agreement, Timebroker shall pay a time brokerage fee to Licensee in the amount and in the manner set forth in Schedule 3.0 attached hereto. In addition, Timebroker shall make payments to Licensee to cover expenses itemized in Section 4.0 and



Schedule 3.0 prior to their due dates, which shall be specified in writing by Licensee and accompanied by documentation of the expense at least fifteen (15) days in advance of the due date. Licensee shall provide documentation of the expenses and monthly statements to Timebroker demonstrating that Licensee has paid said expenses. In the event Licensee fails to pay any expense, Timebroker may terminate this Agreement or pay the expense itself, at its option. If Timebroker elects the latter option and pays the expense, Licensee shall promptly repay Timebroker, or Timebroker may take a credit toward the Purchase Price at Closing on the Asset Purchase Agreement. Should Timebroker fail or refuse at any time to timely make the time brokerage fee required under this paragraph, then upon five (5) days' written notice and opportunity to cure, to Timebroker, Licensee may declare this Agreement null and void such that all of Timebroker's rights hereunder shall be deemed forfeited and canceled for all purposes. The same shall apply, but on ten (10) days' notice and opportunity to cure, to the expense payments required hereunder. In either event, if Licensee exercises its right to declare this Agreement null and void, Timebroker shall (a) vacate the premises of the Stations and remove all of its equipment, papers and materials within thirty (30) days after the date of notice of such termination, and (b) be liable for a material breach of the Asset Purchase Agreement. Should closing on the Asset Purchase Agreement occur during a month for which payments in this Section 3 have been made, such payments shall be prorated.

#### 4.0 Expenses.

4.1 Timebroker shall be permitted access to and use of Licensee's studio and program production facilities at no additional cost. However, Licensee shall be responsible in the amounts and manner described in Schedule 3.0 for the payment of all fees and expenses relating to the basic operations of the Stations or necessary for Licensee to fulfill its FCC obligations, including, but not limited to: salaries, benefits and taxes relating to the employment of Licensee's managerial and clerical employees, electricity, property taxes, rents, and equipment repairs and maintenance.

4.2 All equipment necessary for broadcasting by the Station shall be maintained by Licensee, with Timebroker's assistance when requested, in a condition consistent with good engineering practice and in compliance in all material respects with the applicable rules, regulations and technical standards of the FCC. All capital expenditures (defined as any equipment repair and maintenance cost in excess of Two Thousand Dollars (\$2,000)) reasonably required to maintain the technical quality of the Stations' signal shall be made in a timely fashion by Timebroker after consultation with Licensee and made available for use by Licensee at the Stations, provided that should the parties not close under the Asset Purchase Agreement for any reason, then at Timebroker's option, Timebroker will either continue to own the equipment and may remove it or Licensee will purchase the equipment from Timebroker at cost. Should the parties close, the cost of such capital expenditures will be borne by Timebroker, but a credit against the purchase price for half the cost thereof will be provided at Closing.

4.3 All expenses associated with the production and delivery of Timebroker's programming, including the salaries and related compensation of Timebroker's employees, and music license fees shall be the sole responsibility of Timebroker.

5.0 Insurance. Timebroker will arrange to include Licensee as a co-insured on Timebroker's policy for appropriate liability and fire and extended coverage insurance in amounts reasonably required to protect the parties hereto from losses from liability for personal injury as well as from loss by theft, fire and other causes to the Stations' equipment.

6.0 "Payola" and "Plugola". Timebroker agrees that it will take steps consistent with broadcast industry standards to assure that its employees will not accept any consideration in money, goods, services or otherwise, directly or indirectly (including to relatives) from any person or company for the playing of records, the presentation of any programming or the broadcast of any commercial announcement over the Stations without reporting the same to the management of the Licensee and without such broadcast being announced as sponsored. Timebroker understands that violation of this provision is "payola" and constitutes a federal crime. It is further understood and agreed that no commercial message ("plug") or undue

reference shall be made in programming presented over the Stations to any business venture, profit-making activity or other interest (other than non-commercial announcements for bona fide charities, church activities or other public service activities) in which Timebroker or anyone else are directly or indirectly interested without the same having been approved by the management of Licensee and said broadcast being announced as sponsored.

7.0 Political Broadcasts. Timebroker agrees that any spot or program time sold to any candidates for political office or person(s) supporting a candidate will be sold in strict accordance with FCC rules and regulations and will be supported by documentation as required by the FCC. Such documentation will be transmitted to Licensee in a timely manner for inclusion in the Stations' "political file." Timebroker will coordinate the Timebroker's political sales policies with Licensee prior to any pre-election period.

8.0 Compliance With Laws/Indemnification. Timebroker and Licensee shall comply in all material respects with all state, local and federal laws, rules and regulations, including the rules, regulations and policies of the FCC, as well as with all other obligations on their part under this Agreement, and the failure of either to do so shall constitute a breach of this Agreement, provided that the non-breaching party shall provide thirty (30) days' notice and opportunity to cure to the allegedly defaulting party (except that such thirty day period shall not apply to defaults under Section 3.0.). In the event of such breach, Timebroker or Licensee, as the case may be, hereby indemnifies, makes whole and holds harmless the other party, its officers, directors, shareholders, members and employees of and from any and all costs, liabilities, claims, obligations and expenses, including reasonable attorneys fees, which the other party may incur arising from such breach or default. Further, Timebroker and Licensee hereby indemnify and hold each other harmless against all liability for libel, slander, illegal competition or trade practices, infringement of trade marks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and property rights resulting from the broadcast of programming furnished or broadcast by the other party. These mutual obligations shall survive any termination of this Agreement and shall continue until the expiration of all applicable

statutes of limitation and the conclusion and payment of all judgments which may be rendered in all litigation which may have been commenced prior to such expiration. Breach of the obligations in this paragraph by either party shall not constitute a breach of the Asset Purchase Agreement.

9.0 Control of Station. Anything to the contrary in this Agreement notwithstanding, Licensee shall retain ultimate control of all aspects of the Stations' operations and Timebroker shall in no way represent itself or hold itself out as the Stations' licensee. Licensee shall employ a station manager whose principal workplace during regular business hours, five (5) days per week, shall be the Stations' studios. Licensee shall employ at least one additional person who shall be present at the Stations' studios at least during those regular business hours when Licensee's manager must be elsewhere, or shall share such an employee with the Timebroker. The parties shall jointly determine who this shared employee will be and what his or her salary will be.

10.0 Employees. As of May 31, 1999, Licensee will dismiss all employees of the Stations except for the Licensee's station manager. Timebroker may, prior to the Commencement Date, extend offers of employment to any of the Stations' dismissed employees. Licensee shall be responsible, consistent with state law and internal station policy, for payment of all salary and other benefits, whether monetary or otherwise (including, without limitation, accrued vacation time), to which such dismissed employees of the Stations are entitled for all periods up to and including May 31, 1999, and shall indemnify and hold Timebroker harmless therefor.

11.0 Cure of FCC-Related Deficiencies. It is the intention of the parties that this Agreement comply in all material respects with the rules and policies of the FCC concerning agreements of this nature. In the event that there is any complaint, inquiry, investigation, or proceeding at the FCC concerning this Agreement and the relationship between the parties, the parties shall cooperate fully and share equally the costs in responding to such matter. The parties also agree to modify this Agreement in any reasonable manner required to maintain compliance

with FCC rules and policies, preserving to the maximum extent possible the basic business terms and conditions contained herein. Should such modification prove impossible, this Agreement may be terminated by either party.

#### 12.0 Term

12.1 The term of this Agreement shall be from June 1, 1999, until the earlier of (a) Closing under the Asset Purchase Agreement, (b) termination of the Asset Purchase Agreement, (c) termination of this Agreement pursuant to paragraph 3.0 (d) termination of this Agreement pursuant to paragraph 12.2 hereof, or (e) termination of this Agreement pursuant to paragraph 11 hereof.

12.2 In the event of a material default in performing the respective duties and obligations as set forth in this Agreement (with the exception of Timebroker's payment requirements as described in paragraphs 3 and 4), the non-defaulting party may terminate this Agreement without penalty, provided that such default shall not have been cured by the defaulting party within thirty (30) days after written notice thereof.

12.3 In the event of termination of this Agreement, it is understood that Timebroker reserves the right to ownership of logos and positioning statements which it develops during the term of this Agreement, and Licensee may not make use of any such materials without the consent of Timebroker.

12.4 In the event of Licensee's termination of this Agreement due to Timebroker's default, all agreements or contracts for advertising during Sold Time then in existence shall belong to and be the property of Licensee, except that Licensee shall have the option whether to assume contracts with terms longer than ten (10) weeks. Licensee shall (a) have the duty to perform all such assumed agreements or contracts, and (b) be entitled to collect and receive the money thereafter derived therefrom; and Timebroker will forthwith assign same to Licensee and turn over to Licensee all books and records relating to the sale of advertising for broadcast exclusively over the Stations. Timebroker shall, at such time, pay over to Licensee any money or other consideration it shall have received as "pre-payment" for such advertising which

Licensee may thereafter undertake to broadcast over the Stations. Licensee indemnifies and holds Timebroker harmless against any nonperformance of any assumed agreement or contract. All uncollected revenue for advertising broadcast during Sold Time prior to such termination shall belong to, be the property of and be for the benefit of Timebroker.

13.0 Proration. Licensee shall be responsible for all expenses arising out of the business of the Stations until 11:59 p.m. on May 31, 1999. Thereafter, expenses arising out of the business of the Stations shall be treated as outlined above in paragraph 3.0 and Schedule 3.0. All overlapping expenses shall be prorated or reimbursed, as the case may be, as of 11:59 p.m. on May 31, 1999.

14.0 Inspection of Books and Records. To the extent the FCC or any third party is entitled by law or contract to review any of Timebroker's books and records relating to the Stations' operation during Sold Time, including financial books and records, whether pursuant to contracts entered into by Licensee or otherwise, e.g., with ASCAP, BMI, or SESAC, Timebroker will, upon reasonable notice, make such books and records available for such third party's inspection and, to the extent required or made necessary by law or contractual obligations of Licensee, for inspection by Licensee. In addition, upon request by Licensee, Timebroker will forthwith supply Licensee with all information, and all books and records necessary for verification thereof, which will enable Licensee to prepare, file or maintain the records and reports required by the FCC, ASCAP, BMI, SESAC and like entities.

15.0 No Carry-Over Agreements Without Consent. Timebroker shall seek consent from Licensee to make agreements which shall require use of time on the Stations subsequent to the expiration or termination of this Agreement which exceed six (6) months in duration, and shall in no other way obligate Licensee without Licensee's written consent.

16.0 Accounts Receivable. After the Commencement Date both parties shall be responsible for collection of their own Accounts Receivable that are outstanding and unpaid, except for those Accounts Receivable which Licensee has instituted litigation to collect or

referred to a collection agency as of the date of this Agreement and which are identified in Schedule 16.0. All payments received by Timebroker or Licensee from any person who makes a payment with respect to any Accounts Receivable for the other party shall be promptly paid over to the other party, attempting wherever possible to do so within fifteen (15) days of receipt thereof. Licensee shall continue timely to pay commissions on the same percentage basis as prior to the Commencement Date to employees, agencies and representatives on these Accounts Receivable on the 15th and last day of each month, and to make reasonable efforts in the ordinary course of business to collect the Accounts Receivable. The parties will make every effort to cooperate with each other to ensure that both are paid monies owed them promptly, but without undue disruption to the parties' accounting systems or Timebroker's relationships with customers.

17.0 Force Majeure Event. If either Timebroker or Licensee is prevented from performing its obligations hereunder by a Force Majeure event (i.e., fires, acts of God, orders of civil or military authorities or other contingencies beyond the reasonable control of the parties), and such a situation cannot be corrected within a period of thirty (30) days, this Agreement shall, at the option of either of the parties hereto, terminate and, except as otherwise provided herein, the parties' obligations accruing beyond that time shall be terminated; and neither shall be liable to the other for a breach caused thereby. Neither Timebroker nor Licensee shall be required to correct problems caused by a Force Majeure event which eliminates its ability to carry out this Agreement.

18.0 Waiver of Breach. A waiver by either Timebroker or Licensee of a breach of any provision of this Agreement shall not be deemed to constitute a waiver of any preceding or subsequent breach of the same provision or any other provision.

19.0 Entire Agreement. This writing constitutes the entire agreement between Timebroker and Licensee pertaining to time brokerage, all prior understandings being merged herein. This Agreement may not be changed, modified, renewed, extended or discharged, except as specifically provided herein or by an agreement in writing signed by the parties hereto. It is recognized that the obligations of Licensee and Timebroker hereunder are subject to applicable

federal, state and local law, rules and regulations, including, but not limited to, the Communications Act of 1934, as amended, and the rules and regulations of the FCC.

20.0 Notices. All notices called for herein shall be in writing and shall either be delivered by hand delivery, evidenced by written receipt; by Federal Express, or other similar courier service or telecopier and evidenced by written receipt; all of which shall be addressed as follows:

IF TO LICENSEE:

Mr. Robert Sinclair  
Sinclair Telecable, Inc.  
500 Dominion Tower  
999 Waterside Drive  
Norfolk, Virginia 23510  
Fax: (757) 640-8552



WITH A COPY TO:

Mr. J. David Sinclair  
6158 Yellow Birch Court  
Plainfield, IN 46168  
Fax: (317) 838-7225

and

Howard M. Weiss, Esq.  
Fletcher, Heald & Hildreth  
1300 North 17th Street  
11th Floor  
Arlington, Virginia 22209  
Fax: (703) 812-0486

IF TO TIMEBROKER:

Mr. Alfred C. Liggins, President  
Radio One, Inc.  
5900 Princess Garden Parkway  
8th Floor  
Lanham, Maryland 20706  
Fax: (301) 306-9426

WITH A COPY TO:

Linda J. Eckard, Esq.  
Radio One, Inc.  
5900 Princess Garden Parkway  
Suite 800  
Lanham, MD 20706  
Fax: (301) 306-9638

21.0 Binding Agreement/Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

22.0 Corporate/LLC Authority/Construction. The undersigned signatories to this

Agreement personally represent and warrant that they have full authority to execute this Agreement on behalf of the respective parties. This Agreement shall be construed and enforced under the laws of the Commonwealth of Virginia, but not its conflicts of law principles.

#### 23.0 Certifications.

23.1 Licensee hereby certifies that for the term of this Agreement it shall maintain ultimate control over the Stations' facilities, including control over the Stations' finances, personnel and programming, and nothing herein shall be interpreted as depriving Licensee of the power or right of such ultimate control.

23.2 Timebroker hereby certifies that the arrangement contemplated by this Agreement complies with the provisions of Sections 73.3555 of the FCC's Rules.

#### 24.0 WGCV

24.1 Upon written request by Timebroker, Licensee shall give the requisite notice to Hoffman Communications terminating the Time Brokerage Agreement relating to WGCV (the "Hoffman Agreement"). Until that termination, this Agreement shall not apply to WGCV. Upon termination of the Hoffman Agreement, all of the provisions hereof shall apply to that station. The parties hereby agree to use their collective best efforts to estimate the cost of integrating the operation of Station WGCV into the combined operations of the Stations. Timebroker shall reimburse promptly said costs upon the receipt of documentation from Licensee.

WHEREFORE, the parties intending to be fully bound by the terms hereof have executed this Agreement as of the date first written above.

SINCLAIR TELECABLE, INC.  
d/b/a SINCLAIR COMMUNICATIONS

By: -----  
Robert Sinclair, Vice President  
COMMONWEALTH BROADCASTING, LLC

By: -----  
Robert L. Sinclair, Member  
LICENSEE (collectively)  
RADIO ONE, INC.

By: -----  
Alfred C. Liggins, President  
  
TIMEBROKER

## Schedule 3.0

## Compensation

Timebroker will pay Licensee monthly as follows:

(a) \$233,000.00 (the time brokerage fee); plus

(b) An amount equal to Licensee's expenses to be paid during the following month starting on the Commencement Date for the following:

- (i) salaries, benefits and taxes relating to the employment of Licensee's employees;
- (ii) electric costs;
- (iii) property taxes and rents;
- (iv) equipment repairs and maintenance.

The expenses defined in (i) - (iv) above are estimated not to exceed Forty Two Thousand and Five Hundred Dollars (\$42,500) in any month ("Expense Amount"). Licensee shall be required to submit to Timebroker on a quarterly basis an accurate account of expenses detailed in (i) - (iv) above, supported by appropriate documentation. In no event shall Timebroker be required to pay any amount in excess of the actual expenses. Thus, in the event that total actual expenses for any quarter are less than the expenses paid during that quarter, the parties shall in good faith and supported by appropriate documentation make adjustments thereto and any excess amount paid by Timebroker shall be remitted by Licensee within fifteen (15) days of the close of the quarter. Notwithstanding the foregoing, if such expenses in any month exceed the Expense Amount, Timebroker and Licensee shall each pay one half of the cost in excess of the Expense Amount.

