

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, 2001
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,
7th 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
--- ---

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 August 7, 2001 |
|--|-------------------------------|
| Class A Common Stock, \$.001 Par Value | 22,540,235 |
| Class B Common Stock, \$.001 Par Value | 2,867,463 |
| Class C Common Stock, \$.001 Par Value | 3,132,458 |
| Class D Common Stock, \$.001 Par Value | 59,876,237 |

RADIO ONE, INC. AND SUBSIDIARIES

Form 10-Q

For the Quarter Ended June 30, 2001

TABLE OF CONTENTS

| | Page |
|--|------|
| | ---- |
| PART I. FINANCIAL INFORMATION | |
| Item 1. Financial Statements | 3 |
| Consolidated Balance Sheets as of December 31, 2000, and June 30, 2001 (Unaudited) | 4 |
| Consolidated Statements of Operations for the Three Months and Six Months Ended June 30, 2000 and 2001(Unaudited) | 5 |
| Consolidated Statements of Changes in Stockholders' Equity for the Six Months Ended June 30, 2001 (Unaudited) | 6 |
| Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2000 and 2001 (Unaudited) | 7 |
| Notes to Consolidated Financial Statements June 30, 2000 and 2001 (Unaudited) | 9 |
| Condensed Consolidating Balance Sheets as of December 31, 2000 | 14 |
| Condensed Consolidating Balance Sheets as of June 30, 2001 (Unaudited) | 15 |
| Condensed Consolidating Statements of Operations for the Six Months Ended June 30, 2001 (Unaudited) | 16 |
| Condensed Consolidating Statements of Operations for the Three Months Ended June 30, 2001 (Unaudited) | 17 |
| Condensed Consolidating Statements of Operations for the Six Months Ended June 30, 2000 (Unaudited) | 18 |
| Condensed Consolidating Statements of Operations for the Three Months Ended June 30, 2000 (Unaudited) | 19 |
| Consolidating Statements of Cash Flows for the Six Months Ended June 30, 2001 (Unaudited) | 20 |
| Consolidating Statements of Cash Flows for the Six Months Ended June 30, 2000 (Unaudited) | 21 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 22 |
| PART II. OTHER INFORMATION | |
| Item 1. Legal Proceedings | 28 |
| Item 2. Changes in Securities and Use of Proceeds | 28 |
| Item 3. Defaults Upon Senior Securities | 28 |
| Item 4. Submission of Matters to a Vote of Security Holders | 28 |
| Item 5. Other Information | 30 |
| Item 6. Exhibits and Reports on Form 8-K | 30 |
| SIGNATURE | 33 |

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

(See pages 4-21 -- This page intentionally left blank.)

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2000, AND JUNE 30, 2001

| ASSETS | December 31, 2000 | June 30, 2001 |
|--|----------------------|----------------------|
| ----- | ----- | ----- (Unaudited) |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 20,879,000 | \$ 9,519,000 |
| Trade accounts receivable, net of allowance for doubtful accounts of \$5,506,000 and \$6,079,000, respectively | 46,883,000 | 50,047,000 |
| Prepaid expenses and other | 6,557,000 | 4,915,000 |
| Income tax receivable | 2,476,000 | 2,000,000 |
| Deferred tax asset | 2,187,000 | 2,476,000 |
| | ----- | ----- |
| Total current assets | 78,982,000 | 68,957,000 |
| PROPERTY AND EQUIPMENT, net | 33,376,000 | 27,773,000 |
| INTANGIBLE ASSETS, net | 1,637,180,000 | 1,594,732,000 |
| OTHER ASSETS | 15,680,000 | 17,260,000 |
| | ----- | ----- |
| Total assets | \$1,765,218,000 | \$1,708,722,000 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| ----- | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 17,683,000 | \$ 7,961,000 |
| Accrued expenses | 14,127,000 | 17,437,000 |
| Other current liabilities | 4,696,000 | 2,102,000 |
| | ----- | ----- |
| Total current liabilities | 36,506,000 | 27,500,000 |
| LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion | 646,956,000 | 650,057,000 |
| SWAP AGREEMENTS LIABILITY | -- | 9,733,000 |
| DEFERRED INCOME TAX LIABILITY | 24,687,000 | 10,059,000 |
| | ----- | ----- |
| Total liabilities | 708,149,000 | 697,349,000 |
| | ----- | ----- |
| COMMITMENTS AND CONTINGENCIES | | |
| STOCKHOLDERS' EQUITY: | | |
| Convertible preferred stock, \$.001 par value, 1,000,000 shares authorized and 310,000 shares issued and outstanding; liquidation preference of \$1,000 per share, plus cumulative dividends at 6.5% per year, which were \$9,236,000 as of December 31, 2000, and \$10,070,000 as of June 30, 2001 | -- | -- |
| Common stock - Class A, \$.001 par value, 30,000,000 shares authorized, 22,789,000 and 22,536,000 shares issued and outstanding | 23,000 | 23,000 |
| Common stock - Class B, \$.001 par value, 150,000,000 shares authorized, 2,867,000 shares issued and outstanding | 3,000 | 3,000 |
| Common stock - Class C, \$.001 par value, 150,000,000 shares authorized, 3,132,000 shares issued and outstanding | 3,000 | 3,000 |
| Common stock - Class D, \$.001 par value, 150,000,000 shares authorized, 58,246,000 and 59,863,000 shares issued and outstanding | 58,000 | 60,000 |
| Accumulated comprehensive income adjustments | -- | (6,570,000) |
| Stock subscriptions receivable | (9,005,000) | (30,110,000) |
| Additional paid-in capital | 1,105,681,000 | 1,127,515,000 |
| Accumulated deficit | (39,694,000) | (79,551,000) |
| | ----- | ----- |
| Total stockholders' equity | 1,057,069,000 | 1,011,373,000 |
| | ----- | ----- |
| Total liabilities and stockholders' equity | \$1,765,218,000 | \$1,708,722,000 |
| | ===== | ===== |

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

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2000 AND 2001

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-----------------|------------------------------|-----------------|
| | 2000 | 2001 | 2000 | 2001 |
| | (Unaudited) | | (Unaudited) | |
| REVENUE: | | | | |
| Broadcast revenue, including barter revenue of \$429,000, \$559,000, \$1,282,000 and \$1,204,000, respectively | \$ 37,231,000 | \$ 70,930,000 | \$ 62,355,000 | \$ 125,203,000 |
| Less: agency commissions | 4,588,000 | 8,645,000 | 7,560,000 | 14,993,000 |
| Net broadcast revenue | 32,643,000 | 62,285,000 | 54,795,000 | 110,210,000 |
| OPERATING EXPENSES: | | | | |
| Program and technical, exclusive of depreciation and amortization, shown separately below | 4,697,000 | 9,151,000 | 8,937,000 | 18,007,000 |
| Selling, general and administrative | 11,492,000 | 19,090,000 | 19,791,000 | 36,206,000 |
| Corporate expenses | 1,282,000 | 1,683,000 | 2,400,000 | 3,523,000 |
| Non-cash compensation | -- | 237,000 | -- | 475,000 |
| Depreciation and amortization | 7,182,000 | 30,851,000 | 12,671,000 | 62,375,000 |
| Total operating expenses | 24,653,000 | 61,012,000 | 43,799,000 | 120,586,000 |
| Operating income (loss) | 7,990,000 | 1,273,000 | 10,996,000 | (10,376,000) |
| INTEREST EXPENSE, including amortization of deferred financing costs | 3,665,000 | 14,717,000 | 7,247,000 | 30,418,000 |
| GAIN ON SALE OF ASSETS, net | -- | -- | -- | 4,272,000 |
| OTHER INCOME (EXPENSE), net | 5,470,000 | (596,000) | 9,707,000 | -- |
| Income (loss) before (provision) benefit for income taxes and extraordinary loss | 9,795,000 | (14,040,000) | 13,456,000 | (36,522,000) |
| (PROVISION) BENEFIT FOR INCOME TAXES | (4,218,000) | 4,633,000 | (5,818,000) | 11,942,000 |
| INCOME (LOSS) BEFORE EXTRAORDINARY LOSS | 5,577,000 | (9,407,000) | 7,638,000 | (24,580,000) |
| EXTRAORDINARY LOSS ON DEBT RETIREMENT, net of taxes of \$2,564,000 | -- | 5,207,000 | -- | 5,207,000 |
| NET INCOME (LOSS) | \$ 5,577,000 | \$ (14,614,000) | \$ 7,638,000 | \$ (29,787,000) |
| NET INCOME (LOSS) APPLICABLE TO COMMON STOCKHOLDERS | \$ 5,577,000 | \$ (19,646,000) | \$ 7,638,000 | \$ (39,857,000) |
| BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE: | | | | |
| Income (loss) before extraordinary loss | \$ 0.07 | \$ (0.16) | \$ 0.09 | \$ (0.40) |
| Extraordinary loss | -- | (0.06) | -- | (0.06) |
| Net income (loss) | \$ 0.07 | \$ (0.22) | \$ 0.09 | \$ (0.46) |
| WEIGHTED AVERAGE SHARES OUTSTANDING: | | | | |
| Basic | 84,994,000 | 88,252,000 | 83,038,000 | 87,532,000 |
| Diluted | 85,256,000 | 88,252,000 | 83,316,000 | 87,532,000 |