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ASSET PURCHASE AGREEMENT  
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by and between  
KJI BROADCASTING, LLC  
and  
RADIO ONE, INC.  
for the sale and purchase of  
Station WCAV-FM

Dated as of May 24, 1999

TABLE OF EXHIBITS

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ASSET PURCHASE AGREEMENT

This Agreement, made and entered into as of this 24th day of May, 1999, by and between KJI Broadcasting, LLC, a Massachusetts limited liability company ("Seller"), and Radio One, Inc., a Delaware corporation ("Buyer").

WITNESSETH THAT:

WHEREAS, Seller is the licensee of Station WCAV-FM, 97.7 MHz, Brockton, Massachusetts (the "Station"); and

WHEREAS, the parties desire that Buyer purchase certain assets used or held for use in the operation of the Station and acquire the authorizations issued by the Federal Communications Commission (the "Commission") for the operation of the Station; and

WHEREAS, the authorizations issued by the Commission may not be assigned to Buyer without the Commission's prior consent.

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties, intending to be legally bound, agree as follows:

1.0 RULES OF CONSTRUCTION.

1.1. DEFINED TERMS. As used in this Agreement, the following terms shall have the following meanings:

"ACCOUNTS RECEIVABLE" means the cash accounts receivable of Seller arising from Seller's operation of the Station prior to and immediately before the Closing.

"ADMINISTRATIVE VIOLATION" means those violations described in Section 8.6 hereof.

"ASSIGNMENT APPLICATION" means the application on FCC Form 314 that Seller and Buyer shall join in and file with the Commission requesting its consent to the assignment of the FCC Licenses (as hereinafter defined) from Seller to Buyer.

"BUSINESS RECORDS" means all business records of Seller (including logs, public file materials and engineering records) relating to or used in the operation of the Station and not relating solely to Seller's internal corporate affairs.

"BUYER" means Radio One, Inc., a Delaware corporation.

"BUYER DOCUMENTS" means those documents, agreements and instruments to be executed and delivered by Buyer in connection with this Agreement as described in Section 7.2.

"CLOSING" means the consummation of the Transaction (as hereinafter defined).

"CLOSING DATE" means the date on which the Closing takes place, as determined by Section 11.

"CODE" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"COMMISSION" means the Federal Communications Commission.

"COMMUNICATIONS ACT" shall mean the Communications Act of 1934, as amended.

"CONTRACTS" means those contracts, leases and other agreements listed or described in Schedule 2.1(c)(1) which are in effect on the date hereof and which Buyer has agreed to assume.

"ENVIRONMENTAL LAW" means any law, rule, order, decree or regulation of any Governmental Authority relating to pollution or protection of human health and the environment, including any law or regulation relating to emissions, discharges, releases or threatened releases of Hazardous Substances (as hereinafter defined) into ambient air, surface water, groundwater, land or other environmental media, and including without limitation all laws, regulations, orders and rules pertaining to occupational health and safety.

"EQUIPMENT" means all tangible personal property and fixtures used or useful in the operation of the Station as described in Section 2.1(b).

"ESCROW AGENT" means Media Services Group, Inc.

"ESCROW AGREEMENT" means the escrow agreement described in Section 3, the form of which is attached as Exhibit 1.

"ESCROW DEPOSIT" means the monies deposited with the Escrow Agent described in Section 3.2.

"EXCLUDED ASSETS" means those assets excluded from the Purchased Assets and retained by the Seller, to the extent in existence on the Closing Date, as specifically described in Section 2.2.

"FCC LICENSES" means all licenses, pending applications, permits and other authorizations issued by the Commission for the operation of the Station listed on Schedule 6.5.

"FINAL ORDER" means any action that shall have been taken by the Commission (including action duly taken by the Commission's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the Commission with comparable effect shall be pending; and as to which the time for filing



any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the Commission shall have expired or otherwise terminated.

"FINANCIAL STATEMENTS" means Seller's audited and unaudited financial statements as described in Section 6.10.

"GOVERNMENTAL AUTHORITY" means any nation or government, any state or other political subdivision thereof, and any agency, court or other entity that exercises executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"HAZARDOUS SUBSTANCES" means any hazardous, dangerous or toxic waste, substance or material, as those or similar terms are defined in or for purposes of any applicable federal, state or local Environmental Law, and including without limitation any asbestos or asbestos-related products, oils, petroleum or petroleum-derived compounds, CFCS, or PCBs.

"INCENTIVE PAYMENT" means any additional consideration paid to Seller consistent with the terms described in Section 4.3 hereof.

"INTANGIBLE PROPERTY" means all of Seller's right, title and interest in and to the goodwill and other intangible assets used or useful in or arising from the business of the Station as described in Section 2.1(f).

"INTELLECTUAL PROPERTY" means all Seller's right, title and interest in and to the trademarks, tradenames, service marks, patents, franchises, copyrights, including registrations and applications for registration of any of them, slogans, jingles, logos, computer programs and software, trade secrets and similar materials and rights relating to the Station as listed on Schedule 6.8.

"KNOWLEDGE OF BUYER" means the actual knowledge, after reasonable inquiry of Buyer's senior management, and the books and records of Buyer.

"KNOWLEDGE OF SELLER" means the actual knowledge, after reasonable inquiry of Seller's senior management, and the books and records of the Station.

"MATERIAL CONTRACTS" means those leases, contracts and agreements specifically designated in Schedule 2.1(c)(1) as being "Material Contracts."

"NEW TOWER SITE" means the antenna location described in a construction permit issued on January 29, 1999, pursuant to FCC File No. BPH-981020IB.

"PERMITTED ENCUMBRANCES" means those permitted liens or encumbrances to the Purchased Assets described in Section 6.4 and set forth on Schedule 6.4.

"PURCHASE PRICE" shall mean the total consideration for the Purchased Assets as described in Section 4.1.

"PURCHASED ASSETS" means those assets which are the subject matter of this Agreement that Seller shall sell, assign, transfer, convey and deliver to Buyer at Closing as described in Section 2.1.

"RELOCATION PERIOD" means the three (3) year time period beginning on the Closing Date, during which Buyer may potentially relocate the Station's antenna as described in Section 4.3 hereof.

"RELOCATION SITE" means any tower site proposed by Buyer for the relocation of the Station's antenna as described in Section 4.3 hereof.

"SALES AGREEMENTS" means agreements entered into by Seller for the sale of time on the Station for cash, as described in Section 2.1(c)(2).

"SELLER" means KJI Broadcasting, LLC, a Massachusetts limited liability corporation.

"SELLER DOCUMENTS" means those documents, agreements and instruments to be executed and delivered by Seller in connection with this Agreement as described in Section 6.1.

"SPECIFIED EVENT" means those broadcast transmission failures described in Section 8.5(b).

"STUDIO SITE" means the real estate located at 60 Main Street, Brockton, Massachusetts 02403, that is currently used as the Station's studio and office facilities.

"TRADE AGREEMENTS" means agreements entered into by Seller for the sale of time on the Station in exchange for merchandise or services, including those listed on Schedule 2.1(c)(1).

"TRADE BALANCE" means the difference between the aggregate value of time owed pursuant to the Trade Agreements and the aggregate value of goods and services to be received pursuant to the Trade Agreements, as computed in accordance with the Station's customary bookkeeping practices. The Trade Balance is "negative" if the value of time owed as of Closing exceeds the value of goods and services to be received. The Trade Balance is "positive" if the value of time owed as of Closing is less than the value of goods and services to be received.

"TRANSACTION" means the sale and purchase and assignments and assumptions contemplated by this Agreement and the respective obligations of Seller and Buyer set forth herein.

"TRANSMITTER SITE" means the real estate located at 485 North Quincy Street, Abington, Massachusetts that will be used as the New Tower Site.

1.2. OTHER DEFINITIONS. Other capitalized terms used in this Agreement shall have the meanings ascribed to them herein.

1.3. NUMBER AND GENDER. Whenever the context so requires, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns of any gender shall be construed to mean or include any other gender or genders.

1.4. HEADINGS AND CROSS-REFERENCES. The headings of the Sections and Paragraphs hereof, the Table of Exhibits, and the Table of Schedules have been included for convenience of reference only, and shall in no way limit or affect the meaning or interpretation of the specific provisions of this Agreement. All cross-references to Sections or Paragraphs herein shall mean the Sections or Paragraphs of this Agreement unless otherwise stated or clearly required by the context. All references to Schedules herein shall mean the Schedules to this Agreement. Words such as "herein" and "hereof" shall be deemed to refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise stated or clearly required by the context. The term "including" means "including without limitation."

1.5. COMPUTATION OF TIME. Whenever any time period provided for in this Agreement is measured in "business days" there shall be excluded from such time period each day that is a Saturday, Sunday, recognized federal legal holiday, or other day on which the Commission's offices are closed and are not reopened prior to 7:00 p.m. Washington, D.C. time. In all other cases all days shall be counted.

## 2.0 ASSETS TO BE CONVEYED.

2.1. PURCHASED ASSETS. On the Closing Date, Seller shall sell, assign, transfer, convey and deliver to Buyer free of all liens, encumbrances, mortgages, security interests of any kind or type whatsoever, all of Seller's assets used in the conduct of the business and operations of the Station (collectively referred to as the "Purchased Assets"), including, but not limited to, the following:

(A) LICENSES. The FCC Licenses, including all of the rights in and to the call letters of the Station, and all other transferable licenses, permits and authorizations issued by any other Governmental Authority that are used in or necessary for the lawful operation of the Station as currently operated by Seller.

(B) EQUIPMENT. All tangible personal property and fixtures described in Schedule 6.6, together with supplies, inventory, spare parts and replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date (the "Equipment").

(C) CONTRACTS AND AGREEMENTS. The Contracts, Sales Agreements and Trade Agreements, subject to the following:

(1) Buyer shall be obligated to assume only those Contracts that are listed in Schedule 2.1(c)(1) or that have been or will have been entered into in the ordinary course of the Station's business and in accordance with the terms of this Agreement, between the

date hereof and the Closing Date, provided that, unless otherwise approved in writing by Buyer, the obligations of the Station or Buyer under such Contracts entered into in the ordinary course of business do not exceed Five Thousand Dollars (\$5,000) per annum per Contract or Twenty-five Thousand Dollars (\$25,000) per annum in the aggregate or are terminable by the Station on not more than 30 days' notice.

(2) Buyer shall be obligated to assume only those Sales Agreements that have been or will have been entered into in the ordinary course of business, consistent with past practice and in accordance with Section 6.18.

(3) Buyer shall be obligated to assume only those Trade Agreements that are disclosed at Closing and that are (i) immediately preemptible for cash time sales; (ii) require the provision of air time only on a "run of schedule" basis; and (iii) inure or will inure to the benefit of the Station. Notwithstanding the foregoing, Buyer shall not be obligated to assume Trade Agreements (including those entered into in the ordinary course of business) that have an aggregate negative Trade Balance exceeding Twenty Thousand Dollars (\$20,000).

(4) Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Contract or other agreement, undertaking or obligation if (i) an attempted assignment, without the consent required for such assignment, may constitute a breach thereof or may in any way have a material adverse effect on Seller's rights thereunder prior to Closing or Buyer's rights thereunder after Closing and (ii) such consent is not obtained by Seller prior to Closing, provided, however, that Seller will use its best efforts at its own expense to obtain all such consents prior to Closing.

(D) PROGRAMMING MATERIALS. All programs, programming material, and music libraries in whatever form or nature owned by Seller and used or intended for use in the operation of the Station.

(E) INTELLECTUAL PROPERTY. All Seller's right, title and interest in and to the Intellectual Property used in the operation of the Station.

(F) INTANGIBLE PROPERTY. All of Seller's right, title and interest in and to the goodwill and other intangible assets used or useful in or arising from the business of the Station, including all customer lists, and sales plans.

(G) BUSINESS RECORDS. All business records of Seller (including logs, public file materials and engineering records) relating to or used in the operation of the Station and not relating solely to Seller's internal corporate affairs.

(H) STATION RECORDS. All of the Station's proprietary information, technical information and data, machinery and equipment warranties (to the extent such warranties are assignable), maps, plans, diagrams, blueprints, schematics, files, records, studies, data, lists, general accounting records, books of account, in whatever form, used or held for use for the business or operation of the Station, including filings with the FCC which relate to the Station.

(I) REAL PROPERTY SITE LICENSE. Seller currently holds a license to use the Real Property described in Schedule 6.13 which is used as the Station's Transmitter Site.

2.2. EXCLUDED ASSETS. There shall be excluded from the Purchased Assets and retained by the Seller, to the extent in existence on the Closing Date, the following assets (the "Excluded Assets"):

(A) RECEIVABLES. All Accounts Receivable.

(B) CASH AND INVESTMENTS. All cash and cash equivalents on hand or in bank accounts and other cash items and investment securities of Seller on the Closing Date.

(C) INSURANCE. All contracts of insurance (including any cash surrender value thereof) and all insurance proceeds of settlement and insurance claims made by Seller on or before the Closing Date.

(D) EMPLOYEE BENEFIT ASSETS. All pension, profit sharing and savings plans and trusts, and any assets thereof, except that any employee account balances under any plan qualified under Section 401(k) of the Code shall be promptly transferred to a plan qualified under Section 401(k) and, at Buyer's request, made available by or on behalf of Buyer if such employee is hired by Buyer, to the extent allowed under each such plan and applicable law.

(E) CONTRACTS. All contracts that will have terminated or expired prior to Closing by their terms and all contracts, agreements, instruments, undertakings and obligations not expressly assumed by Buyer hereunder.

(F) TAX ITEMS. All claims, rights and interest in and to any refunds for federal, state or local taxes to which Seller is entitled for periods prior to the Closing Date.

(G) CORPORATE RECORDS. Seller's corporate minute books and other books and records relating to internal corporate minutes.

(H) OTHER ASSETS. All other assets not described in Section 2.1.

### 3.0 ESCROW ARRANGEMENTS.

3.1 ESCROW DEPOSIT. Simultaneous with the execution of this Agreement, Buyer shall deposit with Media Services Group, Inc., a cash deposit of Five Hundred Thousand Dollars (\$500,000) (the "Escrow Deposit"). The Escrow Deposit shall be held in an interest-bearing account and disbursed by Escrow Agent pursuant to the terms of an escrow agreement in the form attached hereto as Exhibit 1 (the "Escrow Agreement"). The Escrow Agreement shall be entered into by Seller, Buyer and Escrow Agent simultaneously with the execution of this Agreement.

4.0 PURCHASE PRICE AND METHOD OF PAYMENT.

4.1. CONSIDERATION. The total consideration for the Purchased Assets (the "Purchase Price") shall be Ten Million Dollars (\$10,000,000), payable as set forth in this Section 4.

4.2. PAYMENT AT CLOSING. At Closing, Buyer shall pay:

(a) Nine Million Five Hundred Thousand Dollars (\$9,500,000) (as adjusted pursuant to Sections 8.5 and 12.1) to Seller by check or wire transfer of same day funds pursuant to wire transfer instructions which shall be delivered by Seller to Buyer at least five business days prior to Closing.

(b) Five Hundred Thousand Dollars (\$500,000) to Seller by causing the Escrow Agent to release the Escrow Deposit to Seller, with all interest earned on the Escrow Deposit remitted to Buyer.

4.3 ADDITIONAL CONSIDERATION. On or before the third anniversary of the Closing Date (the "Relocation Period"), additional consideration (the "Incentive Payment"), in an amount to be determined in accordance with subsection (a) of this Section 4.3, and not to exceed a cumulative total of One Million Dollars (\$1,000,000), shall be paid to Seller, provided that the Buyer relocates the Station's antenna from the New Tower Site to any other tower site that is north of the New Tower Site and the total population served by the Station's 60 dbU contour (as calculated pursuant to the FCC's Rules) (the "Relocation Site"), increases from the population within the 60 dbU contour of the New Tower Site and the Station commences program test authority from the Relocation Site.

(A) The amount of the Incentive Payment shall be determined as follows:

Distance from New Tower Site -----	Incentive Payment -----
less than or equal to 1 mile	\$ 100,000
less than or equal to 2 miles	\$ 400,000
less than or equal to 3 miles	\$ 750,000
greater than 3 miles	\$1,000,000

(B) The distance of the Relocation Site from the New Tower Site shall be determined by using a computer program used to calculate the spacing between tower sites for purposes of complying with Section 73.208 of the FCC's rules.

(C) If Buyer relocates the Station's antenna from the New Tower Site consistent with this Section 4.3 through successive relocations during the Relocation Period, then Seller shall be entitled to successive, but cumulative, Incentive Payments. However, any successive Incentive Payment made to Seller shall be reduced by the amount of any Incentive

Payment previously paid to Seller so that the total Incentive Payment made to Seller shall not exceed \$1,000,000.

(D) If any Incentive Payment shall be required to be paid during the Relocation Period, such payment shall be due sixty (60) days after the date that Buyer commences program test authority for the Station at the Relocation Site.

4.4. ALLOCATION. The Purchase Price shall be allocated to the Purchased Assets in accordance with an allocation schedule to be prepared by Buyer pursuant to Section 1060 of the Code and mutually agreed upon by Seller and Buyer. Seller and Buyer shall use such allocation for tax accounting (including preparation of IRS Form 8594), and all other purposes. If Seller and Buyer have not agreed upon the allocation prior to the Closing Date, Closing shall take place as scheduled and any dispute shall be resolved by a qualified media appraiser mutually acceptable to Seller and Buyer, whose decision shall be final and whose fees and expenses shall be paid one-half by Seller and one-half by Buyer. If the allocation must be determined by a media appraiser, Seller and Buyer agree to cooperate in good faith so that such appraisal may be completed expeditiously.

4.5. SELLER'S LIABILITIES. Buyer does not and shall not assume or be deemed to assume, pursuant to this Agreement or otherwise, any agreements, liabilities, undertakings, obligations or commitments of Seller or the Station of any nature whatsoever except: (i) liabilities accruing after Closing under the Contracts, Sales Agreements and Trade Agreements listed in Schedule 2.1(c)(1) or otherwise expressly assumed by Buyer pursuant to, and subject to, Sections 2.1(c), 6.18 and 10.2(j) provided, that, Buyer shall not assume liability for any breaches, violations or defaults under the Contracts, Sales Agreements and Trade Agreements that occurred prior to Closing; and (ii) prorated items that are to be paid by Buyer after Closing pursuant to Section 12.1.

5.0. [SECTION INTENTIONALLY OMITTED]

6.0. SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Seller hereby makes to and for the benefit of Buyer, the following representations, warranties and covenants:

6.1. EXISTENCE, POWER AND IDENTITY. Seller is a limited liability corporation duly organized and validly existing under the laws of The Commonwealth of Massachusetts with corporate power and authority as a limited liability company (a) to own, lease and use the Purchased Assets as currently owned, leased and used, (b) to conduct the business and operation of the Station as currently conducted and (c) to execute and deliver this Agreement and each other document, agreement and instrument to be executed and delivered by Seller in connection with this Agreement (collectively, the "Seller Documents"), and to perform and comply with all of the terms, obligations and covenants to be performed and complied with by Seller hereunder and thereunder. The addresses of Seller's chief executive office and all of Seller's additional places of business, and all places where any of the tangible personal property included in the Purchased Assets is now located, or has been located during the past 180 days, are correctly

listed in Schedule 6.1. Except as set forth in Schedule 6.1, since June 1, 1998, Seller has not been known by or used, nor, to the best of Seller's knowledge, has any prior owner of the Station been known by or used, any corporate, partnership, fictitious or other name in the conduct of the Station's business or in connection with the ownership, use or operation of the Purchased Assets.

6.2. BINDING EFFECT. The execution, delivery and performance by Seller of this Agreement has been and the Seller Documents will be duly authorized by all necessary limited liability corporate action, and copies of those authorizing resolutions, certified by an officer, member or manager of Seller, shall be delivered to Buyer at Closing. No other limited liability corporate action by Seller is required for Seller's execution, delivery and performance of this Agreement. This Agreement has been duly and validly executed and delivered by Seller to Buyer and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors, and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

6.3. NO VIOLATION. Except as set forth on Schedule 6.3, none of (i) the execution, delivery and performance by Seller of this Agreement or any of the Seller Documents, (ii) the consummation of the Transaction, or (iii) Seller's compliance with the terms or conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Seller's articles of incorporation or operating agreement, (y) any judgment, decree, order, consent, agreement, lease or other instrument (including any Contract, Sales Agreement or Trade Agreement) to which Seller is a party or by which Seller or any of its assets (including the Purchased Assets) or the Station is or may be legally bound or affected, or (z) any law, rule, regulation or ordinance of any Governmental Authority applicable to Seller or any of its assets (including the Purchased Assets) or the operation of the Station.

6.4. CONVEYANCE OF ASSETS. At Closing, Seller shall convey to Buyer good and marketable title to all the Purchased Assets, free and clear of all liens, pledges, collateral assignments, security interests, capital or financing leases, easements, covenants, restrictions and encumbrances or other defects of title except: (i) the inchoate lien for current taxes or other governmental charges not yet due and payable and that will be prorated between Seller and Buyer pursuant to Section 12.1; and (ii) the Permitted Encumbrances.

6.5. GOVERNMENTAL AUTHORIZATIONS. Except for the FCC Licenses, no licenses, permits, or authorizations from any Governmental Authority are required to own, use or operate the Purchased Assets, to operate the Station or to conduct Seller's business as currently operated and conducted by Seller. The FCC Licenses are all the Commission authorizations held by Seller with respect to the Station, and are all the Commission authorizations used in or necessary for the lawful operation of the Station as currently operated by Seller. The FCC Licenses are in full force and effect, are subject to no conditions or restrictions other than those which appear on their face and are unimpaired by any acts or omissions of Seller, Seller's officers, employees or agents. Seller has delivered true and complete copies of all FCC Licenses to Buyer. There is not



pending or, to the Knowledge of Seller, threatened, any action by or before the Commission or any other Governmental Authority to revoke, cancel, rescind or modify any of the FCC Licenses (other than proceedings to amend Commission rules of general applicability or otherwise affecting the broadcast industry generally), and there is not now issued, outstanding or pending or, to the Knowledge of Seller, threatened, by or before the Commission or any other Governmental Authority, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or otherwise with respect to the Station. The Station is operating in compliance with all FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the current rules, regulations, policies and practices of the Commission. Except as otherwise set forth in Schedule 6.5, the Commission's most recent renewals of the FCC Licenses were not challenged by any petition to deny or any competing application. Seller has no knowledge of any facts relating to it that, under the Communications Act or the current rules, regulations, policies and practices of the Commission may cause the Commission to deny Commission renewal of the FCC Licenses or deny Commission consent to the Transaction.

6.6. EQUIPMENT. Seller has good and marketable title, both legal and equitable, to the Equipment. The Equipment, together with any improvements and additions thereto and replacements thereof less any retirements or other dispositions as permitted by this Agreement between the date hereof and the Closing Date, will, at Closing, be all the tangible personal property used or useful in the lawful operation of the Station as currently operated by Seller. Except as specifically indicated to the contrary in Schedule 6.6, all Equipment is serviceable, in good operating condition (reasonable wear and tear excepted). All items of transmitting and studio equipment included in the Equipment (i) have been maintained in a manner consistent with generally accepted standards of good engineering practice and (ii) will permit the Station to operate in accordance with the terms of the FCC Licenses.

6.7. CONTRACTS. Seller has made available to Buyer or its representatives complete and correct copies of all Contracts and Trade Agreements listed on Schedule 2.1(c)(1) hereto. The list of Trade Agreements on Schedule 2.1(c)(1) is accurate and complete. Except for Sales Agreements and Trade Agreements that comply with the terms of this Agreement, Schedule 2.1(c)(1) includes all the contracts, leases, and agreements to which Seller is a party and which Buyer has agreed to assume, other than those contracts that will be performed in full prior to the Closing. To the Knowledge of Seller, each Contract is in full force and effect and is unimpaired by any acts or omissions of Seller, Seller's employees or agents, or Seller's officers. Except as set forth on Schedule 2.1(c)(1), there has not occurred as to any Contract any event of default by Seller or any event that, with notice, the lapse of time or otherwise, could become an event of default by Seller. To the Knowledge of Seller, there has not occurred as to any Contract any default by any other party thereto or any event that, with notice, the lapse of time or otherwise, or at the election of any person other than Seller, could become an event of default by such party. Those Contracts whose stated duration extends beyond the Closing Date will, at Closing, be in full force and effect, unimpaired by any acts or omissions of Seller, Seller's employees or agents, or Seller's officers. If any Contract requires the consent of any third party in order for Seller to assign that Contract to Buyer, Seller shall use its best efforts to obtain at its own expense such consent prior to Closing.

6.8. PROMOTIONAL RIGHTS. The Intellectual Property set forth on Schedule 6.8 includes all call signs and trademarks that Seller is transferring to Buyer, used to promote or identify the Station. Except as set forth on Schedule 6.8, the Intellectual Property is in good standing and uncontested by any third party. Except as set forth on Schedule 6.8, to the Knowledge of Seller there is no infringement or unlawful or unauthorized use of those promotional rights, including the use of any call sign, slogan or logo by any broadcast or cable station in the Boston metropolitan area that may be confusingly similar to those currently used by the Station. Except as set forth on Schedule 6.8, to the Knowledge of Seller, the operations of the Station do not infringe, and no one has asserted to Seller that such operations infringe, any copyright, trademark, tradename, service mark or other similar right of any other party.

6.9. INSURANCE. Schedule 6.9 lists all insurance policies held by Seller with respect to the Purchased Assets and the business and operation of the Station. Such insurance policies are in full force and effect, all premiums with respect thereto are currently paid and Seller is in compliance with the terms thereof. Seller has not received any notice from any issuer of any such policies of its intention to cancel, terminate, or refuse to renew any policy issued by it. Seller will maintain the insurance policies listed on Schedule 6.9 in full force and effect through the Closing Date.

6.10. FINANCIAL STATEMENTS.

(a) Seller has furnished Buyer with the audited Financial Statements for the fiscal year ending December 31, 1998, and will furnish Buyer with unaudited Financial Statements for the period ending not more than thirty (30) days prior to the Closing Date. The Financial Statements : (i) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Seller's financial position, income, expenses, assets, liabilities, shareholder's equity and the results of operations of the Station as of the dates and for the periods indicated. Since December 31, 1998, there has been no material adverse change in the business, assets, properties or condition (financial or otherwise) of the business since the preparation of the most recent annual Financial Statement. No event has occurred and, Seller has no knowledge that prior to Closing, any event will have occurred that would make such Financial Statements misleading in any material respect.

(b) Except as reflected in the most recently available balance sheets, including the notes thereto or otherwise disclosed in this Agreement or the Schedules hereto, and except for the current liabilities and obligations incurred in the ordinary course of business of the Station (not including for this purpose any tort-like liabilities or breach of contract) since the date of the most recently available balance sheets, there exist no liabilities or obligations of Seller, contingent or absolute, matured or unmatured, known or unknown. Except as set forth on Schedule 6.10(b) since the date of the most recently available balance sheets, (i) Seller has not made any contract, agreement or commitment or incurred any obligation or liability (contingent or otherwise), except in the ordinary course of business and consistent with past business practices, (ii) there has not been any discharge or satisfaction of any obligation or liability owed

by Seller, which is not in the ordinary course of business or which is inconsistent with past business practices, (iii) there has not occurred any sale of or loss or material injury to the business, or any material adverse change in the business or in the condition (financial or otherwise) of the Station, (iv) Seller has operated the business in the ordinary course and (v) Seller has not increased the salaries or any other compensation of any of its employees or agreed to the payment of any bonuses. The monthly balance sheets (i) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Company's financial position, income, expenses, assets, liabilities, members' equity and the results of operations of the Station as of the dates and for the periods indicated, subject to year end adjustments which do not materially affect the operations of Seller.

6.11. EMPLOYEES. Seller has no written or oral employment agreements or any other arrangement with any employee which would in any respect obligate or cause any liability to Buyer at any time.

6.12. EMPLOYEE BENEFIT PLANS. Seller has no obligations or liabilities (whether accrued, absolute, contingent or unliquidated, whether or not known, and whether due or to become due) with respect to (i) any "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA")) ("Pension Plan"); (ii) any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) ("Welfare Plan"); (iii) any deferred compensation, bonus, stock option, stock purchase, or other employee benefit plan, agreement, commitment, or arrangement ("Other Plan") or any (iv) "employee benefit plan" (as defined in Section 3(3) of ERISA), which would in any respect obligate or cause any liability to Buyer at any time.

6.13. REAL PROPERTY. Seller holds a license to use the real property described in Schedule 6.13 which is used as the Station's Transmitter Site. Except as listed on Schedule 6.13, all of the improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and the building, health, fire and environmental protection codes of all applicable governmental jurisdictions, and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. None of the improvements have any structural defects to the Knowledge of Seller. No portion of the real property described in Schedule 6.13 is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and to the Knowledge of Seller, no such proceedings are threatened. There are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Seller, planned to be instituted, which would materially affect the use and operations of the real property for any lawful purpose, and Seller has not received notice of any special assessment proceedings materially affecting the real property. The real property has direct and unobstructed access to all public utilities necessary for the operation of the Station.

6.14. ENVIRONMENTAL PROTECTION. Except as set forth on Schedule 6.14 and to the Knowledge of Seller, (i) no Hazardous Substances have been treated, stored, used, released or disposed of on the Transmitter Site in any manner that would cause Buyer to incur material liability under any Environmental Laws; (ii) Seller is not liable for cleanup or response costs with respect to any present or past emission, discharge, or release of any Hazardous Substances; (iii) no "underground storage tank" (as that term is defined in regulations promulgated by the federal Environmental Protection Agency) is used in the operation of the Station or is located on the Transmitter Site; (iv) there are no pending actions, suits, claims, legal proceedings or any other proceedings based on environmental conditions or noncompliance at the Transmitter Site, or any part thereof, or otherwise arising from Seller's activities involving Hazardous Substances; (v) there are no conditions, facilities, procedures or any other facts or circumstances at the Transmitter Site which constitute noncompliance with Environmental Laws or regulations; and (vi) there are no structures, improvements, equipment, activities, fixtures or facilities at the Transmitter Site which are constructed with, use or otherwise contain Hazardous Substances, including, but without limitation, asbestos or polychlorinated biphenyls.

6.15. COMPLIANCE WITH LAW. There is no outstanding complaint, citation, or notice issued by any Governmental Authority asserting that Seller is in violation of any law, regulation, rule, ordinance, order, decree or other material requirement of any Governmental Authority (including any applicable statutes, ordinances or codes relating to zoning and land use, health and sanitation, environmental protection, occupational safety and the use of electric power) affecting the Purchased Assets or the business or operations of the Station, and Seller is in material compliance with all such laws, regulations, rules, ordinances, decrees, orders and requirements. Without limiting the foregoing:

(a) The Station's transmitting and studio equipment is in material respects operating in accordance with the terms and conditions of the FCC Licenses, all underlying construction permits, and the rules, regulations, practices and policies of the Commission, including all requirements concerning equipment authorization and human exposure to radio frequency radiation.

(b) All ownership reports, employment reports, tax returns and other material documents required to be filed by Seller with the Commission or other Governmental Authority have been filed; such reports and filings are accurate and complete in all material respects; such items as are required to be placed in the Station's local public records file have been placed in such file; all proofs of performance and measurements that are required to be made by Seller with respect to the Station's transmission facilities have been completed and filed at the Station; and all information contained in the foregoing documents is true, complete and accurate.

(c) The location of the Station's main studio complies with the FCC's rules.

(d) Seller has paid to the Commission the regulatory fees due for the Station for the years 1994-98.

6.16. LITIGATION. Except for proceedings affecting radio broadcasters generally and except as set forth on Schedule 6.3, there is no litigation, complaint, investigation, suit, claim, action or proceeding pending, or to the Knowledge of Seller, threatened before or by the Commission, any other Governmental Authority, or any arbitrator or other person or entity relating to the business or operations of the Station or to the Purchased Assets. Except as set forth on Schedule 6.3, there is no other litigation, action, suit, complaint, claim, investigation or proceeding pending, or to the Knowledge of Seller, threatened that may give rise to any claim against any of the Purchased Assets or adversely affect Seller's ability to consummate the Transaction as provided herein. Seller is not aware of any facts that could reasonably result in any such proceedings.

6.17. INSOLVENCY PROCEEDINGS. No insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller, the Station Assets or the Purchased Assets are pending or, to the Knowledge of Seller, threatened. Seller has not made an assignment for the benefit of creditors.

6.18. SALES AGREEMENTS. Except as disclosed in Schedule 6.18, the Sales Agreements in existence on the date hereof have been entered into in the ordinary course of the Station's business, at rates consistent with Seller's usual past practices. Such Sales Agreements, in certain cases, cover advertising with respect to both the Station as well as its affiliated Station WBET-AM and/or may be for a term longer than 10 weeks and not cancelable on 15 days or less notice. With respect to such Sales Agreements described herein, the Seller shall exercise its best reasonable efforts consistent with Buyer's request at Closing to: (a) amend such Sales Agreements such that, as of the Closing Date, remaining broadcasting time otherwise attributable to the Station after the Closing Date will be moved to WBET-AM; (b) terminate such Sales Agreements; or (c) assign such Sales Agreements to Buyer. With respect to any Sales Agreements entered into on or after the date of this Agreement, Seller shall not enter into any contract for a term longer than 10 weeks, or if longer, not terminable by the Station upon not more than 15 days notice without the prior written consent of Buyer. Such consent of Buyer shall not be unreasonably withheld.