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

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED)

| | Common Stock Class A | Common Stock Class B | Common Stock Class C | Common Stock Class D | Convertible Preferred Stock | Comprehensive Income |
|---|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------------|-------------------------|
| BALANCE, as of December 31, 2000 | \$23,000 | \$3,000 | \$3,000 | \$58,000 | \$ -- | |
| Comprehensive income: | | | | | | |
| Net loss | -- | -- | -- | -- | -- | \$(29,787,000) |
| Cumulative effect of change in accounting principle for derivatives, net of taxes | -- | -- | -- | -- | -- | (2,630,000) |
| Valuation adjustment for swap fair value, net of taxes | -- | -- | -- | -- | -- | (3,940,000) |
| Comprehensive loss | | | | | | \$(36,357,000) |
| Preferred stock dividends | -- | -- | -- | -- | -- | |
| Stock sold to officer | -- | -- | -- | 2,000 | -- | |
| Issuance of common stock for acquisition | -- | -- | -- | -- | -- | |
| Employee exercise of options | -- | -- | -- | -- | -- | |
| Preferred stock issuance costs | -- | -- | -- | -- | -- | |
| BALANCE, as of June 30, 2001 (Unaudited) | \$23,000 | \$ 3,000 | \$ 3,000 | \$60,000 | \$ -- | |

| | Accumulated Comprehensive Income Adjustments | Stock Subscriptions Receivable | Additional Paid-In Capital | Accumulated Deficit | Total Stockholders' Equity |
|---|---|--------------------------------------|----------------------------------|------------------------|----------------------------------|
| BALANCE, as of December 31, 2000 | \$ -- | \$ (9,005,000) | \$1,105,681,000 | \$(39,694,000) | \$1,057,069,000 |
| Comprehensive income: | | | | | |
| Net loss | -- | -- | -- | (29,787,000) | (29,787,000) |
| Cumulative effect of change in accounting principle for derivatives, net of taxes | (2,630,000) | -- | -- | -- | (2,630,000) |
| Valuation adjustment for swap fair value, net of taxes | (3,940,000) | -- | -- | -- | (3,940,000) |
| Comprehensive loss | | | | | |
| Preferred stock dividends | -- | -- | -- | (10,070,000) | (10,070,000) |
| Stock sold to officer | -- | (21,105,000) | 21,103,000 | -- | -- |
| Issuance of common stock for acquisition | -- | -- | 500,000 | -- | 500,000 |
| Employee exercise of options | -- | -- | 240,000 | -- | 240,000 |
| Preferred stock issuance costs | -- | -- | (9,000) | -- | (9,000) |
| BALANCE, as of June 30, 2001 (Unaudited) | \$ (6,570,000) | \$ (30,110,000) | \$1,127,515,000 | \$(79,551,000) | \$1,011,373,000 |

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, 2000 AND 2001

| | Six Months Ended June 30, | |
|---|------------------------------|-----------------|
| | 2000 | 2001 |
| | (Unaudited) | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 7,638,000 | \$ (29,787,000) |
| Adjustments to reconcile net income (loss) to net cash from operating activities: | | |
| Depreciation and amortization | 12,671,000 | 62,375,000 |
| Amortization of debt financing costs, unamortized discount and deferred interest | 2,014,000 | 1,016,000 |
| Deferred income taxes | (244,000) | (13,521,000) |
| Non-cash compensation to officers | -- | 475,000 |
| Loss on sale of investments | 225,000 | -- |
| Loss on write-down of investments | -- | 1,206,000 |
| Gain on sale of assets, net | -- | (4,272,000) |
| Non-cash advertising revenue in exchange for equity investments | (658,000) | -- |
| Extraordinary loss on debt retirement | -- | 7,771,000 |
| Effect of change in operating assets and liabilities- | | |
| Trade accounts receivable | (5,298,000) | (3,155,000) |
| Income tax receivable | -- | 476,000 |
| Prepaid expenses and other | (306,000) | (225,000) |
| Other assets | 221,000 | (1,202,000) |
| Accounts payable | 1,110,000 | (9,722,000) |
| Accrued expenses and other | 1,517,000 | 2,635,000 |
| Net cash flows from operating activities | 18,890,000 | 14,070,000 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property and equipment | (1,397,000) | (2,840,000) |
| Equity investments | (884,000) | (210,000) |
| Proceeds from sale of available-for-sale investments, net | 51,114,000 | -- |
| Proceeds from sale of assets | -- | 69,254,000 |
| Deposits and payments for station purchases | (262,244,000) | (70,286,000) |
| Net cash flows from investing activities | (213,411,000) | (4,082,000) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of debt | (32,000) | (303,648,000) |
| Proceeds from debt issuances | -- | 300,000,000 |
| Payment of preferred stock issuance costs | -- | (9,000) |
| Payment of preferred stock dividends | -- | (10,070,000) |
| Deferred financing costs | -- | (7,861,000) |
| Proceeds from issuance of common stock, net of issuance costs | 335,982,000 | -- |
| Proceeds from exercise of stock options | 433,000 | 240,000 |
| Net cash flows from financing activities | 336,383,000 | (21,348,000) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 141,862,000 | (11,360,000) |
| CASH AND CASH EQUIVALENTS, beginning of period | 6,221,000 | 20,879,000 |
| CASH AND CASH EQUIVALENTS, end of period | \$ 148,083,000 | \$ 9,519,000 |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

| | | |
|----------------------------|--------------|---------------|
| Cash paid for- Interest | \$ 4,756,000 | \$ 24,788,000 |
| | ===== | ===== |
| Income taxes | \$ 6,068,000 | \$ 787,000 |
| | ===== | ===== |

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

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2000 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One, Inc. (a Delaware corporation referred to as Radio One) and subsidiaries (collectively referred to as the Company) were organized to acquire, operate and maintain radio broadcasting stations. The Company owns and/or operates radio stations in the Washington, D.C.; Baltimore, Maryland; Philadelphia, Pennsylvania; Detroit and Kingsley, Michigan; Atlanta and Augusta, Georgia; Cleveland, Ohio; St. Louis, Missouri; Richmond, Virginia; Boston, Massachusetts; Charlotte and Raleigh, North Carolina; Indianapolis, Indiana; Houston and Dallas, Texas; Miami, Florida; and Los Angeles, California markets.

The Company has been making and may continue to make significant acquisitions of radio stations, which may require it to incur new debt. The service of this debt could require the Company to make significant debt service payments. The Company's operating results are significantly affected by its share of the audience in markets where it has stations.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Radio One, Inc. and its 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 accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 accounting principles generally accepted in the United States 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, 2000, financial statement and notes thereto included in the Company's annual report on Form 10-K/A.

2. ACQUISITIONS AND DIVESTITURES:

In June 2001, the Company entered into an agreement to acquire WPEZ-FM, licensed to Macon, Georgia, for approximately \$55.0 million. The station is in the process of being moved to a location within the Atlanta, Georgia market.

In April 2001, the Company acquired WTLC-AM, licensed to Indianapolis, Indiana, for approximately \$1.1 million.

In March 2001, the Company completed the sale of KJOI-AM (formerly KLUV-AM), licensed to Dallas, Texas, for approximately \$16.0 million.

In February 2001, the Company acquired the intellectual property of WTLC-FM, licensed to Indianapolis, Indiana, for approximately \$7.2 million.

In February 2001, the Company acquired KTXQ-FM (formerly KDGE-FM), licensed to Gainesville, Texas, for approximately \$52.5 million.

In February 2001, the Company completed the sale of WDYL-FM, licensed to Chester, Virginia, and radio stations WJMZ-FM and WPEK-FM, licensed to Anderson and Seneca, South Carolina, respectively, for approximately \$52.5 million and WARV-FM, licensed to Petersburg, Virginia for approximately \$1.0 million.

In February 2001, the Company acquired Nash Communications, which owned WILD-AM, licensed to Boston, Massachusetts, for approximately \$4.5 million and 63,492 shares of Class D Common Stock.

3. RECENT ACCOUNTING PRONOUNCEMENTS:

The Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS No. 133), as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133" and SFAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" on January 1, 2001. This standard requires the Company to recognize all derivatives, as defined in the Statement, on the balance sheet at fair value. Derivatives, or any portion thereof, that are not effective hedges must be adjusted to fair value through income. If derivatives are effective hedges, depending on the nature of the hedges, changes in the fair value of the hedged assets, liabilities or firm commitments must be adjusted through other comprehensive income, a component of stockholders' equity.

During 2000, the Company entered into swap agreements to reduce exposure to interest rate fluctuations on certain debt commitments. The Company recorded an adjustment of approximately \$2.6 million, net of an income tax benefit of approximately \$1.2 million on January 1, 2001, to record the liability related to the fair value of these swap agreements. This amount was recorded as a cumulative effect of change in accounting principle, which is included as a component of accumulated comprehensive income adjustments in the accompanying balance sheet. The Company then recorded a \$3.9 million valuation adjustment, net of an income tax benefit of approximately \$1.9 million, to record the swaps at fair market value as of June 30, 2001. This amount is also recorded as a component of accumulated comprehensive income adjustments.

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No. 141 (SFAS 141) "Business Combinations", which is effective for all business combinations initiated after June 30, 2001. This pronouncement requires all business combinations to be accounted for using the purchase method and broadens the criteria for recording intangible assets separate from

goodwill. Recorded goodwill and intangibles will be evaluated against this new criteria and may result in certain intangibles being subsumed into goodwill, or alternatively, amounts initially recorded as goodwill may be separately identified and recognized apart from goodwill.

Also, in July 2001, FASB issued Statement of Financial Account Standard No. 142 (SFAS 142) "Goodwill and Other Intangible Assets". This pronouncement requires a non-amortization approach to account for purchased goodwill and certain other intangible assets. Under a non-amortization approach, goodwill and certain intangibles will not be amortized into results of operations, but instead, would be reviewed for impairment and written down and charged to results of operations only in the periods in which the recorded value of goodwill and certain intangibles is more than their fair value. The provisions of each statement, which apply to goodwill and intangible assets acquired prior to June 30, 2001, will be adopted by the Company on January 1, 2002. The adoption of these accounting standards may result in certain of the intangibles being subsumed into goodwill and would have the impact of reducing the amortization of goodwill and intangibles commencing January 1, 2002; however, impairment reviews may result in future periodic write-downs or in write-down upon adoption.

4. DEBT:

In May 2001, the Company sold \$300 million of 8-7/8% Senior Subordinated Notes (Notes) due July 2011, through a private placement offering, receiving net proceeds of approximately \$292 million. There were approximately \$7.9 million in deferred offering costs recorded in connection with the sale, which are being amortized to interest expense over the life of the Notes using the effective interest rate method.

The proceeds of the Notes were primarily used to repay amounts owed on the Company's Bank Credit Facility (Credit Facility) and the entire balance of the 12% Senior Subordinated Notes due 2004 (Former Notes). The Company recognized an extraordinary loss of \$5.2 million, net of income tax benefit of approximately \$2.6 million, in the accompanying consolidated income statement related to the early retirement of the Former Notes. This loss encompassed the write-off of the remaining deferred offering costs, underwriter's discount, and prepayment penalties associated with the Former Notes.

5. STOCKHOLDERS' EQUITY:

In April 2001, the Company sold 1.5 million shares of its Class D Common Stock, at the then fair market value, to its Chief Executive Officer, in exchange for a full recourse promissory note for the purchase of the shares. This promissory note has been recorded in the stock subscriptions receivable caption in the equity section of the accompanying consolidated balance sheet as of June 30, 2001.

Also, in April 2001, the Company granted options to purchase 1.25 million shares of its Class D Common Stock, at the then fair market value, to its Chairperson, Chief Executive Officer and Chief Operating Officer.

6. SUBSEQUENT EVENTS:

In August 2001, the Company completed the acquisition of Blue Chip Broadcasting, Inc., owner and operator of fifteen radio stations (WIZF-FM, licensed to Erlanger, Kentucky, WMJM-FM, licensed to Jeffersontown, Kentucky, WDJX-FM and WULV-FM, licensed to Louisville, Kentucky, WLRS-FM, licensed to Shepherdsville, Kentucky, WLXO-FM, licensed to Stamping Ground, Kentucky, WGZB-FM, licensed to Corydon, Indiana, KTTB-FM, licensed to Glencoe, Minnesota, WING-AM, licensed to Dayton, Ohio, WING-FM, licensed to Springfield, Ohio, WGTZ-FM, licensed to Eaton, Ohio, WKSX-FM, licensed to Urbana, Ohio, WJYD-FM, licensed to London, Ohio, WCKX-FM, licensed to Columbus, Ohio, WXMGM-

FM, licensed to Upper Arlington, Ohio) for approximately \$190.0 million in cash, stock and the retirement of outstanding debt and agreed to LMA one radio station, WDBZ-AM, licensed to Cincinnati, Ohio. The Company financed this acquisition with common stock of the Company and cash drawn from its bank credit facility.

In August 2001, the Company completed the acquisition of three radio stations (WCDX-FM, licensed to Mechanicsville, Virginia, WRHH-FM (formerly WPLZ-FM) and WGCV-AM, licensed to Petersburg, Virginia) from Sinclair Telecable, Inc. and one station WJMO-FM (formerly WJRV-FM), licensed to Richmond, Virginia from Commonwealth Broadcasting, LLC for approximately \$34.0 million.

In August 2001, the Company announced that it had entered into an agreement to LMA radio station WAMJ-FM (formerly WAVE-FM), licensed to Mableton, Georgia from Mableton Investment Group, an entity in which one of the Company's principals has an interest.

In July 2001, the Company sold the assets of WJZZ-AM, licensed to Kingsley, Michigan, for approximately \$225,000.

CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

The Company conducts a portion of its business through its subsidiaries. All of the Company's subsidiaries (the Guarantor Subsidiaries) have fully and unconditionally guaranteed the Company's Credit Facility.

Set forth below are condensed consolidating financial statements for the Company and the Guarantor Subsidiaries as of December 31, 2000 and June 30, 2001, and for the three months and six month ended June 30, 2001 and 2000. The equity method of accounting has been used by the Company to report its investments in subsidiaries. Separate financial statements for the Guarantor Subsidiaries are not presented based on management's determination that they do not provide additional information that is material to investors.

RADIO ONE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEETS

AS OF DECEMBER 31, 2000

(IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|--|---------------------------------------|--------------------|----------------|--------------|
| | (UNAUDITED) | (UNAUDITED) | (UNAUDITED) | |
| ASSETS | | | | |
| ----- | | | | |
| CURRENT ASSETS: | | | | |
| Cash and cash equivalents | \$ 105 | \$ 20,774 | \$ -- | \$ 20,879 |
| Trade accounts receivable, net of allowance for doubtful accounts | 5,100 | 41,783 | -- | 46,883 |
| Due from Combined Guarantor Subsidiaries | -- | 1,667,894 | (1,667,894) | -- |
| Prepaid expenses and other | 234 | 6,323 | -- | 6,557 |
| Income tax receivable | -- | 2,476 | -- | 2,476 |
| Deferred tax asset | 165 | 2,022 | -- | 2,187 |
| | ----- | ----- | ----- | ----- |
| Total current assets | 5,604 | 1,741,272 | (1,667,894) | 78,982 |
| PROPERTY AND EQUIPMENT, net | 6,033 | 27,343 | -- | 33,376 |
| INTANGIBLE ASSETS, net | 1,613,123 | 24,057 | -- | 1,637,180 |
| OTHER ASSETS | 2,634 | 13,046 | -- | 15,680 |
| | ----- | ----- | ----- | ----- |
| Total assets | \$ 1,627,394 | \$ 1,805,718 | \$ (1,667,894) | \$ 1,765,218 |
| | ===== | ===== | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' | | | | |
| ----- | | | | |
| EQUITY | | | | |
| ----- | | | | |
| CURRENT LIABILITIES: | | | | |
| Accounts payable | \$ 676 | \$ 17,007 | \$ -- | \$ 17,683 |
| Accrued expenses | 1,589 | 12,538 | -- | 14,127 |
| Other current liabilities | 431 | 4,265 | -- | 4,696 |
| Due to the Company | 1,667,894 | -- | (1,667,894) | -- |
| | ----- | ----- | ----- | ----- |
| Total current liabilities | 1,670,590 | 33,810 | (1,667,894) | 36,506 |
| INVESTMENT IN SUBSIDIARIES | -- | 65,569 | (65,569) | -- |
| LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion | 28 | 646,928 | -- | 646,956 |
| DEFERRED INCOME TAX LIABILITY | 22,345 | 2,342 | -- | 24,687 |
| | ----- | ----- | ----- | ----- |
| Total liabilities | 1,692,963 | 748,649 | (1,733,463) | 708,149 |
| | ----- | ----- | ----- | ----- |
| COMMITMENTS AND CONTINGENCIES | | | | |
| STOCKHOLDERS' EQUITY: | | | | |
| Common stock | -- | 87 | -- | 87 |
| Stock subscriptions receivable | -- | (9,005) | -- | (9,005) |
| Additional paid-in capital | -- | 1,105,681 | -- | 1,105,681 |
| Accumulated deficit | (65,569) | (39,694) | 65,569 | (39,694) |
| | ----- | ----- | ----- | ----- |
| Total stockholders' equity | (65,569) | 1,057,069 | 65,569 | 1,057,069 |
| | ----- | ----- | ----- | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,627,394 | \$ 1,805,718 | \$ (1,667,894) | \$ 1,765,218 |
| | ===== | ===== | ===== | ===== |

RADIO ONE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING BALANCE SHEETS

AS OF JUNE 30, 2001

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|---|---------------------------------------|--------------------|----------------|--------------|
| ASSETS | | | | |
| CURRENT ASSETS: | | | | |
| Cash and cash equivalents | \$ 318 | \$ 9,201 | -- | \$ 9,519 |
| Trade accounts receivable, net of allowance for doubtful accounts | 5,209 | 44,838 | -- | 50,047 |
| Due from Combined Guarantor Subsidiaries | -- | 1,659,736 | (1,659,736) | -- |
| Prepaid expenses and other | 531 | 4,384 | -- | 4,915 |
| Income tax receivable | -- | 2,000 | -- | 2,000 |
| Deferred tax asset | 165 | 2,311 | -- | 2,476 |
| Total current assets | 6,223 | 1,722,470 | (1,659,736) | 68,957 |
| PROPERTY AND EQUIPMENT, net | 5,692 | 22,081 | -- | 27,773 |
| INTANGIBLE ASSETS, net | 1,557,285 | 37,447 | -- | 1,594,732 |
| OTHER ASSETS | 2,574 | 14,686 | -- | 17,260 |
| Total assets | \$ 1,571,774 | \$ 1,796,684 | \$ (1,659,736) | \$ 1,708,722 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | |
| CURRENT LIABILITIES: | | | | |
| Accounts payable | \$ 455 | \$ 7,506 | \$ -- | \$ 7,961 |
| Accrued expenses | 1,777 | 15,660 | -- | 17,437 |
| Other current liabilities | 448 | 1,654 | -- | 2,102 |
| Due to the Company | 1,659,736 | -- | (1,659,736) | -- |
| Total current liabilities | 1,662,416 | 24,820 | (1,659,736) | 27,500 |
| INVESTMENT IN SUBSIDIARIES | -- | 113,934 | (113,934) | -- |
| LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion | 7 | 650,050 | -- | 650,057 |
| SWAP AGREEMENTS LIABILITY | -- | 9,733 | -- | 9,733 |
| DEFERRED INCOME TAX LIABILITY | 23,285 | (13,226) | -- | 10,059 |
| Total liabilities | 1,685,708 | 785,311 | (1,773,670) | 697,349 |
| COMMITMENTS AND CONTINGENCIES | | | | |
| STOCKHOLDERS' EQUITY: | | | | |
| Common stock | -- | 89 | -- | 89 |
| Accumulated comprehensive income adjustments | -- | (6,570) | -- | (6,570) |
| Stock subscriptions receivable | -- | (30,110) | -- | (30,110) |
| Additional paid-in capital | -- | 1,127,515 | -- | 1,127,515 |
| Accumulated deficit | (113,934) | (79,551) | 113,934 | (79,551) |
| Total stockholders' equity | (113,934) | 1,011,373 | 113,934 | 1,011,373 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 1,571,774 | \$ 1,796,684 | \$ (1,659,736) | \$ 1,708,722 |

RADIO ONE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2001

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|--|---------------------------------------|--------------------|--------------|--------------|
| REVENUE: | | | | |
| Broadcast revenue, including barter revenue | \$ 16,440 | \$ 108,763 | \$ -- | \$ 125,203 |
| Less: agency commissions | 1,822 | 13,171 | -- | 14,993 |
| Net broadcast revenue | 14,618 | 95,592 | -- | 110,210 |
| OPERATING EXPENSES: | | | | |
| Program and technical | 2,534 | 15,473 | -- | 18,007 |
| Selling, general and administrative | 6,639 | 29,567 | -- | 36,206 |
| Corporate expenses | -- | 3,998 | -- | 3,998 |
| Depreciation and amortization | 53,777 | 8,598 | -- | 62,375 |
| Total operating expenses | 62,950 | 57,636 | -- | 120,586 |
| Broadcast operating (loss) income | (48,332) | 37,956 | -- | (10,376) |
| INTEREST EXPENSE, including amortization of deferred financing costs | 40 | 30,378 | -- | 30,418 |
| GAIN ON SALE OF ASSETS, net | -- | 4,272 | -- | 4,272 |
| OTHER INCOME (EXPENSE), net | 7 | (7) | -- | -- |
| (Loss) income before provision for income taxes and extraordinary loss | (48,365) | 11,843 | -- | (36,522) |
| BENEFIT FOR INCOME TAXES | -- | 11,942 | -- | 11,942 |
| EQUITY IN LOSSES OF SUBSIDIARY | -- | (48,365) | 48,365 | -- |
| NET LOSS BEFORE EXTRAORDINARY LOSS | (48,365) | (24,580) | 48,365 | (24,580) |
| EXTRAORDINARY LOSS ON DEBT RETIREMENT, net of taxes | -- | 5,207 | -- | 5,207 |
| NET LOSS | \$ (48,365) | \$ (29,787) | \$ 48,365 | \$ (29,787) |
| NET LOSS APPLICABLE TO COMMON STOCKHOLDERS | \$ (48,365) | \$ (39,857) | | \$ (39,857) |