6.19. LIABILITIES. There are no known liabilities or obligations of Seller relating to the Station, whether related to tax or non-tax matters, due or not yet due, except as and to the extent set forth on the most recent Financial Statements described in Section 6.10.

6.20. SUFFICIENCY OF ASSETS. At the time of Closing, the Purchased Assets in conjunction with the site license referred to in Section 2.1(i) will be sufficient to transmit signals under the Station's applicable FCC License with respect to the modified station facilities for the Station at the New Tower Site.

6.21. RELATED PARTIES. Except as disclosed in Schedule 6.21 neither Seller nor any member, officer or director of Seller has any interest whatsoever in any corporation, firm, partnership or other business enterprise which has had any business transactions with Seller relating to the Purchased Assets or the Station, and no shareholder, officer or director of Seller has entered into any transactions with Seller relating to the Purchased Assets or the Station.

6.22. TAXES. The Seller has timely filed with all appropriate Governmental Authority all federal, state, commonwealth, local, and other tax or information returns and tax reports (including, but not limited to, all income tax, unemployment compensation, social security, payroll, sales and use, profit, excise, privilege, occupation, property, ad valorem, franchise, license, school and any other tax under the laws of the United States or of any state or any commonwealth or any municipal entity or of any political subdivision with valid taxing authority) due for all periods ended on or before the date hereof. Seller has paid in full all federal, state, commonwealth, foreign, local and other governmental taxes, estimated taxes, interest, penalties, assessments and deficiencies (collectively, "Taxes") which have become due pursuant to such returns or without returns or pursuant to any assessments received by Seller. To the Knowledge of Seller, such returns and forms are true, correct and complete in all material respects, and Seller has no liability for any Taxes in excess of the Taxes shown on such returns. Seller is not a party to any pending action or proceeding and, to the Knowledge of Seller, there is no action or proceeding threatened by any Governmental Authority against Seller for assessment or collection of any Taxes, and no unresolved claim for assessment or collection of any Taxes has been asserted against Seller.

6.23. NO MISLEADING STATEMENTS. This Agreement, and any disclosures made pursuant hereto will not contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading. Seller represents and warrants that it will continue to disclose to Buyer, any fact that Seller is obligated to disclose to assure the continuing accuracy of the representations and warranties contained in this Section 6.

7.0 BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Buyer hereby makes to and for the benefit of Seller, the following representations, warranties and covenants:

7.1. EXISTENCE AND POWER. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to assume and perform this Agreement, and as of the Closing Date will be authorized to do business in The Commonwealth of Massachusetts.

7.2. BINDING EFFECT. The execution, delivery and performance by Buyer of this Agreement has been, and each other document, agreement and instrument to be executed and delivered by Buyer in connection with this Agreement (collectively, the "Buyer Documents") will be duly authorized by all necessary corporate action, and copies of those authorizing resolutions, certified by Buyer's Secretary shall be delivered to Seller at Closing. This Agreement has been, and each of the Buyer Documents will be, duly and validly executed and delivered by Buyer to Seller and constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

7.3. NO VIOLATION. None of (i) the execution, delivery and performance by Buyer of this Agreement or any of the Buyer Documents, (ii) the consummation of the Transaction, or (iii) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Buyer's articles of incorporation or by-laws or (y) any judgment, decree, order, consent agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound.

7.4. LITIGATION. There is no litigation, action, suit, complaint, proceeding or investigation, pending or, to the Knowledge of Buyer, threatened that may adversely affect Buyer's ability to consummate the Transaction as provided herein.

7.5. LICENSEE QUALIFICATIONS. To the Knowledge of Buyer there is no fact that would, under the rules and regulations of the Commission, disqualify Buyer from being the assignee of the FCC Licenses or the owner and operator of the Station. Should Buyer become aware of any such fact, it will so inform Seller, and Buyer will use commercially reasonable efforts to remove any such disqualification.

8.0 PRE-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period prior to Closing:

8.1. APPLICATION FOR COMMISSION CONSENT. Within five (5) business days from the date of this Agreement, Seller and Buyer shall join in and file the Assignment Application, and they shall diligently take all steps necessary or desirable and proper expeditiously to prosecute the Assignment Application and to obtain the Commission's determination that grant of the Assignment Application will serve the public interest, convenience and necessity. The failure by either party to timely file or diligently prosecute its portion of the Assignment Application shall be deemed a material breach of this Agreement. Each party shall promptly provide the other with a copy of any pleading, order or other document served on the other relating to the Assignment Application. In the event that Closing occurs prior to a Final Order, then each party's obligations hereunder shall survive the Closing.

8.2. ACCESS. Between the date hereof and the Closing Date, Seller shall, in consultation with Buyer, give Buyer and representatives of Buyer reasonable access during normal business hours to the Purchased Assets, the Station, the employees of Seller and the Station and the books and records of Seller relating to the business and operations of the Station. It is expressly understood that, pursuant to this Section, Buyer, at its expense, shall be entitled to conduct such engineering inspections of the Station, such environmental assessments and surveys of the Transmitter Site, and such reviews of the Station's financial records as Buyer may desire, so long as the same do not unreasonably interfere with Seller's operation of the Station. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants.

8.3. MATERIAL ADVERSE CHANGES; FINANCIAL STATEMENTS. Through the Closing Date:

(a) Seller shall promptly notify Buyer of any event of which Seller obtains knowledge which has caused or is likely to cause a material adverse change to the operations of the Station.

(b) Seller shall furnish to Buyer (i) monthly Financial Statements for Seller and (ii) such other reports as Buyer may reasonably request relating to Seller. Each of the Financial Statements delivered pursuant to this Section 8.3(b) shall be prepared in accordance with GAAP consistently applied during the periods covered (except as disclosed therein).

8.4. OPERATIONS PRIOR TO CLOSING. Between the date of this Agreement and the Closing Date:

(a) Seller shall operate the Station in a manner consistent with Seller's and the Station's past practice and in material compliance with all applicable laws, regulations, rules, decrees, ordinances, orders and requirements of the Commission and all other Governmental Authority. Seller shall promptly notify Buyer of any actions or proceedings that from the date hereof are commenced against Seller or the Station or, to the Knowledge of Seller, against any officer, director, employee, consultant, agent or other representative of Seller with respect to the business of the Station or the Purchased Assets.

(b) Seller shall: (i) use the Purchased Assets only for the operation of the Station; (ii) maintain the Purchased Assets in substantially their present condition (reasonable wear and tear in normal use and damage due to unavoidable casualty excepted); (iii) replace and/or repair the Purchased Assets as necessary in the ordinary course of business; (iv) maintain all inventories of supplies, tubes and spare parts at levels at least equivalent to those existing on the date of this Agreement; and (v) promptly give Buyer written notice of any unusual or materially adverse developments with respect to the Purchased Assets or the business or operations of the Station.

(c) Seller shall maintain the Station's Business Records in the usual, regular and ordinary manner, on a basis consistent with prior periods.

(d) Seller shall not: (i) sell, lease, encumber or otherwise dispose of any Purchased Assets or any interest therein except in the ordinary course of business and only if any property disposed of is replaced by property of like or better value, quality and utility prior to Closing; (ii) cancel, terminate, modify, amend or renew any of the Contracts without Buyer's express prior written consent; or (iii) except to the extent expressly permitted in Section 2.1(c), enter into any Contract or other agreement, undertaking or obligation or assume any liability that may impose any obligation on Buyer after Closing, whether Seller is acting within or outside of the ordinary course of the Station's business, without Buyer's prior written consent.

(e) Seller and the Station will enter into Sales Agreements only in the ordinary course of the Station's business at commercially reasonable rates and each such Sales Agreement



shall have a term not longer than 10 weeks or, if longer, shall be terminable by the Station upon not more than 15 days notice.

(f) Seller and the Station will enter into Trade Agreements only in the ordinary course of the Station's business and only if such Trade Agreements are (i) immediately preemptible for cash time sales trade; (ii) require the provision of air time only on a "run of schedule", basis; and (iii) inure or will inure to the benefit of the Station.

(g) Seller shall use its best efforts to preserve the goodwill and business of the Station's advertisers, suppliers and others having business relations with the Station, and to continue to conduct financial operations of the Station, including credit and collection policies, with no less effort, as in the prior conduct of the business of the Station.

(h) Seller shall not issue, sell or deliver any shares of stock of Seller or grant any options, warrants or other rights to acquire the stock of Seller.

(i) Seller shall not make or agree to any material amendment to any FCC License relating to the Station.

(j) merge or consolidate with any other corporation, acquire control of any other corporation or business entity, or take any steps incident to, or in furtherance of, any of such actions, whether by entering into an agreement providing therefore or otherwise.

(k) solicit, either directly or indirectly, initiate, encourage or accept any offer for the purchase or acquisition of the Purchased Assets by any party other than Buyer.

(l) terminate without comparable replacement or fail to renew any insurance coverage applicable to the assets or properties of Seller.

(m) take any action or fail to take any action that would cause the Seller to breach the representations, warranties and covenants contained in this Agreement.

(n) Seller shall promptly respond to any complaints of blanketing interference caused by operation from the modified Station facilities at the New Tower Site.

#### 8.5. DAMAGE.

(A) RISK OF LOSS. The risk of loss or damage, confiscation or condemnation of the Purchased Assets shall be borne by Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing or restoring any lost or damaged property is Fifty Thousand Dollars (\$50,000) or less, and Seller has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former

condition. If the cost to repair, replace, or restore the lost or damaged property exceeds Fifty Thousands Dollars (\$50,000), and Seller has not repaired, replaced or restored such property prior to the Closing Date to the satisfaction of Buyer, Buyer may, at its option:

(1) elect to consummate the Closing in which event Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former condition in which event Seller shall be entitled to all proceeds under any applicable insurance policies with respect to such claim; or

(2) elect to postpone the Closing, with prior consent of the Commission if necessary, for such reasonable period of time (not to exceed ninety (90) days) as is necessary for Seller to repair, replace or restore the lost or damaged property to its former condition.

If, after the expiration of such extension period the lost or damaged property has not been fully repaired, replaced or restored to Buyer's satisfaction, Buyer may terminate this Agreement, in which event the Escrow Deposit and all interest earned thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

(B) FAILURE OF BROADCAST TRANSMISSIONS. Seller shall give prompt written notice to Buyer if any of the following (a "Specified Event") shall occur and continue for a period of more than eight (8) consecutive hours: (i) the transmission of the regular broadcast programming of the Station in the normal and usual manner is interrupted or discontinued; or (ii) the Station is operated at less than its licensed antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power. If, prior to Closing, the Station is not operated at its licensed operating parameters for more than thirty six (36) hours (or, in the event of force majeure or utility failure affecting generally the market served by the Station, ninety-six (96) hours), whether or not consecutive, during any period of thirty (30) consecutive days, or if there are five (5) or more Specified Events each lasting more than eight (8) consecutive hours, then Buyer may, at its option: (i) terminate this Agreement, or (ii) proceed in the manner set forth in Paragraph 8.5(a)(1) or 8.5(a)(2). In the event of termination of this Agreement by Buyer pursuant to this Section, the Escrow Deposit together with all interest accrued thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

(C) RESOLUTION OF DISAGREEMENTS. If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section, the disagreement shall be referred promptly to a qualified consulting communications engineer mutually acceptable to Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half each by Seller and Buyer.

8.6. ADMINISTRATIVE VIOLATIONS. If Seller receives any finding, order, complaint, citation or notice prior to Closing which states that any aspect of the Station's operation violates

or may violate any rule, regulation or order of the Commission or of any other Governmental Authority (an "Administrative Violation"), including, any rule, regulation or order concerning environmental protection, Seller shall promptly notify Buyer of the Administrative Violation, use its best efforts to remove or correct the Administrative Violation, and be responsible prior to Closing for the payment of all costs associated therewith, including any fines or back pay that may be assessed.

8.7. BULK SALES ACT. Seller shall be responsible for compliance with the provisions of any bulk sales statute applicable to the Transaction, and shall indemnify and hold Buyer harmless from and against any claims, actions, liabilities and all costs and expenses, including reasonable legal fees, incurred or suffered by Buyer as a result of the failure to comply with any such statute.

8.8. CONTROL OF STATION. The Transaction shall not be consummated until after the Commission has given its written consent thereto and between the date of this Agreement and the Closing Date, Seller shall control, supervise and direct the operation of the Station.

8.9. COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. Between the date hereof and the Closing Date, Seller, its members, officers, directors and employees shall cooperate and Seller shall cause its independent accounting firm to cooperate with Buyer for the purpose of preparing Financial Statements reviewed by Buyer's independent accountants for purposes of including such statements in any reports filed by Buyer with any Governmental Authority. Buyer shall be permitted to disclose the audited Financial Statements for 1998 as well as unaudited Financial Statements for any period subsequent to 1998 available prior to Closing and this Agreement in any filings submitted by the Buyer to any Governmental Authority.

8.10. TIME BROKERAGE AGREEMENT. Simultaneously with the execution of this Agreement, Seller and Buyer shall enter into a Time Brokerage Agreement ("TBA") in the form attached hereto as Exhibit 2. Failure by Buyer to commence operations under the terms of the TBA shall not be deemed a breach of this Agreement.

8.11. STUDIO TRANSMITTER LINK. Seller shall apply with the Commission for a license for a studio transmitter link should the Station's operation from the Transmitter Site so require.

8.12. CLOSING OBLIGATIONS. Seller and Buyer shall make commercially reasonable efforts to satisfy the conditions precedent to Closing.

9.0 STATUS OF EMPLOYEES. All Station employees shall be and remain Seller's employees, with Seller having full authority and control over their actions, and Buyer shall not assume the status of an employer or a joint employer of, or incur or be subject to any liability or obligation of an employer with respect to, any such employees unless and until actually hired by Buyer. Seller shall be solely responsible for any and all liabilities and obligations Seller may have to its employees, including, compensation, severance pay and accrued vacation time and sick leave. Seller shall be solely responsible for any and all liabilities, penalties, fines or other

sanctions that may be assessed or otherwise due under such laws on account of the Transaction and the dismissal or termination of any of Seller's employees.

10.0 CONDITIONS PRECEDENT.

10.1. MUTUAL CONDITIONS. The respective obligations of both Buyer and Seller to consummate the Transaction are subject to the satisfaction of each of the following conditions:

(A) APPROVAL OF ASSIGNMENT APPLICATION. The Commission shall have granted the Assignment Application, and such grant shall be in full force and effect on the Closing Date.

(B) ABSENCE OF LITIGATION. As of the Closing Date, no litigation, action, suit or proceeding enjoining, restraining or prohibiting the consummation of the Transaction shall be pending before any court, the Commission or any other Governmental Authority or arbitrator; provided, however, that this Section may not be invoked by a party if any such litigation, action, suit or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, such party.

10.2. ADDITIONAL CONDITIONS TO BUYER'S OBLIGATION. In addition to the satisfaction of the mutual conditions contained in Section 10.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction or waiver by Buyer of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. The representations and warranties of Seller to Buyer shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(B) COMPLIANCE WITH CONDITIONS. All of the terms, conditions and covenants to be complied with or performed by Seller on or before the Closing Date under this Agreement and the Seller Documents shall have been duly complied with and performed in all material respects.

(C) DISCHARGE OF LIENS. Seller shall have obtained and delivered to Buyer, at Seller's expense, at least 10 days prior to Closing, a report prepared by C.T. Corporation System (or similar firm reasonably acceptable to Buyer) showing the results of searches of lien, tax, judgment and litigation records, demonstrating that the Purchased Assets are being conveyed to Buyer free and clear of all liens, security interests and encumbrances except for Permitted Encumbrances or otherwise consented to by Buyer in writing. The record searches described in the report shall have taken place no more than 15 days prior to the Closing Date.

(D) THIRD-PARTY CONSENTS. Seller shall have obtained (i) all required third-party consents to Buyer's assumption of the Material Contracts, such that Buyer will, after Closing, enjoy all the rights and privileges of Seller under the Material Contracts subject only to the same obligations as are binding on Seller pursuant to the Material Contracts' current terms;

and (ii) all other requisite third-party consents and approvals which may be necessary to consummate the Transaction.