RADIO ONE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2001

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|--|---------------------------------------|--------------------|--------------|--------------|
| REVENUE: | | | | |
| Broadcast revenue, including barter revenue | \$ 9,572 | \$ 61,358 | \$ -- | \$ 70,930 |
| Less: agency commissions | 1,054 | 7,591 | -- | 8,645 |
| Net broadcast revenue | 8,518 | 53,767 | -- | 62,285 |
| OPERATING EXPENSES: | | | | |
| Program and technical | 1,299 | 7,852 | -- | 9,151 |
| Selling, general and administrative | 3,479 | 15,611 | -- | 19,090 |
| Corporate expenses | -- | 1,920 | -- | 1,920 |
| Depreciation and amortization | 28,015 | 2,836 | -- | 30,851 |
| Total operating expenses | 32,793 | 28,219 | -- | 61,012 |
| Broadcast operating (loss) income | (24,275) | 25,548 | -- | 1,273 |
| INTEREST EXPENSE, including amortization of deferred financing costs | -- | 14,717 | -- | 14,717 |
| GAIN ON SALE OF ASSETS, net | -- | -- | -- | -- |
| OTHER INCOME (EXPENSE), net | 3 | (599) | -- | (596) |
| (Loss) income before provision for income taxes and extraordinary loss | (24,272) | 10,232 | -- | (14,040) |
| BENEFIT FOR INCOME TAXES | -- | 4,633 | -- | 4,633 |
| EQUITY IN LOSSES OF SUBSIDIARIES | -- | (24,272) | 24,272 | -- |
| NET LOSS BEFORE EXTRAORDINARY LOSS | (24,272) | (9,407) | 24,272 | (9,407) |
| EXTRAORDINARY LOSS ON DEBT RETIREMENT, net of taxes | -- | 5,207 | -- | 5,207 |
| NET LOSS | \$ (24,272) | \$ (14,614) | \$ 24,272 | \$ (14,614) |
| NET LOSS APPLICABLE TO COMMON STOCKHOLDERS | \$ (24,272) | \$ (19,646) | | \$ (19,646) |

RADIO ONE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2000

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|--|---------------------------------------|--------------------|--------------|--------------|
| REVENUE: | | | | |
| Broadcast revenue, including barter revenue | \$ 14,190 | \$ 48,165 | \$ -- | \$ 62,355 |
| Less: agency commissions | 1,669 | 5,891 | -- | 7,560 |
| Net broadcast revenue | 12,521 | 42,274 | -- | 54,795 |
| OPERATING EXPENSES: | | | | |
| Program and technical | 2,283 | 6,654 | -- | 8,937 |
| Selling, general and administrative | 4,969 | 14,822 | -- | 19,791 |
| Corporate expenses | -- | 2,400 | -- | 2,400 |
| Depreciation and amortization | 10,328 | 2,343 | -- | 12,671 |
| Total operating expenses | 17,580 | 26,219 | -- | 43,799 |
| Broadcast operating (loss) income | (5,059) | 16,055 | -- | 10,996 |
| INTEREST EXPENSE, including amortization of deferred financing costs | -- | 7,247 | -- | 7,247 |
| OTHER INCOME, net | 7 | 9,700 | -- | 9,707 |
| (Loss) income before provision for income taxes and extraordinary loss | (5,052) | 18,508 | -- | 13,456 |
| PROVISION FOR INCOME TAXES | -- | (5,818) | -- | (5,818) |
| EQUITY IN LOSSES OF SUBSIDIARIES | -- | (5,052) | 5,052 | -- |
| NET (LOSS) INCOME | \$ (5,052) | \$ 7,638 | \$ 5,052 | \$ 7,638 |
| NET (LOSS) INCOME APPLICABLE TO COMMON STOCKHOLDERS | \$ (5,052) | \$ 7,638 | | \$ 7,638 |

RADIO ONE, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2000

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|--|---------------------------------------|--------------------|--------------|--------------|
| REVENUE: | | | | |
| Broadcast revenue, including barter revenue | \$ 8,568 | \$ 28,663 | \$ -- | \$ 37,231 |
| Less: agency commissions | 1,015 | 3,573 | -- | 4,588 |
| Net broadcast revenue | 7,553 | 25,090 | -- | 32,643 |
| OPERATING EXPENSES: | | | | |
| Program and technical | 1,159 | 3,538 | -- | 4,697 |
| Selling, general and administrative | 2,992 | 8,500 | -- | 11,492 |
| Corporate expenses | -- | 1,282 | -- | 1,282 |
| Depreciation and amortization | 5,984 | 1,198 | -- | 7,182 |
| Total operating expenses | 10,135 | 14,518 | -- | 24,653 |
| Broadcast operating (loss) income | (2,582) | 10,572 | -- | 7,990 |
| INTEREST EXPENSE, including amortization of deferred financing costs | -- | 3,665 | -- | 3,665 |
| OTHER INCOME, net | 4 | 5,466 | -- | 5,470 |
| (Loss) income before provision for income taxes and extraordinary loss | (2,578) | 12,373 | -- | 9,795 |
| PROVISION FOR INCOME TAXES | -- | (4,218) | -- | (4,218) |
| EQUITY IN LOSSES OF SUBSIDIARIES | -- | (2,578) | 2,578 | -- |
| NET (LOSS) INCOME | \$ (2,578) | \$ 5,577 | \$ 2,578 | \$ 5,577 |
| NET (LOSS) INCOME APPLICABLE TO COMMON STOCKHOLDERS | \$ (2,578) | \$ 5,577 | | \$ 5,577 |

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2001

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|---|---------------------------------------|--------------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net (loss) income | \$ (48,365) | \$ (29,787) | \$ 48,365 | \$ (29,787) |
| Adjustments to reconcile net (loss) income to net cash from operating activities: | | | | |
| Depreciation and amortization | 53,777 | 8,598 | -- | 62,375 |
| Amortization of debt financing costs, unamortized discount and deferred interest | -- | 1,016 | -- | 1,016 |
| Deferred income taxes | 940 | (14,461) | -- | (13,521) |
| Non-cash compensation to officer | -- | 475 | -- | 475 |
| Loss on write-off of investments | -- | 1,206 | -- | 1,206 |
| Gain on sale of assets, net | -- | (4,272) | -- | (4,272) |
| Extraordinary loss on debt retirement, net of taxes | -- | 7,771 | -- | 7,771 |
| Effect of change in operating assets and liabilities- | | | | |
| Trade accounts receivable | (109) | (3,046) | -- | (3,155) |
| Due to Corporate/from Subsidiaries | (5,530) | 5,530 | -- | -- |
| Income tax receivable | -- | 476 | -- | 476 |
| Prepaid expenses and other | (297) | 72 | -- | (225) |
| Other assets | 60 | (1,262) | -- | (1,202) |
| Accounts payable | (221) | (9,501) | -- | (9,722) |
| Accrued expenses and other | 184 | 2,451 | -- | 2,635 |
| Net cash flows from operating activities | 439 | (34,734) | 48,365 | 14,070 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of property and equipment | (226) | (2,614) | -- | (2,840) |
| Investment in subsidiaries | -- | 48,365 | (48,365) | -- |
| Equity investments | -- | (210) | -- | (210) |
| Proceeds from sale of assets, net | -- | 69,254 | -- | 69,254 |
| Deposits and payments for station purchases | -- | (70,286) | -- | (70,286) |
| Net cash flows from investing activities | (226) | 44,509 | (48,365) | (4,082) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Repayment of debt | -- | (303,648) | -- | (303,648) |
| Proceeds from debt issuances | -- | 300,000 | -- | 300,000 |
| Payment of preferred stock issuance costs | -- | (9) | -- | (9) |
| Payment of preferred stock dividends | -- | (10,070) | -- | (10,070) |
| Deferred financing costs | -- | (7,861) | -- | (7,861) |
| Proceeds from exercise of stock options | -- | 240 | -- | 240 |
| Net cash flows from financing activities | -- | (21,348) | -- | (21,348) |
| INCREASE IN CASH AND CASH EQUIVALENTS | 213 | (11,573) | -- | (11,360) |
| CASH AND CASH EQUIVALENTS, beginning of period | 105 | 20,774 | -- | 20,879 |
| CASH AND CASH EQUIVALENTS, end of period | \$ 318 | \$ 9,201 | \$ -- | \$ 9,519 |

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2000

(UNAUDITED, IN THOUSANDS)

| | Combined Guarantor Subsidiaries | Radio One, Inc. | Eliminations | Consolidated |
|---|---------------------------------------|-----------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net (loss) income | \$ (5,052) | \$ 7,638 | \$ 5,052 | \$ 7,638 |
| Adjustments to reconcile net (loss) income to net cash from operating activities: | | | | |
| Depreciation and amortization | 10,924 | 1,747 | -- | 12,671 |
| Amortization of debt financing costs, unamortized discount and deferred interest | -- | 2,014 | -- | 2,014 |
| Deferred income taxes and reduction in valuation reserve on deferred taxes | -- | (244) | -- | (244) |
| Loss on sale of investments | -- | 225 | -- | 225 |
| Non-cash advertising revenue in exchange for equity investments | -- | (658) | -- | (658) |
| Effect of change in operating assets and liabilities- | | | | |
| Trade accounts receivable | (183) | (5,115) | -- | (5,298) |
| Due to corporate/from subsidiaries | (5,714) | 5,714 | -- | -- |
| Prepaid expenses and other | (50) | (256) | -- | (306) |
| Other assets | 11 | 210 | -- | 221 |
| Accounts payable | 25 | 1,085 | -- | 1,110 |
| Accrued expenses and other | 105 | 1,412 | -- | 1,517 |
| Net cash flows from operating activities | 66 | 13,772 | 5,052 | 18,890 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of property and equipment | -- | (1,397) | -- | (1,397) |
| Investment in subsidiary | -- | 5,052 | (5,052) | -- |
| Equity investments | -- | (884) | -- | (884) |
| Proceeds from sale of available-for-sale investments, net | -- | 51,114 | -- | 51,114 |
| Deposits and payments for station purchases | -- | (262,244) | -- | (262,244) |
| Net cash flows from investing activities | -- | (208,359) | (5,052) | (213,411) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Repayment of debt | -- | (32) | -- | (32) |
| Proceeds from issuance of common stock, net of issuance costs | -- | 335,982 | -- | 335,982 |
| Proceeds from exercise of stock options | -- | 433 | -- | 433 |
| Net cash flows from financing activities | -- | 336,383 | -- | 336,383 |
| INCREASE IN CASH AND CASH EQUIVALENTS | 66 | 141,796 | -- | 141,862 |
| CASH AND CASH EQUIVALENTS, beginning of period | 31 | 6,190 | -- | 6,221 |
| CASH AND CASH EQUIVALENTS, end of period | \$ 97 | \$ 147,986 | \$ -- | \$ 148,083 |

Item 2. 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 contained in the Company's Annual Report on Form 10-K/A for the year ended December 31, 2000.