(E) ESTOPPEL CERTIFICATES. At Closing, Seller shall deliver to Buyer a certificate executed by the other party to each Material Contract, including the licensor under the license for the Transmitter Site, dated no more than 15 days prior to the Closing Date, stating (i) that such Contract is in full force and effect and has not been amended or modified; (ii) the date to which all rent and/or other payments due thereunder have been paid; and (iii) that Seller is not in breach or default under such Material Contract, and that no event has occurred that, with notice or the passage of time or both, would constitute a breach or default thereunder by Seller.

(F) NO MATERIAL ADVERSE CHANGE. The Purchased Assets shall not have suffered a material adverse change since the date of this Agreement, and there shall have been no changes since the date of this Agreement in the business, operations, condition (financial or otherwise), properties, assets or liabilities of Seller, of the Station or of the Purchased Assets, except changes contemplated by this Agreement and changes which are not (either individually or in the aggregate) materially adverse to the Station.

(G) OPINION OF SELLER'S COUNSEL. At Closing, Seller shall deliver to Buyer the written opinion or opinions of Seller's counsel, dated the Closing Date, in scope and form satisfactory to Buyer, to the following effect:

(1) Seller is a limited liability corporation duly organized, validly existing and in good standing under the laws of The Commonwealth of Massachusetts with all requisite corporate power and authority to enter into and perform this Agreement.

(2) This Agreement has been duly executed and delivered by Seller and such action has been duly authorized by all necessary corporate action. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

(3) None of (i) the execution and delivery of this Agreement, (ii) the consummation of the Transaction, or (iii) compliance with the terms and conditions of this Agreement will, with or without the giving of notice or lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Seller's articles of incorporation or bylaws, any law, rule, regulation or other requirement of any Governmental Authority, or any judgment, decree, order, agreement, lease or other instrument to which Seller is a party or by which Seller, the Station or any of the Seller's assets, including the Purchased Assets, may be bound or affected and of which counsel has knowledge.

(4) To such counsel's knowledge, based on a search of court dockets as shall be reasonably satisfactory to Buyer's counsel, no suit, action, claim or proceeding is pending

or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to enjoin, restrain or prohibit Seller from carrying out the Transaction.

(5) To such counsel's knowledge, based on a search of court dockets as shall be reasonably satisfactory to Buyer's counsel, there is no outstanding judgment, or any suit, action, claim or proceeding pending, or any governmental proceeding or investigation in progress (other than proceedings affecting radio broadcasters generally).

(6) Seller is the authorized legal holder of the FCC Licenses, the FCC Licenses are in full force and effect, and the FCC Licenses are not the subject of any pending license renewal application. The FCC Licenses set forth on Schedule 6.5 constitute all FCC licenses and authorizations issued in connection with the operation of the Station and are the only such licenses and authorizations required for the operation of the Station, as currently operated. There are no applications pending before the Commission with respect to the Station.

(7) The Commission has consented to the assignment of the FCC Licenses to Buyer and that consent has become a Final Order, unless the requirement for a Final Order is waived by Buyer.

(8) To the best of such counsel's knowledge, there is no Commission investigation, notice of apparent liability or order of forfeiture, pending or outstanding against the Station, or any complaint, petition to deny or proceeding against or involving the Station pending before the Commission.

The foregoing opinions shall be for the benefit of and may be relied on by Buyer and Buyer's lenders. In rendering such opinions, Seller's counsel may rely upon such corporate records of Seller and such certificates of public officials and officers of Seller.

(H) FINAL ORDER. The Commission's action granting the Assignment Application shall have become a Final Order.

(I) FINANCIAL STATEMENTS. The financial information set forth in the Station's Financial Statements for the year ending December 31, 1998, and for the period ending thirty (30) days prior to the Closing Date fairly and accurately reflect the financial performance and results of operation of the Station for those periods.

(J) TRADE BALANCE. The Trade Balance, if negative, will not exceed Twenty Thousand Dollars (\$20,000).

(K) MODIFICATION APPLICATION FOR NEW TOWER SITE. The FCC's grant of the application to relocate the Station's antenna to the New Tower Site (FCC File No. BPH-981020IB), shall have become a Final Order.

(L) STUDIO SITE LEASE. At Closing, Seller shall permit Buyer to use the Studio Site for operations of the Station for a period of one year at a cost of \$500.00 per month.

(M) SITE LICENSE. At Closing, Seller shall deliver and assign to Buyer its license to use the real property used as the Transmitter Site, subject only to the same obligations as are binding on Seller pursuant to the current terms of the lease.

(N) COOPERATION AGREEMENT. Seller and Buyer shall have entered into an agreement whereby Seller agrees to cooperate in effectuating technical changes to Station WINQ(FM), Winchendon, Massachusetts in accordance with the provisions of Section 13.4.

(O) CLOSING DOCUMENTS. At the Closing Seller shall deliver to Buyer (i) such assignments, bills of sale and other instruments of conveyance as are necessary to vest in Buyer title to the Purchased Assets, all of which documents shall be dated as of the Closing Date, duly executed by Seller and in form reasonably acceptable to Buyer; (ii) a certificate, dated the Closing Date, executed by Seller's President certifying as to those matters set forth in Section 10.2(a) and (b); and (iii) copies of Seller's corporate resolutions authorizing the Transaction, each certified as to accuracy and completeness by Seller's Secretary.

(P) LICENSE APPLICATION. Seller shall have filed a license application with the FCC seeking permanent authority to operate the Station from the New Tower Site in accordance with the construction permit issued January 29, 1999.

(Q) LIST OF SALE AGREEMENTS. At least forty-five days prior to Closing, Seller will provide a list of Sales Agreements to Buyer in accordance with Section 6.18 so that Buyer may determine those Sales Agreements that it will assume at Closing.

10.3. ADDITIONAL CONDITIONS TO SELLER'S OBLIGATION. In addition to satisfaction of the mutual conditions contained in Section 10.1, the obligation of Seller to consummate the Transaction is subject, at Seller's option, to the satisfaction or waiver by Seller of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. The representations and warranties of Buyer to Seller shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made.

(B) COMPLIANCE WITH CONDITIONS. All of the terms, conditions and covenants to be complied with or performed by Buyer on or before the Closing Date under this Agreement shall have been duly complied with and performed in all material respects.

(C) ASSUMPTION OF LIABILITIES. Buyer shall assume and agree to pay, perform and discharge Seller's obligations under the Contracts, Sales Agreements and Trade Agreements to the extent Buyer has expressly agreed to assume such obligations pursuant to Section 4.5.

(D) PAYMENT. Buyer shall pay Seller the Purchase Price due at Closing, as provided in Section 4.2.

(E) CLOSING DOCUMENTS. Buyer shall deliver to Seller at the Closing (i) copies of Buyer's corporate resolutions authorizing the Transaction certified as to accuracy and completeness by Buyer's Secretary; and (ii) a certificate, dated the Closing Date, executed by Buyer's President certifying as to those matters set forth in Section 10.3(a) and (b).

11.0. CLOSING. The Closing Date shall be on or before the tenth day after the date on which the Commission grant of the Assignment Application becomes a Final Order and all other preconditions to Closing set forth in Article 10 hereof shall have been satisfied or waived, or at Buyer's option, if finality is waived and all other preconditions to Closing set forth in Article 10 hereof have been satisfied or waived, within fifteen (15) days after grant of the Assignment Application, or such other time as Seller and Buyer may agree. Notwithstanding the foregoing, if all of the preconditions to Closing set forth in Article 10 hereof have not been satisfied or waived, the parties agree that Closing shall be delayed until the tenth day after the date of satisfaction of all conditions, provided however, that Buyer shall not be obligated to consummate the transaction contemplated herein if Closing shall not have occurred on or before the date that is twelve (12) months following the date on which the Commission accepts the Assignment Application for filing. At the conclusion of the twelve-month period referred to in the preceding sentence, Buyer may terminate this Agreement, and have the Escrow Deposit returned to it, or waive any preconditions that have not been satisfied, or defer Closing until the preconditions have been satisfied or waived. If Buyer chooses to defer Closing until the tenth day after the date of satisfaction of all conditions, then if all of the preconditions to Closing set forth in Article 10 hereof have not been satisfied or waived by the date that is twenty-four (24) months following the date on which the Commission accepts the Assignment Application for filing, then either party may terminate this Agreement. Closing shall take place at 10:00 a.m. on the Closing Date at the office of Buyer's counsel, Kirkland & Ellis, 655 15th Street, Suite 1200, Washington, D.C. 20005.

12.0. PRORATIONS.

12.1. APPORTIONMENT OF EXPENSES. Seller shall be responsible for all expenses arising out of the business of the Station until 11:59 p.m. on the Closing Date, and Buyer shall be responsible for all expenses arising out of the business of the Station after 11:59 p.m. on the Closing Date to the extent such expenses relate to liabilities assumed by Buyer pursuant to Section 4.5. All overlapping expenses shall be prorated or reimbursed, as the case may be, as of 11:59 p.m. on the Closing Date, provided however, that Seller shall be responsible for the payment of any and all regulatory fees for Fiscal Year 1999, owing to the Commission.

12.2. DETERMINATION AND PAYMENT. Prorations shall be made, insofar as feasible, at Closing and shall be paid by way of adjustment to the Purchase Price. As to the prorations that cannot be made at Closing, the parties shall, within ninety (90) days after the Closing Date, make and pay all such prorations. If the parties are unable to agree upon all such prorations within that 90-day period, then any disputed items shall be referred to a firm of independent certified public



accountants, mutually acceptable to Seller and Buyer, whose decision shall be final, and whose fees and expenses shall be allocated between and paid by Seller and Buyer, respectively, to the extent that such party does not prevail on the disputed matters decided by the accountants. Notwithstanding anything herein to the contrary, if the dispute is equal to \$5,000 or less, then the parties shall each pay one half of the liability.

13.0. POST-CLOSING OBLIGATIONS. The parties covenant and agree as follows with respect to the period subsequent to Closing:

13.1. INDEMNIFICATION.

(A) BUYER'S RIGHT TO INDEMNIFICATION. Seller hereby indemnifies and holds Buyer, its officers, directors, shareholders and assigns harmless from and against (i) any breach, misrepresentation, or violation of any of Seller's representations, warranties, covenants, or other obligations contained in this Agreement or in any Seller Document; (ii) all obligations and liabilities of Seller and/or the Station not expressly assumed by Buyer pursuant to Section 4.5; (iii) all claims by third parties (including employees) against Buyer attributable to the operation of the Station and/or the use or ownership of the Purchased Assets prior to Closing and (iv) any Employee Benefit Plan, Pension Plan, Welfare Plan, or Other Plan (as defined in Section 6.12) that the Seller may establish. This indemnity is intended by Seller to cover all actions, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs and expenses (including, reasonable fees and expenses of counsel), whether suit is instituted or not and, if instituted, whether at the trial or appellate level, with respect to any and all of the specific matters set forth in this indemnity.

(B) SELLER'S RIGHT TO INDEMNIFICATION. Buyer hereby indemnifies and holds Seller, its officers, directors, members and assigns harmless from and against (i) any breach, misrepresentation or violation of any of Buyer's representations, warranties, covenants or obligations contained in this Agreement; (ii) all obligations and liabilities expressly assumed by Buyer hereunder pursuant to Section 4.5; and (iii) all claims by third parties against Seller attributable to Buyer's operation of the Station after Closing. This indemnity is intended by Buyer to cover all actions, suits, proceedings, claims, demands, assessments, adjustments, interest, penalties, costs and expenses (including reasonable fees and expenses of counsel), whether suit is instituted or not and, if instituted, whether at the trial or appellate level, with respect to any and all of the specific matters set forth in this indemnity.

(C) PROCEDURE FOR INDEMNIFICATION. The procedure for indemnification shall be as follows:

(1) The party claiming indemnification (the "Claimant") shall give written notice to the party from which indemnification is sought (the "Indemnitor") promptly after the Claimant learns of any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless and failure to provide prompt notice shall not be deemed to jeopardize Claimant's right to demand indemnification, provided, that, Indemnitor is not prejudiced by the delay in receiving notice.

(2) With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have 30 days to make any investigation of the claim that the Indemnitor deems necessary or desirable, or such lesser time if a 30-day period would jeopardize any rights of Claimant to oppose or protest the claim. For the purpose of this investigation, the Claimant agrees to make available to the Indemnitor and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the 30-day period, or lesser period if required by this section (or any mutually agreed upon extension hereof) the Claimant may seek appropriate legal remedies.

(3) The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of such claim, provided, that, Indemnitor acknowledges in writing to Claimant that Indemnitor would assume responsibility for and demonstrates its financial ability to satisfy the claim should the party asserting the claim prevail. In the event that the Indemnitor shall not satisfy the requirements of the preceding sentence or shall elect not to undertake such defense, or within 30 days after notice of any such claim from the Claimant, or such lesser period as required by Section 13.1(c)(2), shall fail to defend, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor. Anything in this Section 13.1(c)(3) to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Claimant other than as a result of money damages or other money payments, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim, (ii) the Indemnitor shall not, without the Claimant's written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the plaintiff to the Claimant of a release from all liability in respect of such claim, and (iii) in the event that the Indemnitor undertakes defense of any claim consistent with this Section, the Claimant, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such claim.

(D) ASSIGNMENT OF CLAIMS. If any payment is made pursuant to this Section 13.1, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of Claimant, and Claimant shall assign to Indemnitor, for its use and benefit, any and all claims, causes of actions, and demands of whatever kind and nature that Claimant may have against the person, firm, corporation or entity giving rise to the loss for which payment was made. Claimant agrees to reasonably cooperate in any efforts by Indemnitor to recover such loss from any person, firm, corporation or entity.

(E) INDEMNIFICATION NOT SOLE REMEDY. The right to indemnification provided for in this Section shall not be the exclusive remedy of either party in connection with any breach by the other party of its representations, warranties, covenants or other obligations hereunder, nor shall such indemnification be deemed to prejudice or operate as a waiver of any

right or remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

(F) THRESHOLD CONCERNING SECTIONS 13.1(a) AND (b). Notwithstanding anything to the contrary in Sections 13.1(a) and (b), the parties shall not be entitled to indemnity under Sections 13.1(a) and (b) unless the aggregate loss indemnified against thereunder exceeds \$50,000 (in which case, the Claimant shall be entitled to recovery from the Indemnitor of the full amount of the loss).

13.2. COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. From the date of Closing and for a period of two (2) years thereafter, Seller shall provide Buyer with such cooperation and information as Buyer shall reasonably request in Buyer's: (i) analysis and review of the Financial Statements or (ii) preparation of documentation to fulfill any reporting requirements of Buyer including reports that may be filed with the Securities and Exchange Commission. Seller shall make its independent accounting firm available, the cost of said firm to be paid by the Buyer, and the information relied upon by that firm, including its opinions and Financial Statements for the Seller, to provide explanations of any documents or information provided hereunder and to permit disclosure by Buyer, including disclosure to and filing with any Governmental Authority.

13.3. LIABILITIES. Following the Closing Date, Seller shall pay promptly when due all of the debts and liabilities of Seller relating to the Station, other than liabilities specifically assumed by Buyer hereunder.

13.4. ACQUISITION AND MODIFICATION OF WINQ(FM). On or after the Closing Date, Buyer may demand that Seller satisfy its obligations pursuant to the Cooperation Agreement referred to in Section 10.2(n) and entered into as of Closing.

13.5. REIMBURSEMENT TO CENTRAL BROADCASTING CORPORATION. If as of the Closing Date the amount due Central Broadcasting Corporation pursuant to a Station Reimbursement Agreement dated October 14, 1998 should be outstanding, Seller shall assume sole responsibility for and promptly satisfy the amount due.

13.6. RESPONSIBILITY TO DEFEND CONSTRUCTION PERMIT. The parties acknowledge that an appeal has been filed of the FCC's action granting the application to relocate the Station's antenna to the New Tower Site. In the event that the FCC's action has not become a Final Order as of the Closing Date, then Seller agrees at all times after the Closing to bear the responsibility of any and all expenses incurred to defend and/or resolve the appeal in an effort to obtain a Final Order. Seller will diligently take all steps that are necessary, proper or desirable to defend the application and to expedite the resolution of the appeal in an effort to obtain a Final Order. Buyer will, at Seller's expense, cooperate with Seller in preparing and executing any documents necessary to defend the grant of the application.

14. DEFAULT AND REMEDIES.

14.1. OPPORTUNITY TO CURE. If either party believes the other to be in breach or in default hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such default. If the default has not been cured by the earlier of: (i) the Closing Date, or (ii) within 10 days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such 10-day period and continues such efforts thereafter), then the party giving such notice may exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest the alleged default through appropriate proceedings.