RESULTS OF OPERATIONS

Comparison of periods ended June 30, 2000 to the periods ended June 30, 2001
(all periods are unaudited - all numbers in 000s except per share data).

| | Three months ended June 30, 2000 | Three months ended June 30, 2001 | Six months ended June 30, 2000 | Six months ended June 30, 2001 |
|--|---|---|---|---|
| | ----- | ----- | ----- | ----- |
| STATEMENT OF OPERATIONS DATA: | | | | |
| REVENUE: | | | | |
| Broadcast revenue | \$ 37,231 | \$ 70,930 | \$ 62,355 | \$ 125,203 |
| Less: Agency commissions | 4,588 | 8,645 | 7,560 | 14,993 |
| | ----- | ----- | ----- | ----- |
| Net broadcast revenue | 32,643 | 62,285 | 54,795 | 110,210 |
| | ----- | ----- | ----- | ----- |
| OPERATING EXPENSES: | | | | |
| Programming and technical | 4,697 | 9,151 | 8,937 | 18,007 |
| Selling, G&A | 11,492 | 19,090 | 19,791 | 36,206 |
| Corporate expenses | 1,282 | 1,683 | 2,400 | 3,523 |
| Non-cash compensation | - | 237 | - | 475 |
| Depreciation & amortization | 7,182 | 30,851 | 12,671 | 62,375 |
| | ----- | ----- | ----- | ----- |
| Total operating expenses | 24,653 | 61,012 | 43,799 | 120,586 |
| | ----- | ----- | ----- | ----- |
| Operating income (loss) | 7,990 | 1,273 | 10,996 | (10,376) |
| INTEREST EXPENSE | 3,665 | 14,717 | 7,247 | 30,418 |
| GAIN ON SALE OF ASSETS, net | - | - | - | 4,272 |
| OTHER INCOME (EXPENSE), net | 5,470 | (596) | 9,707 | - |
| | ----- | ----- | ----- | ----- |
| Income (loss) before provision (benefit) for income taxes | 9,795 | (14,040) | 13,456 | (36,522) |
| PROVISION (BENEFIT) FOR INCOME TAXES | 4,218 | (4,633) | 5,818 | (11,942) |
| | ----- | ----- | ----- | ----- |
| Net income (loss) before extraordinary item | 5,577 | (9,407) | 7,638 | (24,580) |
| EXTRAORDINARY LOSS ON DEBT RETIREMENT, net of taxes | - | 5,207 | - | 5,207 |
| | ----- | ----- | ----- | ----- |
| Net income (loss) | \$ 5,577 | \$ (14,614) | \$ 7,638 | \$ (29,787) |
| | ===== | ===== | ===== | ===== |
| Net income (loss) applicable to common shareholders | \$ 5,577 | \$ (19,646) | \$ 7,638 | \$ (39,857) |
| | ===== | ===== | ===== | ===== |

| | Three months ended June 30, 2000 ----- | Three months ended June 30, 2001 ----- | Six months ended June 30, 2000 ----- | Six months ended June 30, 2001 ----- |
|---|--|--|--|--|
| BASIC AND DILUTED PER SHARE DATA: | | | | |
| Net income (loss) before extraordinary item per share | \$ 0.07 | \$ (0.11) | \$ 0.09 | \$ (0.28) |
| Extraordinary item per share | -- | (0.06) | -- | (0.06) |
| Net income (loss) per share | 0.07 | (0.17) | 0.09 | (0.34) |
| Net income (loss) per share before extraordinary item applicable to common shareholders | \$ 0.07 | \$ (0.16) | \$ 0.09 | \$ (0.40) |
| Extraordinary item per share | -- | (0.06) | -- | (0.06) |
| Net income (loss) per share applicable to common shareholders | 0.07 | (0.22) | 0.09 | (0.46) |
| OTHER DATA: | | | | |
| Broadcast cash flow (a) | \$ 16,454 | \$ 34,044 | \$ 26,067 | \$ 55,997 |
| Broadcast cash flow margin | 50.4% | 54.7% | 47.6% | 50.8% |
| EBITDA (b) | \$ 15,172 | \$ 32,361 | \$ 23,667 | \$ 52,474 |
| EBITDA margin | 46.5% | 52.0% | 43.2% | 47.6% |
| After-tax cash flow (c) | \$ 12,277 | \$ 13,963 | \$ 19,726 | \$ 16,078 |
| Capital expenditures | 829 | 1,189 | 1,397 | 2,840 |
| Weighted average shares outstanding - basic (d) | 84,994 | 88,252 | 83,038 | 87,532 |
| Weighted average shares outstanding - diluted (e) | 85,256 | 88,917 | 83,316 | 88,036 |
| SAME STATION RESULTS (f): | | | | |
| Net revenue | \$ 32,618 | \$ 34,036 | \$ 54,770 | \$ 57,239 |
| Broadcast cash flow | 16,428 | 18,501 | 26,041 | 28,798 |
| Broadcast cash flow margin | 50.4% | 54.4% | 47.5% | 50.3% |

Net broadcast revenue increased to approximately \$62.3 million for the quarter ended June 30, 2001 from approximately \$32.6 million for the quarter ended June 30, 2000 or 91%. Net broadcast revenue increased to approximately \$110.2 million for the six months ended June 30, 2001 from approximately \$54.8 million for the six months ended June 30, 2000 or 101%. These increases in net broadcast revenue were the result of continuing broadcast revenue growth in many of the Company's markets in which it has operated for at least one year as the Company benefited from historical ratings increases at certain of its radio stations. Additional revenue gains of approximately \$23.5 million and \$45.0 million for the quarter and six months ended June 30, 2001, respectively, were derived from the Company's 2000 acquisition of radio stations from Clear Channel Communications and AMFM.

Operating expenses excluding depreciation, amortization and non-cash compensation increased to approximately \$29.9 million for the quarter ended June 30, 2001 from approximately \$17.5 million for the quarter ended June 30, 2000 or 71%. Operating expenses excluding depreciation, amortization and non-cash compensation increased to approximately \$57.7 million for the six months ended June 30, 2001 from approximately \$31.1 million for the six months ended June 30, 2000 or 86%. These increases in expenses

were related to the Company's rapid expansion within all of the markets in which it operates including increased variable costs associated with increased revenue, as well as start-up and expansion expenses in its newer markets as well as higher costs associated with operating as a public company.

Broadcast operating income was approximately \$1.3 million for the quarter ended June 30, 2001 compared to broadcast operating income of \$8.0 million for the quarter ended June 30, 2000. Broadcast operating loss was approximately \$10.4 million for the six months ended June 30, 2001 compared to the broadcast operating income of \$11 million for the quarter ended June 30, 2000. These decreases in net broadcast operating income were attributable to higher revenue as described above more than offset by higher depreciation and amortization expenses associated with the Company's several acquisitions made in 2000 and 2001.

Interest expense increased to approximately \$14.7 million for the quarter ended June 30, 2001 from approximately \$3.7 million for the quarter ended June 30, 2000 or 297%. Interest expense increased to approximately \$30.4 million for the six months ended June 30, 2001 from approximately \$7.2 million for the six months ended June 30, 2000 or 322%. These increases relate primarily to borrowings associated with the acquisition of radio stations from Clear Channel Communications and AMFM.

Other (expense) income was approximately \$(0.6) million for the quarter ended June 30, 2001 compared to approximately \$5.5 million for the quarter ended June 30, 2000. This change was the result of an approximately \$1.2 million write-down of the Company's investment in NetNoir, Inc. partially offset by interest income. Other income decreased to zero for the six months ended June 30, 2001 from approximately \$9.7 million for the six months ended June 30, 2000. This decrease was due to the Company having normalized cash balance levels during the first half of 2001 as compared to high cash and investment balances resulting from its follow-on equity offerings in November 1999 and March 2000 completed in anticipation of the acquisition of radio stations from Clear Channel Communications and AMFM, which was consummated in August 2000.

(Loss) income before provision for income taxes was approximately \$(14.0) million for the quarter ended June 30, 2001 compared to approximately \$9.8 million for the quarter ended June 30, 2000. (Loss) income before provision for income taxes was approximately \$(36.5) million for the six months ended June 30, 2001 compared to approximately \$13.5 million for the six months ended June 30, 2000. These changes were due to lower operating income due to higher non-cash charges and higher interest expense due to higher levels of debt outstanding as outlined above.

Net (loss) income was approximately \$(14.6) million for the quarter ended June 30, 2001 compared to \$5.6 million for the quarter ended June 30, 2000. Net (loss) income was approximately \$(29.8) million for the six months ended June 30, 2001 compared to approximately \$7.6 million for the six months ended June 30, 2000. These changes were due to the (loss) before provision for income taxes versus income before provision for income taxes in the previous year's periods as well as an extraordinary charge in conjunction with the Company's refinancing of its 12% Senior Subordinated Notes with a new offering of 8-7/8% Senior Subordinated Notes in May 2001, partially offset by a tax benefit compared to a tax provision during last year's periods.

Broadcast cash flow increased to approximately \$34.0 million for the quarter ended June 30, 2001 from approximately \$16.5 million for the quarter ended June 30, 2000 or 106%. Broadcast cash flow increased to approximately \$56.0 million for the six months ended June 30, 2001 from approximately \$26.1 million for the six months ended June 30, 2000 or 115%. 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 non-cash compensation expense, increased to approximately \$32.4 million for the quarter ended June 30, 2001 from

approximately \$15.2 million for the quarter ended June 30, 2000 or 113%. Earnings before interest, taxes, depreciation, and amortization (EBITDA), and excluding non-cash compensation expense, increased to approximately \$52.5 million for the six months ended June 30, 2001 from approximately \$23.7 million for the six months ended June 30, 2000 or 122%. These increases were attributable to the increase in broadcast revenue partially offset by higher operating expenses and higher corporate expenses associated with the costs of operating as a public company.

The table above includes information regarding broadcast cash flow, EBITDA, and after-tax cash flow. Broadcast cash flow, EBITDA, and after-tax cash flow are not measures of performance or liquidity calculated in accordance with GAAP, however we believe that these measures are useful to an investor in evaluating the Company because these measures are widely used in the broadcast industry as a measure of a radio broadcasting company's performance. Nevertheless, broadcast cash flow, EBITDA and after-tax cash flow should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Moreover, because broadcast cash flow, EBITDA and after-tax cash flow are not measures calculated in accordance with GAAP, these performance measures are not necessarily comparable to similarly titled measures employed by other companies.

- (a) "Broadcast cash flow" is defined as broadcast operating income plus corporate expenses (including non-cash compensation) and depreciation and amortization of both tangible and intangible assets.
- (b) "EBITDA" is defined as earnings before interest, taxes, depreciation, amortization and non-cash compensation.
- (c) "After-tax cash flow" is defined as income before income taxes and extraordinary items plus depreciation, amortization and non-cash compensation, non-cash interest expense and non-cash loss/(gain) on investments, less the current income tax liability/(benefit) and preferred stock dividends.
- (d) As of June 30, 2001 the Company had 88,252,000 shares of Common Stock outstanding on a weighted average basis for the quarter.
- (e) As of June 30, 2001 the Company had 88,917,000 shares of Common Stock outstanding on a weighted average basis for the quarter, diluted for outstanding stock options.
- (f) Same station results include results only for those stations owned and/or operated by the Company for the full one-year period in question.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary source of liquidity is cash provided by operations and, to the extent necessary, commitments available under the Company's Credit Facility. The Credit Facility contains covenants limiting the Company's ability to incur additional debt and additional liens, make dividends and other payments with respect to the Company's equity securities, make new investments and sell assets. The Credit Facility also requires compliance with financial tests based on financial position and results of operations, including a leverage ratio, an interest coverage ratio and a fixed charge coverage ratio, all of which could effectively limit the Company's ability to borrow or otherwise raise funds in the credit and capital markets.

The Company has used, and may continue to use, a significant portion of the Company's capital resources to consummate acquisitions. These acquisitions were or will be funded from (i) the Company's Credit Facility (ii) the proceeds of the historical offerings of the Company's common stock and preferred stock, (iii) the proceeds of future common and /or preferred stock, and /or debt offerings, and (iv) internally generated cash flow.

The Company's balance of cash and cash equivalents was approximately \$20.9 million as of December 31, 2000. The Company's balance of cash and cash equivalents was approximately \$9.5 million as of June 30, 2001. This decrease resulted primarily from preferred dividend and credit facility payments, escrow deposits on the acquisitions of Blue Chip Broadcasting, Inc. and radio station WPEZ-FM, and operating activities during the six months of 2001. The Company has entered into a bank credit facility under which the Company has borrowed \$350.0 million in term loans and may borrow up to \$250.0 million on a revolving basis, and which the Company has historically drawn down as capital was required, primarily for acquisitions. As of June 30, 2001, the Company had \$250.0 million available to be drawn.

Net cash flows from operating activities decreased to approximately \$14.1 million for the six months ended June 30, 2001 from approximately \$18.9 million for the six months ended June 30, 2000 or 25%. This decrease was due to lower net income, increased deferred income taxes, higher trade accounts receivable and lower accounts payable partially offset by an extraordinary loss associated with the Company's retirement of the 12% Senior Subordinated Notes and higher depreciation and amortization charges. Non-cash expenses of depreciation and amortization increased to approximately \$62.4 million for the six months ended June 30, 2001 from approximately \$12.7 million for the six months ended June 30, 2000 or 391% due primarily to acquisitions in 2000, particularly the acquisition of stations from Clear Channel Communications and AMFM.

Net cash flows from investing activities decreased to approximately \$4.1 million for the six months ended June 30, 2001 compared to an approximately \$213.0 million decrease for the six months ended June 30, 2000. During the six months ended June 30, 2001 the Company acquired Nash Communications, which owned and operated WILD-AM, in the Boston, Massachusetts market, for approximately \$5.0 million. The Company acquired WTLC-AM and the intellectual property of WTLC-FM, in the Indianapolis, Indiana market for approximately \$8.2 million. The Company also acquired KTXQ-FM (formerly KDGE-FM), in the Dallas, Texas market for approximately \$52.5 million. Also during the six months ended June 30, 2001 the Company completed the sale of KJOI-AM (formerly KLUV-AM) in Dallas, Texas, for approximately \$16.0 million. The Company also completed the sale of WDYL-FM in Richmond, Virginia, and two radio stations, WJMZ-FM and WPEK-FM, in the Greenville, South Carolina market for approximately \$52.5 million and WARV-FM in the Richmond, Virginia market for approximately \$1.0 million. The Company also made escrow deposits of \$5.0 million for the acquisition of Blue Chip Broadcasting, Inc. and \$2.8 million on the anticipated acquisition of WPEZ-FM, which is in the process of being moved to the Atlanta, Georgia market. During the six months ended June 30, 2001, the Company made purchases of capital equipment totaling approximately \$2.8 million. During the six months ended June 30, 2000, the Company acquired WPLY-FM in the Philadelphia, Pennsylvania market for approximately \$80.0 million. The Company also acquired Davis Broadcasting, Inc., owner and operator of six radio stations in the Charlotte, North Carolina

and Augusta, Georgia markets for approximately \$24.2 million, and three radio stations and one low power television station in the Indianapolis, Indiana market for approximately \$40.0 million. The Company also made an escrow deposit of approximately \$130.3 million for the August 2000 acquisition of 12 radio stations from Clear Channel Communications and AMFM.

Net cash flows for financing activities decreased to approximately \$21.3 million for the six months ended June 30, 2001 compared to an increase of approximately \$336.4 million for the six months ended June 30, 2000. The decrease in 2001 was primarily driven by debt repayment and preferred stock dividend payments. The Company completed the sale of \$300.0 million of 8-7/8% Subordinated Notes due July 2011 in May 2001. The proceeds from the notes were used to repay \$200.0 million of the Company's Credit Facility and also redeem the Company's 12% Senior Subordinated Notes due 2004 (Former Notes). In addition, the Company paid approximately \$10.0 million in preferred stock dividends. During the six months ended June 30, 2000, the Company had completed a public offering of common stock that raised net proceeds of approximately \$336.0 million. Most of the proceeds were used to fund the Company's acquisitions in 2000.

As a result of the aforementioned, cash and cash equivalents decreased by \$11.4 million during the six months ended June 30, 2001 compared to an increase of approximately \$141.9 million during the six months ended June 30, 2000.

In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 141 (SFAS 141) "Business Combinations" and No. 142 (SFAS 142) "Goodwill and Other Intangible Assets". SFAS 141 requires all business combinations to be accounted for using the purchase method. SFAS 142 requires a non-amortization approach to account for purchased goodwill and certain intangibles. Under a non-amortization approach, goodwill and certain intangibles will not be amortized into results of operation, but instead, would be reviewed for impairment and written down and charged to results of operations only in the periods in which the carrying value of goodwill and certain intangibles is more than its fair value. The Company will adopt the provisions of these two statements on January 1, 2002. The adoption of these pronouncements may result in the reduction of amortization of goodwill and intangibles. Management has not quantified the impact of these statements on the statement of operations.

This discussion may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Because these statements apply to future events, they are subject to risks and uncertainties that could cause actual results to differ materially, including the absence of a combined operating history with an acquired company or radio station and the potential inability to integrate acquired businesses, need for additional financing, high degree of leverage, granting of rights to acquire certain portions of the acquired company's or radio station's operations, variable economic conditions and consumer tastes, as well as restrictions imposed by existing debt and future payment obligations. Important factors that could cause actual results to differ materially are described in the Company's reports on Forms 10-K and 10-Q and other filings with the Securities and Exchange Commission.

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 and Use of Proceeds

In April 2001, the Company sold to Alfred C. Liggins, III, its Chief Executive Officer, 1.5 million unregistered shares of the Company's Class D Common Stock. These shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

On June 5, 2001, the Company held the Annual Meeting of its holders of Common Stock pursuant to a Notice of Annual Meeting of Stockholders and Proxy Statement dated April 24, 2001, a copy of which has been filed previously with the Securities and Exchange Commission. Stockholders were asked to vote upon the following proposals:

1. The election of Brian W. McNeill and Terry L. Jones as Class A directors to serve until the 2002 annual meeting of Stockholders or until their successors are duly elected and qualified.
2. The election of Catherine L. Hughes, Alfred C. Liggins, III, Larry D. Marcus, D. Geoffrey Armstrong, and L. Ross Love as directors to serve until the 2002 annual meeting of Stockholders or until their successors are duly elected and qualified.
3. The amendment of the Company's Amended and Restated Bylaws to permit the filling of vacancies on the Board of Directors by majority vote of the Stockholders or the Board of Directors.
4. The ratification of the amendment to the 1999 Option and Restricted Stock Grant Plan increasing the number of shares of class D common stock reserved for issuance under the Plan from 2,816,198 shares to 3,816,198 shares.
5. The ratification of the appointment of Arthur Andersen LLP as independent public accountants for the Company for the fiscal year ended December 31, 2001.