14.2. SELLER'S REMEDIES. Buyer recognizes that if the Transaction is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the Transaction is not consummated due to the default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with its obligations under this Agreement, shall be entitled to terminate this Agreement and demand (i) the Escrow Deposit, with interest earned thereon, and (ii) an additional Five Hundred Thousand Dollars (\$500,000). The parties agree that this sum of One Million Dollars (\$1,000,000) shall constitute liquidated damages and shall be in lieu of any other relief to which Seller might otherwise be entitled due to Buyer's failure to consummate the Transaction as a result of a default by Buyer.

14.3. BUYER'S REMEDIES. Seller agrees that the Purchased Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees (i) to waive the defense in any such suit that Buyer has an adequate remedy at law and (ii) to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. If Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to the return of the Escrow Deposit together with all interest earned thereon, and in addition thereto, to initiate a suit for damages.

14.4. RECOVERY OF COSTS. If any party pursues its remedies under either Section 14.2 or 14.3, the non-prevailing party, as determined by an arbitrator, mediator or judge, shall pay all of the reasonable costs and expenses (including reasonable attorneys' fees) of the prevailing party associated therewith. Any settlement between the parties shall result in each party's payment of its own reasonable costs and expenses.

15.0. TERMINATION OF AGREEMENT.

15.1. FAILURE TO CLOSE. This Agreement may be terminated (a) at the option of either party upon written notice to the other if the Commission has not granted the Assignment Application within nine (9) months after the Commission accepts the Assignment Application for filing or (b) by Buyer if the Commission's action granting the Assignment Application has not

become a Final Order within twelve (12) months after the Commission accepts the Assignment Application for filing; or (c) by Buyer if all of the preconditions to Closing as set forth in Article 10 hereof have not been satisfied or waived and Closing has not occurred on or before the date that is twelve (12) months after the date the Commission accepts the Assignment Application for filing; or (d) by Buyer or Seller if Buyer has not terminated this Agreement pursuant to Section 15.1(c) and all of the preconditions to Closing as set forth in Article 10 hereof have not been satisfied or waived and Closing has not occurred on or before the date that is twenty-four (24) months after the date the Commission accepts the Assignment Application for filing provided, however, that a party may not terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the Commission respecting the Assignment Application or the modification application referenced in Section 10.2(k) hereof (the "Modification Application") has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the Commission information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission; or (iii) by any other action taken by such party for the purpose of delaying the Commission's decision or determination respecting the Assignment Application or the Modification Application. This Agreement may also be terminated upon the mutual agreement of Buyer and Seller. In the event of termination pursuant to this Section, the Escrow Deposit, together with all interest earned thereon, shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder unless the failure to consummate the Transaction is attributable to Buyer's default, and Seller is not in default and has otherwise complied with its obligations under this Agreement, in which case the Escrow Deposit plus interest earned thereon shall be released to Seller as liquidated damages pursuant to Section 14.2.

15.2. DESIGNATION FOR HEARING. The time for approval provided in Section 15.1 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the Commission, provided, however, that written notice of termination must be given within 10 days after release of the hearing designation order and that the party giving such notice is not in default and has otherwise complied with its obligations under this Agreement. Upon termination pursuant to this Section, the Escrow Deposit together with all interest earned thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder, provided, however, that if the designation for hearing is predicated upon breach by either party of a representation, warranty or covenant contained in this Agreement, the nonbreaching party may pursue the remedies available to such non-breaching party provided in Sections 14.2 and 14.3.

15.3. FAILURE TO PAY TIME BROKERAGE AGREEMENT FEES. If there is an Event of Default (as defined in the Time Brokerage Agreement) for failure to pay the fee or the expenses described in Schedule II of the Time Brokerage Agreement, then Seller may terminate this Agreement.

## 16. GENERAL PROVISIONS.

16.1. BROKERAGE. Seller and Buyer represent to each other that neither party has dealt with a broker in connection with the Transaction, except that Seller has retained Media Services

Group, Inc.. No finders fee is due to any person or entity in connection with the Transaction except for Media Services Group, Inc. and such fee shall be paid by Seller at Closing.

16.2. FEES. All Commission filing fees for the Assignment Application, and all recording costs, transfer taxes, sales tax, document stamps and other similar charges shall be paid one-half by Seller and one-half by Buyer. Except as otherwise provided herein, all other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

16.3. NOTICES. All notices, requests, demands and other communications pertaining to this Agreement shall be in writing and shall be deemed duly given when (i) delivered personally (which shall include delivery by Federal Express or other recognized overnight courier service that issues a receipt or other confirmation of delivery) to the party for whom such communication is intended, (ii) delivered by facsimile transmission or (iii) three business days after the date mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Seller:

Mr. Joseph V. Gallagher  
Managing Member  
KJI Broadcasting, LLC  
27 Chastellux Avenue  
Newport, RI 02840  
Fax: (401) 841-8591

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

E. Colby Cameron, Esq.  
Cameron & Mittleman  
56 Exchange Terrace  
Providence, RI 02906  
Fax: (401) 331-5787

If to Buyer:

Mr. Alfred C. Liggins, President  
Radio One, Inc.  
5900 Princess Garden Parkway  
8th Floor  
Lanham, MD 20706  
Fax: (301) 306-9694

with copies (which shall not constitute notice) to:

Linda J. Eckard, Esq.  
Radio One, Inc.  
5900 Princess Garden Parkway  
8th Floor  
Lanham, MD 20706  
Fax: (301) 306-9638

Mr. Scott R. Royster  
Chief Financial Officer  
Radio One, Inc.  
5900 Princess Garden Parkway  
Lanham, MD 20706  
Fax: (301) 306-9426

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as set forth in this Section shall be deemed ineffective.

16.4. ASSIGNMENT. Neither party may assign this Agreement without the other party's express prior written consent, provided, however, Buyer may assign its rights and obligations pursuant to this Agreement without Seller's consent prior to closing to (i) an entity which is a subsidiary or parent of Buyer or to an entity owned or controlled by Buyer or its principals, provided that Buyer remains obligated to pay the Purchase Price, or (ii) to Buyer's lenders as collateral for any indebtedness incurred by Buyer; and subsequent to closing to (x) any entity which acquires all or substantially all of the Purchased Assets or (y) to Buyer's lenders as collateral for any indebtedness incurred by Buyer. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

16.5. EXCLUSIVE DEALINGS. For so long as this Agreement remains in effect, neither Seller nor any person acting on Seller's behalf shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity concerning the acquisition of all or any interest in any of the Purchased Assets or the Station, other than Buyer or Buyer's permitted assignees.

16.6. THIRD PARTIES. Nothing in this Agreement, whether express or implied, is intended to: (i) confer any rights or remedies on any person other than Seller, Buyer and their respective successors and permitted assignees; (ii) relieve or discharge the obligations or liability of any third party; or (iii) give any third party any right of subrogation or action against either Seller or Buyer.

16.7. INDULGENCES. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by either party of any default by the other shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by either party for the performance of any obligation or act by the other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

16.8. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. The representations, warranties, and indemnification obligations of the parties contained herein shall survive for twelve (12) months after the Closing Date except that claims properly asserted within the twelve (12) month period shall survive until finally and fully resolved; provided, however, that Seller's representations and warranties in Sections 6.2, 6.4, 6.5, 6.6, 6.10, 6.12 and 6.21 and Buyer's indemnification rights with respect thereto and with respect to Section 13.1(a)(ii) shall survive the Closing until the end of the applicable statute of limitations period.

16.9. PRIOR NEGOTIATIONS. This Agreement supersedes in all respects all prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of such prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

16.10. EXHIBITS AND SCHEDULES. The Exhibits and Schedules attached hereto or referred to herein are a material part of this Agreement, as if set forth in full herein.

16.11. ENTIRE AGREEMENT; AMENDMENT. This Agreement, the Exhibits and Schedules to this Agreement set forth the entire understanding between the parties in connection with the Transaction, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be altered or amended in any manner except by an instrument in writing signed by each of the parties hereto.

16.12. COUNSEL/INTERPRETATION. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement. This Agreement shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either party.

16.13. GOVERNING LAW, JURISDICTION. This Agreement shall be governed by, and construed and enforced in accordance with the laws of The Commonwealth of Massachusetts without regard to the choice of law rules utilized in that jurisdiction. Buyer and Seller each (a) hereby irrevocably submit to the jurisdiction of the courts of that state and (b) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced



in or by such court. Buyer and Seller each hereby consent to service of process by registered mail at the address to which notices are to be given. Each of Buyer and Seller agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party hereto. Final judgment against Buyer or Seller in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction; provided, however, that any party may at its option bring suit, or institute other judicial proceedings, in any state or federal court of the United States or of any country or place where the other party or its assets, may be found.

16.14. SEVERABILITY. If any term of this Agreement is illegal or unenforceable at law or in equity, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Any illegal or unenforceable term shall be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

16.15. COUNTERPARTS. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

16.16. FURTHER ASSURANCES. Seller shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may request to vest and confirm in Buyer (or its assignee) the title and rights to and in all the Purchased Assets to be and intended to be transferred, assigned and conveyed hereunder.

IN WITNESS WHEREOF, and to evidence their assent to the foregoing, Seller and Buyer have executed this Asset Purchase Agreement under seal as of the date first written above.

SELLER:

KJI BROADCASTING, LLC

By:

-----  
Joseph V. Gallagher  
Managing Member

BUYER:

RADIO ONE, INC.

By:

-----  
Alfred C. Liggins  
President

## TIME BROKERAGE AGREEMENT

This Time Brokerage Agreement ("Agreement") is made this 24th day of May, 1999, by and between KJI Broadcasting, LLC ("Licensee"), the licensee of Radio Station WCAV(FM), Brockton, Massachusetts (the "Station") and Radio One, Inc. ("Broker").

WHEREAS, Licensee is the licensee of the Station;

WHEREAS, Broker desires to provide programming to be transmitted on the Station pursuant to the provisions hereof and pursuant to applicable regulations of the Federal Communications Commission (the "FCC"); and

WHEREAS Broker and Licensee have entered into an Asset Purchase Agreement, dated May 24, 1999 (the "Asset Purchase Agreement");

WHEREAS, Licensee, while maintaining control over the Station's finances, personnel matters and programming, desires to accept and transmit programming supplied by Broker on the Station, as well as broadcast Licensee's own public interest programming.

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants and agreements contained in this Agreement, the parties hereto do hereby agree as follows:

## WITNESSETH:

## 1. Facilities.

(a) Except as described in Paragraphs 1(b) and 1(c), Licensee agrees to broadcast on the Station, or cause to be broadcast, for up to twenty-four (24) hours per day, seven (7) days per week, Broker's programs and advertisements (the "Programs") as described in Attachment I hereto.

(b) Licensee shall have the right to present programs of local significance on the Station on any Sunday during the hours of 6:00 a.m. to 8:00 a.m. Licensee shall notify Broker at least forty eight (48) hours in advance if Licensee plans to broadcast on Sunday between 6:00 a.m. and 8:00 a.m.

-1-

(c) Licensee will retain ultimate responsibility for ascertainment of the needs of its community of license and service area. Licensee shall have the right and obligation to broadcast programming addressing those needs, either produced or purchased by Licensee, as it determines appropriate to respond to the ascertained issues of community concern and to delete or preempt in its sole discretion any Broker programming for the purpose of transmitting such programming.

2. Payments. Broker hereby agrees to pay the amounts specified in Attachment II to Licensee for broadcast of the Programs hereunder.

3. Term. Except as otherwise provided in Paragraph 21 of this Agreement, the term of this Agreement shall commence at Buyer's option, at 12:01 a.m. EST on that date which is thirty (30) days following Seller's receipt of written notice from Buyer that Buyer wishes to commence operations under the terms of this Agreement (the "Effective Date"), and shall end on the earlier of (a) closing under the Asset Purchase Agreement, of even date herewith, (b) thirty (30) days after termination of the Asset Purchase Agreement, or (c) termination pursuant to paragraph 21 hereof.

4. Programs. Broker shall furnish or cause to be furnished the artistic personnel and material for the Programs as provided by this Agreement and all Programs shall be in good taste and in accordance with Federal Communications Commission ("FCC") requirements. Broker shall be permitted access to and use of Licensee's studio and program production facilities. All advertising spots and promotional material or announcements shall comply with all applicable federal, state and local regulations.

5. Competing Products. Broker will endeavor to maintain appropriate separations between commercials for competing advertisers or products.

6. Handling of Public Comments. Licensee shall be advised promptly by Broker of any public or FCC complaint or inquiry concerning programs provided by Broker.

7. Programming and Operations Standards. Broker agrees to abide by the standards set forth in Attachment III in its programming and operations. Broker further agrees that if, in the sole judgment of Licensee or its Station's manager, Broker does not comply with said standards, Licensee may suspend or cancel any program not in compliance.

8. Operational Expenses. The costs of operating the Station shall be paid by Licensee in accordance with Attachment II. Broker will be responsible for paying the costs of purchasing the Programs and for the expenses incurred in the sale of advertising time. Upon reasonable request by Broker, Licensee will provide Broker with documentation adequate to demonstrate that Licensee is current in its payment to all of its creditors whose services are used in connection with the operation of the Station.



9. Sale of Advertising Time. Broker is permitted to sell all advertising for Programs it provides to Licensee and may sell such advertising in combination with the sale of advertising on other stations owned by Broker and Broker will retain all revenues from the sale of such advertising. Licensee is permitted to sell all advertising available on public affairs programs produced or purchased by Licensee and will retain all revenues from the sale of such advertising.

10. Assumption of Contracts. Broker agrees to assume the obligations of the Licensee as to Contracts, Sales Agreements and Trade Agreements (as defined in the Asset Purchase Agreement) disclosed in writing to Broker at least fifteen days prior to commencement of this Agreement consistent with the terms of the Asset Purchase Agreement.

11. Operation of Station.

(a) Licensee Retains Control. Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Station during the period of this Agreement. Licensee shall retain control in its absolute discretion over the policies, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements, the right to preempt or delay or delete any programs which Licensee reasonably believes to be unsatisfactory, unsuitable or contrary to the public interest or in order to broadcast a program deemed to be by Licensee to be of greater national, regional, or local interest, and the right to take any other actions necessary for compliance with the laws of the United States, the Commonwealth of Massachusetts, and the rules, regulations, and policies of the FCC. Licensee shall at all times be solely responsible for meeting all of the FCC's requirements with respect to public service programming, maintaining a main studio, maintaining the political and public inspection files, and preparing the Station's logs and issues/programs lists. Broker shall, upon request by Licensee, provide Licensee with information with respect to such of Broker's Programs which are responsive to public needs and interest so as to assist Licensee in the preparation of required programming reports and will provide, upon request, other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies.

(b) Equipment. All equipment necessary for broadcasting by the Station shall be maintained by Licensee in a condition consistent with good engineering practices and in compliance in all material respects with the applicable rules, regulations and technical standards of the FCC, and all capital expenditures reasonably required to maintain the technical quality of the Station's signals shall be made in a timely fashion at the sole expense and in the sole discretion of Licensee. Licensee shall also be solely responsible for all costs associated with ensuring that the Station is operating from the New Tower Site (as defined in the Asset Purchase Agreement) consistent with Licensee's representations and warranties in the Asset Purchase Agreement during the term of this Agreement. Broker may, at its own expense, bring onto the premises of the Station and use its own technical equipment and business machines. Upon termination of this Agreement, Broker shall promptly remove all of its technical equipment and business machines from the premises of the Station and

shall return the Station to the same condition it was in prior to the Effective Date, unless termination is due to a sale of the Station to Broker.

12. Personnel. Broker shall employ and be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of its programming and for the personnel used in the sale of advertising time. Licensee shall provide and pay for the manager of the Station, who shall report to and be accountable solely to Licensee and who shall be ultimately responsible for the day-to-day operation of the Station. Licensee shall also employ such personnel as Licensee, in its sole discretion, deems necessary to be responsible for the public affairs programming broadcast on the Station, to comply with FCC rules and record keeping, to ensure that the technical operations of the Station are consistent with the Station's license and FCC rules and to provide managerial and staff support for the Station's main studio. Licensee shall be responsible for the salaries, taxes, insurance and related costs for all the Station personnel under its employ. Employees of Broker shall conduct themselves in a professional manner and while on the Station's premises shall be subject to the supervision of Licensee's employees.

13. Special Events. Licensee reserves the right in its discretion, and without liability, to preempt, delay or delete any of the Programs provided by Broker which in Licensee's judgment, is of greater local or national importance. However, such authority shall not be exercised in an arbitrary manner or for the commercial advantage of Licensee. In all such cases, Licensee will use its best efforts to give Broker reasonable notice of its intention to preempt such broadcast or broadcasts, and, in the event of such preemption, Broker's monthly payment shall be reduced as further described in Attachment II, Paragraph 2 hereto.