All proposals were adopted by a majority of the holders of Common Stock. The results of the vote tabulation were as follows:

| | | NUMBER OF VOTES | |
|------------|--------------------|-----------------|------------|
| | | Class A | Class B |
| | | ----- | ----- |
| PROPOSAL 1 | | | |
| ----- | | | |
| McNeill | | | |
| | For | 20,447,132 | N/A |
| | Withhold Authority | 130,276 | N/A |
| Jones | | | |
| | For | 20,447,132 | N/A |
| | Withhold Authority | 130,276 | N/A |
| PROPOSAL 2 | | | |
| ----- | | | |
| Hughes | | | |
| | For | 17,140,430 | 28,618,430 |
| | Withhold Authority | 3,436,978 | N/A |
| Liggins | | | |
| | For | 17,140,430 | 28,618,430 |
| | Withhold Authority | 3,436,978 | 0 |
| Marcus | | | |
| | For | 20,447,432 | 28,618,430 |
| | Withhold Authority | 129,976 | 0 |
| Armstrong | | | |
| | For | 20,447,432 | 28,618,430 |
| | Withhold Authority | 129,976 | 0 |
| Love | | | |
| | For | 20,441,782 | 28,618,430 |
| | Withhold Authority | 135,626 | 0 |

| | Class A ----- | Class B ----- |
|---------------------|------------------|------------------|
| PROPOSAL 3 ----- | | |
| For | 17,037,235 | 28,618,430 |
| Against | 2,137,060 | 0 |
| Abstain | 3,679 | 0 |
| Broker Non-Votes | 1,399,434 | 0 |
| PROPOSAL 4 ----- | | |
| For | 11,210,688 | 28,618,430 |
| Against | 9,338,357 | 0 |
| Abstain | 28,363 | 0 |
| PROPOSAL 5 ----- | | |
| For | 16,447,132 | 28,618,430 |
| Against | 4,128,249 | 0 |
| Abstain | 2,026 | 0 |

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS

- 3.1 Amended and Restated Certificate of Incorporation of Radio One, Inc. (dated as of May 4, 2000), as filed with the State of Delaware on May 9, 2000 (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended March 31, 2000 (File No. 000-25969; Film No. 631638)).
- 3.1.1 Certificate of Amendment (dated as of September 21, 2000) of the Amended and Restated Certificate of Incorporation of Radio One, Inc. (dated as of May 4, 2000), as filed with the State of Delaware on September 21, 2000 (incorporated by reference to Radio One's Current Report on Form 8-K filed October 6, 2000 (File No. 000-25969; Film No. 736375)).
- 3.2 Amended and Restated By-laws of Radio One, Inc., amended as of June 5, 2001.
- 3.3 Certificate Of Designations, Rights and Preferences of the 6 1/2% Convertible

Preferred Securities Remarketable Term Income Deferrable Equity Securities (HIGH TIDES) of Radio One, Inc., as filed with the State of Delaware on July 13, 2000 (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 2000 (File No. 000-25969; Film No. 698190)).

- 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 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)).
- 4.7 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 (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 4.10 Registration Rights Agreement, dated as of July 14, 2000, by and among Radio One, Inc., and Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated, Bank of America Securities LLC, and First Union Securities, Inc., as the Initial Purchasers of Radio One, Inc.'s 6 1/2% Convertible Preferred Securities Remarketable Term Income Deferrable Equity Securities (HIGH TIDES) (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 2000 (File No. 000-25969; Film No. 698190)).
- 4.11 Remarketing Agreement, dated as of July 14, 2000, by and among Radio One, Inc., American Stock Transfer & Trust Co., as Tender Agent and Credit Suisse First Boston Corporation, as Remarketing Agent, for Radio One, Inc.'s 6 1/2% Convertible Preferred Securities Remarketable Term Income Deferrable Equity Securities (HIGH TIDES) (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 2000 (File No. 000-25969; Film No. 698190)).

- 4.12 Global Security Certificate for Radio One, Inc.'s 6 1/2% Convertible Preferred Securities Remarketable Term Income Deferrable Equity Securities (HIGH TIDES) (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 2000 (File No. 000-25969; Film No. 698190)).
- 4.13 Registration Rights Agreement, dated February 7, 2001, by and between Radio One, Inc. and certain stockholders of Blue Chip Broadcasting, Inc. listed therein (incorporated by reference to Exhibit 4.1 of Radio One's Current Report on Form 8-K filed February 8, 2001 (File No. 000-25969; Film No. 1528282)).
- 4.14 Indenture dated May 18, 2001 among Radio One, Inc., the Guarantors listed therein, and United States Trust Company of New York (incorporated by reference to Radio One's Registration Statement on Form S-4, filed July 17, 2001 (File No. 333-65278; Film No. 1683373)).
- 4.15 Form of 8-7/8% Senior Subordinated Notes, due 2011 governed by the Indenture dated May 18, 2001 (incorporated by reference to Radio One's Registration Statement on Form S-4, filed July 17, 2001 (File No. 333-65278; Film No. 1683373)).
- 4.16 Registration Rights Agreement dated May 18, 2001 among Radio One, Inc., the Guarantors, Banc of America Securities LLC, Credit Suisse First Boston Corporation, Deutsche Banc Alex. Brown Inc., Blaylock & Partners, L.P., First Union Securities, Inc., Morgan Stanley & Co. Incorporated and TD Securities (USA) Inc. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed July 17, 2001 (File No. 333-65278; Film No. 1683373)).
- 10.65 Asset Purchase Agreement dated June 21, 2001 between Radio One, Inc. and U.S. Broadcasting Limited Partnership.
- 10.66 Employment Agreement dated April 9, 2001 between Radio One, Inc. and Alfred C. Liggins, III.

(b) REPORTS ON FORM 8-K

The Company filed a Form 8-K/A dated April 9, 2001 to amend its Form 8-K filed on February 8, 2001. The Company added the Financial Statements of the Business Acquired required by Item 7(a) and the Pro Forma Financial Information required by Item 7(b).

The Company filed a Form 8-K dated April 18, 2001 for the purpose of (i) disclosing its intention to sell \$300 million of ten year subordinated notes, and (ii) updating its revenue and broadcast cash flow guidance for its fiscal year ending December 31, 2001.

The Company filed a Form 8-K dated May 4, 2001 for the purpose of (i) releasing its results of operations for the first quarter of 2001, and (ii) disclosing its sale of \$300 million in 8-7/8% senior subordinated notes due July 2011.

The Company filed a Form 8-K dated May 16, 2001 disclosing its updated guidance for interest expense and shares outstanding for the second quarter of its fiscal year ending December 31, 2001.

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

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

August 14, 2001

AMENDED AND RESTATED
BYLAWS
OF
RADIO ONE, INC.
(as of June 5, 2001)

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 2000, prior to the last day of September. 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 number of

directors shall be no fewer than 5 nor more than 11, as determined from time to time by resolution of the board or as otherwise provided in the certificate of incorporation of the corporation. The directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors. The directors shall be elected in this manner at the annual meeting of the stockholders, except as provided in Section 3 of this Article III. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

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. Except as otherwise provided by the certificate

of incorporation of the Corporation or any amendments thereto, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority vote of the holders of the Corporation's outstanding stock entitled to vote thereon or by a majority vote of the Board of Directors. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

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.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into this 21st day of June, 2001, by and between (i) U.S. BROADCASTING LIMITED PARTNERSHIP, a State of Georgia limited partnership (hereinafter referred to as "Seller"), and (ii) RADIO ONE, INC., a State of Delaware corporation (hereinafter referred to as "Purchaser").

RECITALS:

A. Seller is the licensee, owner and operator of radio broadcast station WPEZ-FM, licensed to Macon, Georgia (the "Station"), pursuant to certain licenses and authorizations and approvals granted to Seller by the Federal Communications Commission (the "FCC").

B. The Station is presently licensed to Macon, Georgia. As described herein, the city of license of the Station will be changed to Hampton, Georgia.

C. Subject to the consent of the FCC and the terms and conditions of this Agreement, Purchaser desires to acquire all of Seller's right, title and interest in certain assets used or useful in the operation of the Station, as more specifically described herein, including the license and other authorizations issued by the FCC for the operation of the Station (the "FCC Authorizations").

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

1. Definitions. Unless otherwise stated in this Agreement, the following terms shall have the following meanings:

(a) Assets. "Assets" shall have the meaning assigned to such term in Section 3 of the Agreement.

(b) Assignment Application. "Assignment Application" means the application(s) which the parties hereto will join in and file with the FCC requesting its written consent to the assignment of the FCC Authorizations for the Station from Seller to Purchaser as provided for in Section 10 of this Agreement.

(c) Closing Date. "Closing Date" means, the tenth business day after the date upon which the FCC grant of the Assignment Application shall have become a Final Order

referred to in Section 1(i), or such other date as the parties may agree upon in writing. Notwithstanding the foregoing, the Closing Date shall not occur prior to January 30, 2002. Purchaser shall also have the option to extend the Closing Date for a period of up to six (6) months beyond the January 30, 2002 date, provided Purchaser notifies Seller in writing of such intent at least fifteen (15) days prior to January 30, 2002.

(d) Closing Place. "Closing Place" means such place as the parties

shall mutually agree.

(e) Construction Permit. "Construction Permit" shall have the meaning

assigned to such term in Section 2 of the Agreement.

(f) FCC. "FCC" means the Federal Communications Commission.

(g) FCC License to Cover Construction. "FCC License to Cover" shall

have the meaning assigned to such term in Section 19(j) of the Agreement.

(h) FCC Consent. "FCC Consent" means the action taken by the FCC or

its Mass Media Bureau granting the Assignment Application without any condition which in the Purchaser's reasonable judgement is or would be materially adverse to Purchaser, thereby granting consent by the FCC to the assignment of the FCC Authorizations from Seller to Purchaser.

(i) Final Order. For purposes of this Agreement, the term "Final

Order" shall mean the FCC Consent, which FCC Consent shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; and with respect to which action no timely request for stay, application for review, petition for rehearing or reconsideration, appeal or request for writ of certiorari, or sua

sponte action of the FCC or its staff with comparable effect, shall be pending;

and as to which the time for filing of any such request, petition, appeal, petition for writ of certiorari, and for the taking of any such sua sponte

action by the FCC or its staff shall have expired or otherwise terminated. The parties may agree to waive the requirement that consent shall have become a Final Order.

(h) Station. "Station" means radio broadcast Station WPEZ-FM, Macon,

Georgia.

2. Station. The Station is presently licensed to Macon, Georgia, where

its transmitter and transmitting facilities are located. The Mass Media Bureau of the FCC granted the petition of Seller to change the table of FM allotments to add Channel 300C1 to Hampton, Georgia. Seller thereafter filed with the FCC an Application for FM Broadcast Station Construction Permit (File No. BPH-19990203ID), as amended (the "Construction Permit"), which was granted by the FCC on January 4, 2001 (Public Notice Report No. 44897). Pursuant to the Construction Permit, the Station shall be downgraded from Class C1 to Class C2, the city of license shall be changed to Hampton, Georgia, and the transmitter location and transmitting facilities shall be relocated to Fayette County, Georgia.

3. Assets to be Conveyed. Subject to the terms and conditions hereof, on

the Closing Date at the Closing Place, Seller shall sell, assign, convey, transfer and deliver to Purchaser by delivery of bills of sale or other documents of transfer (in a form reasonably satisfactory to Purchaser), and Purchaser will acquire and purchase all of Seller's right, title and interest in the following assets owned by Seller and used or held for use in connection with the business and operations of the Station (the "Assets"):

(a) FCC Authorizations. The FCC Authorizations as listed in Schedule

3(a) attached hereto, together with any renewals, extensions or modifications

therefor and additions thereto or applications filed between the date hereof and the Closing Date.