14. Force Majeure. Any failure or impairment of facilities or any delay or interruption in broadcasting Programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or force majeure or due to causes beyond the control of Licensee, shall not constitute a breach of this Agreement and Licensee will not be liable to Broker, except to the extent of allowing in each such case an appropriate payment credit for time or broadcasts not provided as further described in Attachment II, Paragraph 2 hereto.

15. Right to Use the Programs. The right to use the Programs provided by Broker and to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Broker.

16. Payola. Broker agrees that Broker will not accept any compensation of any kind or gift or gratuity of any kind whatsoever, regardless of its value or form, including, but not limited to, a commission, discount, bonus, materials, supplies or other merchandise, services or labor, whether or not pursuant to written contracts or agreements between Broker and merchants or advertisers, unless the payer is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements.

17. Compliance with Laws. Broker agrees that throughout the term of this Agreement Broker will comply in all material respects with all laws and regulations applicable in the conduct of Licensee's business. Licensee will comply in all material respects with all applicable FCC rules, regulations and policies, including, but not limited to, political advertisements, sponsorship identification, lottery and contest rules, and other local, state and federal laws, rules, and regulations. Licensee will file a copy of the Agreement with the FCC, if required to do so under FCC rules or policies and Licensee will place a copy of this Agreement in the public file for the Station, as required by FCC rules.

18. Broker's Accounts Receivable. All receipts and accounts receivable, including the proceeds thereof, generated from Broker's programming, including music, commercial announcements, news and information programming broadcast on the Station from the Effective Date through the termination hereof shall, notwithstanding the termination of this Agreement, at all times hereafter remain the sole and exclusive property of the Broker. Any receipts and/or accounts receivable generated from the broadcast of commercial announcements from and after the Effective Date of this Agreement through the termination hereof are specifically acknowledged and agreed by the Licensee as belonging to the Broker.

19. Indemnification.

(a) Scope. Each party shall forever protect, save, defend and keep the other party harmless and indemnify said other party against and from any and all claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature whatsoever arising directly or indirectly out of the acts, omissions, negligence or willful misconduct of the said party, its employees or agents in connection with the performance of this Agreement. Further, Broker and Licensee hereby indemnify and hold each other harmless against all liability for libel, slander, illegal competition or trade practices, infringement of trade marks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and property rights resulting from the broadcast of programming furnished or broadcast by the other party. These mutual obligations shall survive any termination of this Agreement and shall continue until the expiration of all applicable statutes of limitation and the conclusion and payment of all judgments which may be rendered in all litigation which may have commenced prior to such expiration. However, Broker shall not be liable for nor responsible to indemnify Licensee for the following: (i) damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission caused by the negligence or acts or omissions of Licensee or its employees, contractors or agents; (ii) damages arising out of the failure of equipment not provided by Broker or not under its control. Further, neither party shall be responsible for indemnifying the other for damages caused by acts of God, sabotage, vandalism, or negligence or acts or omissions of any third party.

(b) Procedure. The procedure for indemnification shall be as follows:

(i) The party claiming indemnification (the "Claimant") shall give written notice to the party from which indemnification is sought (the "Indemnitor") promptly after the

Claimant learns of any claim or proceeding covered by the foregoing agreement to indemnify and hold harmless and failure to provide prompt notice shall not be deemed to jeopardize Claimant's right to demand indemnification, provided, that, Indemnitor is not prejudiced by the delay in receiving notice.

(ii) With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have 15 days to make any investigation of the claim that the Indemnitor deems necessary or desirable, or such lesser time if a 15-day period would jeopardize any rights of Claimant to oppose or protest the claim. For the purpose of this investigation, the Claimant agrees to make available to the Indemnitor and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the 15-day period, or lesser period if required by this Paragraph (or any mutually agreed upon extension hereof) the Claimant may seek appropriate legal remedies.

(iii) The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of such claim, provided, that, Indemnitor acknowledges in writing to Claimant that Indemnitor would assume responsibility for and demonstrates its financial ability to satisfy the claim should the party asserting the claim prevail. In the event that the Indemnitor shall not satisfy the requirements of the preceding sentence or shall elect not to undertake such defense, or within 15 days after notice of any such claim from the Claimant shall fail to defend, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor. Anything in this Paragraph 18(b)(iii) to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Claimant other than as a result of money damages or other money payments, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim, (ii) the Indemnitor shall not, without the Claimant's written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the plaintiff to the Claimant of a release from all liability in respect of such claim, and (iii) in the event that the Indemnitor undertakes defense of any claim consistent with this Paragraph, the Claimant, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such claim.

20. Events of Default. The following shall, after the expiration of the applicable cure periods, constitute Events of Default under the Agreement:

20.1. Non-Payment. Broker's failure to timely pay the consideration provided for in Paragraph 2 hereof.



20.2. Default in Covenants. Licensee or Broker shall default in the observance or performance of any material covenant, condition or agreement contained herein.

20.3. Adverse Financial Condition. Either party shall make a general assignment for the benefit of creditors or files or has filed against it a petition for bankruptcy, for reorganization or for the appointment of a receiver, trustee or similar creditor's representative for the property or assets of such party under such federal or state insolvency law.

20.4. Cure Periods. An Event of Default under Section 19.1 shall not be deemed to have occurred until five (5) days after the payment is due. Except for payment of monies by Broker to Licensee, an Event of Default shall not be deemed to have occurred until fifteen (15) business days after the non-defaulting party has provided the defaulting party with written notice specifying the event or events that if not cured would constitute an Event of Default and specifying the actions necessary to cure within such period. This period may be extended for a reasonable period of time if the defaulting party is acting in good faith to cure and such delay is not materially adverse to the non-defaulting party.

21. Termination Options. The parties shall have the right to terminate this Agreement under the following circumstances:

21.1 Default. Either party may terminate if the other party has caused an Event of Default to occur.

21.2 FCC Prohibitions. Either party may terminate this Agreement if the FCC determines that the Agreement is not consistent with Licensee's obligations as a licensee and the parties cannot reform the Agreement to satisfy the FCC's concerns.

21.3 Failure of Broadcast Transmissions. If the Station is not operated at its licensed operating parameters for more than thirty-six (36) hours (or, in the event of force majeure or utility failure affecting generally the market served by the Station, ninety-six (96) hours), whether or not consecutive, during any period of thirty (30) consecutive days, or if there are five (5) or more Specified Events, as defined below, each lasting more than eight (8) consecutive hours, then Broker may, at its option terminate this Agreement. For the purposes of this Agreement, a "Specified Event" shall include the occurrence and continuance for a period of more than eight (8) hours of any of the following: (i) the transmission of the regular broadcast programming of the Station in the normal and usual manner is interrupted or discontinued; or (ii) the Station is operated at less than its authorized antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power.

22. Obligation Upon Termination. In the event of termination, the parties agree as follows:

22.1 Payments. In the event of termination, Broker shall pay to Licensee any fees due but unpaid as of the date of termination unless prohibited by the FCC and Licensee shall

reasonably cooperate with Broker to the extent permitted to enable Broker to fulfill advertising or other programming contracts then outstanding, in which event Licensee shall receive as compensation for the carriage of such advertising or programming that which otherwise would have been paid to Broker thereunder, unless such termination is due to a sale of the Station to Broker.

22.2 Retention of Ownership Rights. In the event of termination, Broker reserves the right to ownership of logos and positioning statements which it develops during the term of this Agreement, and Licensee may not use any such materials without the consent of Broker.

22.3 Assumption of Contracts. In the event of termination of this Agreement for any reason other than the Closing of the Asset Purchase Agreement, Licensee shall be responsible for assuming and fulfilling obligations under contracts entered into by Broker for the sale of advertising time on the Station that are in effect as of the date of such termination, provided that such contracts (i) are disclosed in writing to Licensee, and are for a term of 10 weeks or less or terminable upon 15 days notice or less, and (ii) either (a) were entered into in the ordinary course of the Station's business, and are sales of advertising time for cash on commercially reasonable terms, or (b) were entered into in the ordinary course of the Station's business for consideration other than cash on commercially reasonable terms, which consideration was or is used solely in furthering the business of the Station. Notwithstanding the foregoing, the Licensee shall only be obligated to assume an aggregate of \$20,000 Negative Trade Balance (as that term is defined in the Asset Purchase Agreement) with respect to the non-cash sales agreements of the Broker. Licensee shall (a) have the duty to perform all such assumed agreements or contracts, and (b) be entitled to collect and receive the money thereafter derived therefrom; and Broker will forthwith assign same to Licensee and turn over to Licensee all books and records relating to the sale of advertising for broadcast exclusively on the Station. Broker shall, at such time, pay over to Licensee any money or other consideration it shall have received as "pre-payment" for such advertising which Licensee may thereafter undertake to broadcast over the Station. Licensee shall indemnify and hold Broker harmless against any nonperformance of any assumed agreement or contract. All uncollected revenue for advertising during the term of this Agreement prior to such termination shall belong to, be the property of and be for the benefit of Broker.

23. Representations and Warranties. Each of the parties hereto represents and warrants to the other the following:

23.1 Music Licenses. Licensee and Broker represent that, as of the date that this Agreement commences, they will each secure any music licenses from performers' rights organizations including, but not limited to, ASCAP, BMI, and SESAC, that are necessary for the legal operation of the Station as contemplated by this Agreement and that both Licensee and Broker will maintain their respective licenses in good standing.

23.2 Compliance with FCC Ownership Rules. Broker certifies that this Agreement complies with the requirements of Section 73.3555 of the FCC's Rules.

23.3 Licensee's Certification. Licensee hereby certifies that it shall maintain the ultimate control over the Station's facilities, including but not limited to, control over finances, with respect to the operation of the Station, over the personnel operating the Station and over the programming to be operated by the Station.

24. Modification and Waiver. No modification or waiver of any provision of this Agreement shall in any event be effected unless the same shall be in writing and signed by the party adversely affected by the waiver or modification, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

25. Indulgences. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by either party of any default by the other shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by either party for the performance of any obligation or act by the other party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

26. Construction. This Agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts, applicable to agreements entered into and wholly to be performed therein, without regard to principles of conflicts of laws. The rights and obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and the regulations of the FCC and all other governmental bodies or authorities presently or hereafter to be constituted.

27. Headings. The headings contained in this Agreement and in the Attachments thereto are included for convenience only and no such heading shall in any way alter the meaning of any provision.

28. Successors and Assigns. Neither party may assign this Agreement without the other party's express prior written consent, provided, however, Broker may assign its rights and obligations pursuant to this Agreement without Licensee's consent to an entity which is a subsidiary or parent of Broker or to an entity owned or controlled by Broker or its principals or to Buyer's lenders as collateral for any indebtedness incurred by Buyer. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

29. Counterpart Signatures. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the original or the same counterpart.

30. Notices. Any notice or other communication authorized or required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered

personally or by facsimile transmission, or if mailed by certified mail with return receipt requested, then three business days after mailing, or if by Federal Express, postage prepaid, then the next business day, and addressed as follows:

If to Licensee:

Mr. Joseph V. Gallagher  
Managing Member  
KJI Broadcasting, LLC  
27 Chastellux Avenue  
Newport, RI 02840  
Fax: (401) 841-8591

With a copy to:

E. Colby Cameron, Esq.  
Cameron & Mittleman  
56 Exchange Terrace  
Providence, RI 02906  
Fax: (401) 331-5787

If to Broker:

Mr. Alfred C. Liggins III  
President  
Radio One, Inc.  
5900 Princess Garden Parkway, 8th Floor  
Lanham, MD 20706  
Fax: (301) 306-9694

With a copy to:

Linda J. Eckard  
General Counsel  
Radio One, Inc.  
5900 Princess Garden Parkway 8th Floor  
Lanham, MD 20706  
Fax: (301) 306-9638

31. Entire Agreement. This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like written instrument.

32. Savings Clause. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable, and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. This Agreement shall then be construed and enforced as so modified.

33. No Partnership or Joint Venture Created. Nothing in this Agreement shall be construed to make Licensee and Broker partners or joint venturers. Neither party hereto shall have the right to bind the other to transact any business in the other's name or on its behalf, in any form or manner or to make any promises or representations on behalf of the other.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SELLER:

KJI BROADCASTING, LLC

By:

-----  
Joseph V. Gallagher  
Managing Member

BUYER:

RADIO ONE, INC.

By:

-----  
Alfred C. Liggins  
President

TIME BROKERAGE AGREEMENT

ATTACHMENT I  
PROGRAMMING

Broker shall provide radio programs which Broker deems appropriate for broadcast. The parties acknowledge and agree that during the term of the Agreement, Broker, in consultation with Licensee, shall implement a new programming format on the Station.

TIME BROKERAGE AGREEMENT

ATTACHMENT II  
PAYMENTS FROM BROKER

1. Monthly Payment. Broker shall pay to Licensee a monthly payment in the amount of Fifteen Thousand Dollars (\$15,000). In the event that this Agreement is still in effect one year from the Effective Date, the monthly payment shall increase to Twenty Five Thousand Dollars (\$25,000). The monthly payment for any partial month(s) shall be prorated based on the number of days for which this Agreement is effective during the relevant month(s). The monthly payment shall be paid on or before the first day of each month.

2. Reduction in Monthly Payment. Licensee shall provide prompt written notice to Broker specifying the date, time and reason when programs provided by Broker have not been broadcast. The Monthly Payment shall be reduced in any calendar month where other than up to two (2) hours per week between 12 midnight and 5 a.m. for purposes of equipment maintenance or other than during the hours of 6:00 a.m. and 8:00 a.m. on Sunday, Licensee has preempted, declined or failed to broadcast the Programs provided by Broker. In such event, the Monthly Payment then in effect shall be reduced by a percentage equal to the number of hours so preempted or otherwise not broadcast divided by the total number of hours available to Broker for broadcast of Programs during that month.

3. Expenses. Licensee is responsible for paying all expenses of the Station during the term of this Agreement. Within fifteen (15) business days of receipt by Broker of appropriate written documentation of such expenses from Licensee, Broker shall reimburse Licensee for the following expenses:

- a. Rental payments for Fillebrown Tower license with ADF Communications.
- b. Electric utility bills for Fillebrown Tower Site.
- c. Local and long distance telephone bills for telephone use at the Station's Studio and Transmitter Site.
- d. ASCAP, BMI, SESAC music licensing fees.
- e. Salaries, payroll taxes, payroll service and health insurance for Station employees expressly assumed by Broker.
- f. General insurance and Workman's Compensation for the Station employees.
- h. FCC Regulatory Fees for FY 1999.



- i. Personal property tax for the Station equipment.
- j. Studio rent.
- k. Other expenses as agreed to in writing by the parties.

TIME BROKERAGE AGREEMENT

ATTACHMENT III  
PROGRAMMING STANDARDS

Broker, at the request of Licensee, will comply with the following regulations and restrictions in the preparation, writing and provision for broadcast of the programming on the Station:

I. No Denominational Attacks. Broker's programming will not be used as a medium for attack on any faith, denomination or sect or upon any individual or organization.

II. No Plugola or Payola. The mention of any business activity or "plug" for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, is prohibited. No commercial messages ("plugs") or undue references shall be made in programming presented over the Station to any business venture, profit-making activity or other interest (other than noncommercial announcements for bona fide charities, church activities or other public service activities) in which Broker is directly or indirectly interested without the same having been approved in advance by the Station's General Manager and such broadcast being announced, logged and sponsored.

III. No Lotteries. Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited. This prohibition includes announcements with respect to bingo parties and the like which are to be held by a church, if such announcements are prohibited under Massachusetts or Federal law.

IV. Election Procedures. Broker will clear with the Station's General Manager the schedule of rates that Broker will charge for the time to be sold to candidates for public office or their supporters to make certain that such rates conform with applicable law and Station policy. Licensee in its sole discretion, may require that Broker grant access for the purchase of time to candidates for political office or their supporters. In the event that Licensee determines that any candidates for political office or their supporters are entitled to purchase time in programming provided by Broker, Broker will provide such access as reasonably required by Licensee in accordance with applicable law.

V. Required Announcements. Broker will include (i) an announcement in a form satisfactory to Licensee at the beginning of each hour of programming to identify the Station's call letters and (ii) an announcement at the beginning of each broadcast day to indicate that program time has been purchased by Broker, and (iii) any other announcements required by applicable law.

VI. No Illegal Announcements. No announcements or promotions prohibited by law of any lottery or game shall be made over the Station. Any game, contest, or promotion relating to or to be presented over the Station must be fully stated and explained to Licensee upon request by it, which reserves the right, in its discretion to reject any game, contest, or promotion.

VII. Licensee Discretion Paramount. In accordance with the Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the FCC, Licensee reserves the right to reject or terminate any advertising proposed to be presented or being presented over the Station which is in conflict with Station policy or which, in Licensee's judgment, would not serve the public interest.

VIII. Programming Prohibitions. Broker shall not knowingly broadcast any of the following programs or announcements:

A. False Claims. False or unwarranted claims for any product or service.

B. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.

C. Obscenity and Indecency. Any programs or announcements that (1) have a dominant theme that, taken as a whole, appeals to the prurient interest in sex, portray sexual conduct in a patently offensive way, and lack literary, artistic, political or scientific value or (2) describe in terms patently offensive as measured by contemporary community standards for the broadcast medium, sexual or excretory activities or organs at times of the day when children are likely to be in the audience.

IX. Waiver. Licensee may waive in writing any of the foregoing regulations and restrictions in specific instances if, in its opinion, good broadcasting in the public interest is served. In any case where questions of policy or interpretation of matters contained in this Attachment arise, Broker shall submit the same to Licensee for decision before making any commitments in connection therewith.

## AGREEMENT AND PLAN OF WARRANT RECAPITALIZATION

This Agreement and Plan of Warrant Recapitalization (this "Agreement") is made as of the 25th day of February, 1999, by and among (i) Radio One, Inc., a Delaware corporation (the "Company"), (ii) Catherine L. Hughes ("Hughes") and Alfred C. Liggins ("Liggins") (the "Founding Investors" and each a "Founding Investor"), (iii) Syncom Capital Corporation, Alta Subordinated Debt Partners III, L.P., BancBoston Investments Inc., Alliance Enterprise Corporation, Opportunity Capital Corporation, Medallion Capital, Inc., TSG Ventures, L.P., Fulcrum Venture Capital Corporation and Grant M. Wilson (the "Preferred Investors"), (iv) Jerry A. Moore III ("Moore") and (v) Scott R. Royster ("Royster").

## W I T N E S S E T H

WHEREAS, reference is made to the Preferred Stockholders' Agreement dated as of May 14, 1997, by and among the investors listed on the schedules thereto, the Company, Radio One Licenses, Inc., the Founding Investors and Jerry A. Moore III, as amended through the date hereof (the "Preferred Stockholders Agreement");

WHEREAS, reference is made to the Warranholders' Agreement dated as of June 6, 1995, by and among the investors listed on the schedules thereto, the Company, Radio One Licenses, Inc., the Founding Investors and Jerry A. Moore III, as amended through the date hereof (the "Warranholders' Agreement");

WHEREAS, the Company's Board of Directors and the holders of its common stock have approved the adoption of an Amended and Restated Certificate of Incorporation of the Company (the "Certificate of Incorporation");

WHEREAS, the Certificate of Incorporation provides for three classes of Common Stock, including 1,000 shares of Class B Common which shall entitle its holders to ten votes per share with respect to most issues presented for a vote of the Company's stockholders;

WHEREAS, pursuant to a Plan of Recapitalization that will become effective upon the adoption of the Certificate of Incorporation (the "Plan of Recapitalization"), substantially all of the outstanding shares of Class B Common, and a majority of the voting power represented by the Common Stock, will be held by the Founding Investors;

WHEREAS, pursuant to the Preferred Stockholders' Agreement, adoption of the Certificate of Incorporation required the approval of the holders of a majority of the outstanding shares of the Company's Preferred Stock;

WHEREAS, in consideration of the Preferred Investors consenting to the adoption of the Certificate of Incorporation the Founding Investors are willing and desire to enter into this Agreement and to become bound by the terms and provisions hereof;

WHEREAS, in connection with the recapitalization of the Company's Common Stock contemplated by the Plan of Recapitalization the Preferred Investors are willing and desire to recapitalize the Warrants (as such term is defined in the Warranholders' Agreement) held by them as provided in this Agreement; and

WHEREAS, Moore and Royster each wish to grant to Hughes and Liggins options to purchase Class C Common as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Definitions. Except as otherwise specifically provided, capitalized terms used in this Agreement will have the meanings set forth in the Certificate of Incorporation.
2. Tag-Along Rights.
  - (a) Right of Participation in Sales by Founding Investor(s). If at any time after the Initial Public Offering any Founding Investor(s) or his, her or their Permitted Transferees described in clause (i) of Section 2(e), below (the "Bound Permitted Transferees") desire to sell all or any part of the shares of Common Stock owned by them to any Person other than to a Permitted Transferee (such Person or entity referred to herein as a "Third Party Purchaser") for a per share purchase price greater than Market Value as of the date of the notice required pursuant to Section 2(b), below (a "Proposed Sale"), each Preferred Investor shall have the right to sell to the Third Party Purchaser, as a condition to such Proposed Sale by the applicable Founding Investor(s) or Bound Permitted Transferee, at the same price per share and otherwise upon other terms and conditions that are in the aggregate the same as involved in such Proposed Sale by such Founding Investor(s) or Bound Permitted Transferee, up to such Preferred Investor's Pro Rata Share (as defined below) of the total number of shares of Common Stock proposed to be sold by such Founding Investor(s) or Bound Permitted Transferee (subject to

subsection (c) below). For purposes of this Section 2(a), the term "Pro Rata Share" shall mean, with respect to any Preferred Investor, the percentage that the Common Stock held by such Preferred Investor then represents of all of the Common Stock then held by the Founding Investors, Bound Permitted Transferees and Preferred Investors as a group, in each case on a fully-diluted basis.

- (b) Notice of Proposed Sale by Founding Investor(s). Written notice of a Proposed Sale shall be submitted by the Founding Investor(s) to each Preferred Investor at least 30 days prior to the Proposed Sale. Such notice shall disclose the identity of the Third Party Purchaser, the number of shares of Common Stock proposed to be

sold by such Founding Investor(s), the total number of shares of Common Stock owned by such Founding Investor(s), the terms and conditions, including price, of the Proposed Sale, any other material facts relating to the Proposed Sale, and calculation as to the number of shares of Common Stock that may be sold by each Preferred Investor to the Third Party Purchaser pursuant to this Section 2.

- (c) Participation in Proposed Sale by Preferred Investor. Each Preferred Investor wishing to participate in any Proposed Sale under this Section 2 shall notify the transferring Founding Investor(s) in writing within 15 days after the receipt of such notice described in Section 2(b). No shares of Common Stock may be purchased by the Third Party Purchaser from the transferring Founding Investor(s) unless the Third Party Purchaser simultaneously purchases from the Preferred Investors all shares of Common Stock which they have elected to sell pursuant to this Section 2(c), with the sales to such Third Party Purchaser to be consummated not prior to the expiration of all notice periods described in this Section 2.
- (d) Lapse of Restrictions/Benefits Upon Sale. Any shares of Common Stock sold to a Third Party Purchaser pursuant to this Section 2 shall no longer be subject to the restrictions or benefits imposed by this Section 2.
- (e) Definitions: Permitted Transferees and Market Value.
  - (i) For purposes of this Section 2, "Permitted Transferees" shall mean any recipient of shares of Common Stock transferred by the Founding Investors: (i) who is a Class B Permitted Transferee; provided, that any such Permitted Transferee shall agree in writing with the Preferred Investors, as a condition to such transfer, to be bound by all of the provisions of this agreement with respect to such shares of Common Stock to the same extent as the Founding Investors; (ii) by any sale or disposition of shares of Common Stock pursuant to a registered public offering in which the Preferred Investors have rights to participate under any then effective registration rights agreement; or (iii) by any sale or disposition of shares of Common Stock in connection with the exercise of remedies by the Company's lenders under any of the Company's loan agreements or credit agreements (including sales or dispositions of the shares of Common Stock to any of such lenders, to third parties and subsequent sales by such lenders or third parties).
  - (ii) For purposes of this Section 2, "Market Value" as of any date means the average market trading price of the Class A Common over the preceding twenty (20) trading days.

3. Retention of Voting Rights. For so long as any of the Preferred Investors own any of the Company's Common Stock, determined on a fully-diluted basis, neither of the Founding Investors shall sell, assign or otherwise transfer any interest in any shares of Class B Common to the spouse or former spouse of such Founding Investor, or to any parent or grandparent or any lineal descendant (including any adopted child) of any parent or grandparent of such Founding Investor's spouse or former spouse (unless such lineal descendant is also a lineal descendant (including any adopted child) of such Founding Investor), including by gift, will, intestate succession or other operation of law, unless, as a condition of such transfer (a) such Founding Investor retains all voting power with respect to such Class B Common so long as such Founding Investor is living, and (b) the estate of such Founding Investor, in the case of the death of the Founding Investor, or the transferee of such interest agrees (I) not to exercise any voting power with respect to such Class B Common and (II) to cause such Class B Common to be converted into shares of single vote or non-voting common stock of the Company upon the death of such Founding Investor. The Founding Investors agree that all shares of Class B Common held by them will have affixed a legend describing the restrictions set forth above. The provisions of this Section 3 will be binding upon the respective transferees, successors, assigns, heirs and legatees of the Founding Investors.

4. Recapitalization of Warrants.

- (a) Definitions. For purposes of the Section 4, (i) the term "Recapitalization Warrant" means a warrant to purchase shares of Class A Common in the form attached hereto as Exhibit A, and (ii) the term "Contingent Warrant" means a warrant to purchase shares of Class A Common in the form attached hereto as Exhibit B.
- (b) Exchange of Warrants. Promptly after execution of this Agreement, and effective as of the date hereof, each Preferred Investor will surrender all Warrants held by him or it in exchange for, and the Company will issue to such Preferred Investor in exchange for the surrender of such Warrants, the number of Recapitalization Warrants and Contingent Warrants set forth next to such Preferred Investor's name on the attached Schedule I. From and after the date hereof, the Warrants held by each Preferred Investor will represent only the right to receive the number of Recapitalization Warrants and Contingent Warrants set forth next to such Preferred Investor's name on the attached Schedule I.
- (c) Continuing Application. The Warrantholders Agreement is hereby amended by deleting the second parenthetical clause of the second recital thereof in its entirety and replacing it with the following:

"(the "Exchange Warrant" and together with the New Warrants and the Recapitalization Warrants and Contingent Warrants issued pursuant to the Agreement and Plan of Warrant Recapitalization dated as of February 25, 1999, among the Company and the Securityholders, the "Warrants")"

provided, however, that references in this Agreement to the "Warrants" shall not include the Recapitalization Warrants or the Contingent Warrants.

- (d) Recapitalization Treatment. The parties intend that the transactions described in this Section 4 qualify as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended, and each party agrees not to take any action that would cause such transactions not to so qualify.

5. Grant of Options.

- (a) Moore Options. Moore hereby grants to each of Hughes and Liggins the right to purchase from Moore, and Moore agrees to sell to each of Hughes and Liggins on the terms and subject to the conditions set forth in this Section 5, One-Thousand Nine-Hundred and Fifty-Five Hundred-Thousandths (0.01955) of a share of Class C Common (each such right, a "Moore Option"). The exercise price of each such option shall be Ten Dollars (\$10.00).
- (b) Royster Options. Royster hereby grants to each of Hughes and Liggins the right to purchase from Royster, and Royster agrees to sell to each of Hughes and Liggins on the terms and subject to the conditions set forth in this Section 5, Two-Thousand and Nine-Hundred and Forty-One Hundred Thousandths (0.02941) of a share of Class C Common (each such right, a "Royster Option"). The exercise price of each such option shall be Four-Thousand Four Hundred and One Dollars (\$4,401.00).
- (c) Exercise of Options. Provided that the Contingent Warrants shall have expired prior to such date, each of Hughes and Liggins may exercise the Moore Option and Royster Option granted to them at any time on or after January 1, 2000. Each such option shall be exercised by delivery of written notice, and the payment of the exercise price for such option in lawful currency of the United States, to Moore or Royster, as applicable.



- (d) Adjustment. The number of shares of Class C Common subject to the Moore Options and the Royster Options shall be proportionally adjusted to reflect any subdivision or combination of the Class C Common, or any payment of a dividend with respect to the Class C Common payable in, or any other distribution with respect to the Class C Common consisting of, shares of Common Stock.
- (e) Termination. If the Contingent Warrants have not expired prior to January 1, 2000, the Moore Options and the Royster Options shall be terminated and shall thereafter be of no further force or effect.

6. Consent to Transfer. Notwithstanding anything to the contrary set forth in the Warrantholders' Agreement, each of the Preferred Investors hereby consent to the following:

- (a) The transfer by Catherine L. Hughes of (i) 25 shares of Class B Common to Catherine L. Hughes, as Trustee of the Catherine L. Hughes Revocable Trust dated March 2, 1999, (ii) 0.4582 shares of Class C Common to Hughes-Liggins & Company, L.L.C., and (iii) 49.5418 shares of Class C Common to Hughes-Liggins Family Partners, L.P.; and
- (b) The transfer by Alfred C. Liggins, III of (i) 20.82 shares of Class B Common to Alfred C. Liggins, III, as Trustee of the Alfred C. Liggins, III Revocable Trust dated March 2, 1999, (ii) 0.4582 shares of Class C Common to Hughes-Liggins & Company, L.L.C., and (iii) 41.1718 shares of Class C Common to Hughes-Liggins Family Partners, L.P.

7. Counterparts. This Agreement may be executed in one or more counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which together shall be deemed to constitute one and the same agreement.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

RADIO ONE, INC.

By: -----

Its: -----

-----

Catherine L. Hughes

-----

Alfred C. Liggins, III

SYNCOM CAPITAL CORPORATION

By: -----

Its: -----

ALTA SUBORDINATED DEBT PARTNERS III, L.P.

By: Alta Subordinated Debt Management  
Partners III, L.P.

By: -----

Its: -----

BANCBOSTON INVESTMENTS INC.

By: -----

Its: -----

ALLIANCE ENTERPRISE CORPORATION

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

OPPORTUNITY CAPITAL CORPORATION

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

MEDALLION CAPITAL, INC.

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

TSG VENTURES, L.P.

By: TSGVI Associates, Inc.  
Its: General Partner

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

FULCRUM VENTURE CAPITAL CORPORATION

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

\_\_\_\_\_  
Grant M. Wilson

-----  
Jerry A. Moore III

-----  
Scott R. Royster

SCHEDULE I

	RECAPITALIZATION WARRANTS	CONTINGENT WARRANTS
Syncom Capital Corporation	33.34260	2.77740
Alta Subordinated Debt Partners III, L.P.	27.25009	2.26991
BancBoston Investments Inc.	18.60059	1.54941
Alliance Enterprise Corporation	17.26209	1.43791
Opportunity Capital Corporation	5.72326	0.47674
Medallion Capital, Inc.	14.06814	1.17186
TSG Ventures, L.P.	3.01856	0.25144
Fulcrum Venture Capital Corporation	14.40969	1.20031
Grant M. Wilson	1.16311	0.09689

The schedule contains summary financial information extracted from the consolidated financial statements of the Company for the fiscal year ended December 31, 1998, and for the three and six months ended June 30, 1998 and 1999, and is qualified in its entirety by reference to such financial statements.

0001041657  
Radio One, Inc.

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US DOLLARS

	12-MOS DEC-31-1998	3-MOS DEC-31-1998	3-MOS DEC-31-1998	6-MOS DEC-31-1998	6-MOS DEC-31-1998
	JAN-01-1998	APR-01-1998	APR-01-1999	JAN-01-1998	JAN-01-1999
	DEC-31-1998	JUN-30-1998	JUN-30-1999	JUN-30-1998	JUN-30-1999
1	1	1	1	1	1
	4,455,000	0	0	0	5,018,000
	0	0	0	0	0
	13,269,000	0	0	0	18,856,000
	(1,243,000)	0	0	0	(1,977,000)
	0	0	0	0	0
	17,641,000	0	0	0	23,489,000
	11,306,000	0	0	0	20,943,000
	(4,589,000)	0	0	0	(5,594,000)
	153,856,000	0	0	0	243,776,000
5,041,000	0	0	0	0	9,405,000
	131,739,000	0	0	0	96,498,000
	0	0	0	0	0
	26,684,000	0	0	0	0
	5,000	0	0	0	18,000
153,856,000	(24,864,000)	0	0	0	122,912,000
	0	13,231,000	24,083,000	243,776,000	37,473,000
	0	13,231,000	24,083,000	22,328,000	37,473,000
	0	(1,726,000)	(3,046,000)	(2,800,000)	(4,619,000)
	0	(1,726,000)	(3,046,000)	(2,800,000)	(4,619,000)
	0	7,983,000	16,884,000	15,461,000	28,711,000
	0	402,000	857,000	728,000	1,183,000
	0	2,547,000	3,752,000	4,925,000	7,489,000
	0	1,131,000	479,000	(572,000)	(3,205,000)
	0	0	225,000	0	476,000
	0	1,131,000	254,000	(572,000)	(3,681,000)
	0	0	0	0	0
	0	0	0	0	0
	0	1,131,000	254,000	(572,000)	(3,681,000)
	0	0.02	(0.01)	(0.25)	(0.40)
	0	0.02	(0.01)	(0.25)	(0.40)