(b) Files, Records, Documents and Logs. All files, records, documents

and logs pertaining to the Station or its operation in the possession of Seller.

(c) Tower Lease Agreement. All of Seller's right, title and interest under that certain Lease Agreement entered into by and between Seller and American Tower Systems, L.P., a Delaware limited partnership (the "Lease Agreement"), dated January 30, 2001, attached hereto as Schedule 3(b).

(d) Equipment. All of Seller's rights, title and interest in the

equipment used in the construction of the facilities authorized by the Construction Permit.

The Assets when transferred on the Closing Date shall be free and clear of any and all liens, mortgages, deeds of trust, mortgage deeds, pledges, security interests, charges, and encumbrances whatsoever.

4. Excluded Assets. Seller shall retain, and shall not sell or assign to

Purchaser any assets of Seller other than the Assets as set forth in Section 3 of this Agreement. Excluded assets shall include, among others, the Station's call letters, programming, accounts receivable, cash on hand, deposits and similar items.

5. Assumed Liabilities. Purchaser shall assume and perform all of the

obligations of Seller under the Lease Agreement from and after the Closing Date. Except as otherwise specifically provided herein, Purchaser shall not assume or be liable for, and does not undertake to attempt to, assume or discharge: (i) any liability or obligation of Seller arising out of or relating to any contract, lease agreement, or instrument; (ii) any liability or obligation of Seller arising out of or relating to any employee benefit plan otherwise relating to employment; (iii) any liability or obligation of Seller arising out of or relating to any litigation, proceeding or claim (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date); (iv) any other liabilities, obligations, debts or commitments of Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (v) any claims asserted against the Station or any of the Station Assets relating to any event (whether act or omission) prior to the Closing Date including, without limitation, the payment of all taxes.

6. Earnest Money. Contemporaneously with the execution and delivery of

this Agreement, Purchaser shall deposit the sum of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00) in an escrow account with Wilmington Trust Company (the "Escrow Agent") to be maintained and administered in accordance with the Escrow Agreement attached hereto as Exhibit A. All funds

deposited with the Escrow Agent shall be held and disbursed in accordance with the terms of the Escrow Agreement. At the Closing, the Escrow Deposit shall be disbursed to Seller in partial payment of the Purchase Price (as defined below), less any interest or other proceeds from the investment thereof, which shall be disbursed to Purchaser.

7. Purchase Price.

(a) The aggregate purchase price for the Assets shall be Fifty Five Million Dollars (\$55,000,000.00) (the "Purchase Price"). On the Closing Date, subject to the release of the Earnest Money to Seller, Purchaser shall pay to Seller the sum of Fifty-Two Million Two Hundred Fifty Thousand Dollars (\$52,250,000) in cash by bank wire of immediately available federal funds to such bank as Seller shall designate for the account of Seller.

(b) Contingent Payment. In addition to the consideration referred to

in paragraph (a) of this Section, Purchaser shall pay to Seller by wire transfer in cash the aggregate sum of Five Million Dollars (\$5,000,000.00) within five (5) calendar days after the FCC grant of any application which Purchaser may file with the FCC to change the Station from a Class C2 broadcast station to a Class C1 broadcast station becomes a Final Order, provided that such payment shall only be due if the grant shall have become a Final Order within five (5) years after the Closing Date. Purchaser shall have sole discretion to determine if and when such application is filed, and/or to amend, supplement, dismiss or withdraw such application; except that Purchaser may not dismiss or withdraw such application within the last three (3) months of the stated five (5) year period. Purchaser shall furnish a copy of any such application to Seller at such time as it is filed with the FCC.

8. Purchase Price Allocation. The Purchase Price shall be allocated among

the Assets as mutually agreed among the parties, based upon an appraisal to be prepared by Bond and Pecaro, no later than sixty (60) days after the Closing Date. Seller and Purchaser shall use the mutually agreed upon appraisal determined pursuant to this Section 8 for accounting purposes, including without limitation, those matters subject to Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"), provided, however, that if Purchaser and Seller are unable to reasonably agree on such appraisal, neither party shall be bound by such appraisal. The cost of such appraisal shall be paid by Purchaser.

9. Prorations. The Purchase Price shall be increased or decreased as

required to effectuate the proration of expenses. All expenses arising from the Lease Agreement, including rent, utilities and personal property; as well as from the operation of the Station, including business and license fees, FCC annual regulatory fees, utility charges, real and personal property taxes and assessments levied against the Assets, property and equipment rentals, applicable copyright or other fees, sales and service charges, taxes (except for taxes arising from the transfer of the Assets under this Agreement), and similar prepaid and deferred items shall be prorated

between Seller and Purchaser in accordance with generally accepted accounting principles, the proration to be made and paid, insofar as feasible, on the Closing Date, with a final settlement not later than sixty (60) days after the Closing Date.

10. Assignment of FCC Authorizations. As set forth more particularly

hereinafter, the Closing is conditioned upon and subject to the prior receipt of the FCC Consent and it becoming a Final Order. The parties agree as follows:

(a) Purchaser Covenant. Within ten (10) days following the execution

of this Agreement, Purchaser will complete and deliver to Seller a fully executed copy of a substantially complete application to the FCC requesting the FCC's written consent to the assignment of the FCC Authorizations to a wholly owned licensee subsidiary of Purchaser ("ROI Licensee Sub") and to the consummation of the transactions contemplated by this Agreement together with a check covering one-half of the FCC filing fee. Purchaser will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the preparation of such application and its prosecution to a favorable conclusion. Purchaser will promptly provide Seller with copies of any pleading, order or other document served on it relating to such application.

(b) Seller Covenant. As promptly as practicable after the execution

of this Agreement, and in no event later than fifteen (15) days thereafter, Seller shall file an application (after receiving within ten (10) days of the signing date of Purchaser's portion of such application) with the FCC requesting the FCC's written consent to the assignment of the FCC Authorizations to ROI Licensee Sub and to the consummation of the transactions contemplated by this Agreement. Seller shall diligently take all steps that are necessary, proper or desirable to expedite the preparation of such application and its prosecution to a favorable conclusion. Seller shall promptly provide Purchaser with a copy of any pleading, order or other document served on Seller relating to such application. Seller shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider such application.

(c) Prosecution. Purchaser and Seller shall prosecute the Assignment

Application using due diligence and shall use their respective best efforts to promptly obtain the requisite FCC Consent. Neither party shall directly or indirectly impede or delay the granting of the FCC Consent. Purchaser and Seller each agree to return to the FCC within a reasonable period of time after receipt (but no later than ten (10) business days), any forms or other documents needing execution and completion by either of them as well as any required amendments to the Assignment Application. Purchaser and Seller shall provide the FCC with any documents or material which it may request. Purchaser and Seller shall promptly furnish each other with copies of any material received from or sent to the FCC in connection with the Assignment Application. If the FCC Consent imposes any condition on any party hereto, such party shall use reasonable efforts to comply with such condition; provided, however, that no party shall be required to comply with any condition which it determines in good faith would constitute a material adverse change upon the Station. If reconsideration or judicial review is sought with respect to the grant of the FCC Consent or the terms thereof, the parties hereto shall cooperate in opposing such efforts for reconsideration or judicial review unless the circumstances

warranted the filing by any of the parties hereto of such a request for reconsideration or judicial review.

(d) Other Governmental Consents. Promptly following the execution of

this Agreement, the parties shall prepare and file with the appropriate governmental authorities any other requests for approval or waiver that are required from such governmental authorities in connection with the transactions contemplated hereby and shall diligently and expeditiously prosecute, and shall cooperate fully with each other in the prosecution of, such request for approval or waiver and all proceedings necessary to secure such approvals and waivers.

11. Termination By Non-Action of FCC/Notice of Hearing. In addition to any

other rights of termination granted hereunder, this Agreement may be terminated if the FCC Consent, pursuant to the grant of the Assignment Application shall not have become a Final Order within fifteen (15) months from the date upon which the Assignment Application is tendered for filing with the FCC. In such event, either party, at its option, by written notice of termination to the other party prior to the date when the FCC Consent (if any is granted) becomes a Final Order, may terminate this Agreement without liability on the part of the terminating party; provided, however, that the terminating party shall not be in material default under the provisions of this Agreement, and provided further, that any delay in any decision or determination by the FCC respecting the Assignment Application shall not have been caused by any action or inaction of the terminating party or contributed to by any failure on the part of such party to furnish, file or make available information within its control or caused by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the FCC.

12. Control of Station. Between the date of this Agreement and the Closing

Date, Purchaser shall not, directly or indirectly, control, supervise or direct the operation of the Station. Such operations shall be the sole responsibility of Seller and shall be in the complete discretion of Seller.

13. Hart-Scott-Rodino Act Filing. Seller and Purchaser agree to (a) file,

or cause to be filed, with the Federal Trade Commission ("FTC") and the United States Department of Justice ("DOJ") all filings, if any, which are required in connection with the transactions contemplated hereby under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"), within six (6) business days of the date of the Agreement; (b) cooperate with each other in connection with all HSR Act filings, which cooperation may include furnishing the other with any information or documents in such party's possession that may be reasonably required in connection with such filings; (c) request early termination of the waiting period; promptly file, after any request by the FTC or DOJ which relates to the transactions contemplated hereunder; and (e) furnish each other with any correspondence from or to, and notify each other of any other communications with, the FTC or DOJ which relates to the transactions contemplated hereunder, and to the extent practicable, to permit each other to participate in any conferences with the FTC or DOJ.

14. Representations and Warranties of Seller. Seller hereby makes the

following representations and warranties to Purchaser, which representations and warranties shall be true as of the date hereof and the Closing Date:

(a) Organization and Standing. Seller is a limited partnership duly

organized and in good standing under the laws of the State of Georgia. Seller has full power and authority to enter into this Agreement and, subject to receipt of the FCC Consent, to consummate the transactions contemplated herein, including the authority to operate the Station. Magic Broadcasting II, Inc., a Georgia corporation, is the sole general partner of Seller. Magic Broadcasting II, Inc. is duly organized and in good standing as a corporation under the laws of the State of Georgia and has full power and authority to enter into this Agreement for and on behalf of the Seller as its General Partner.

(b) Authorization. All necessary partnership actions to duly approve

the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein have been taken by Seller, and subject to the approval of the FCC, this Agreement constitutes a valid and binding agreement of Seller, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies.

(c) Construction Permit. The Construction Permit is valid and, the

grant of the Construction Permit, as well as all rule making proceedings which may or could have affected the Construction Permit have each become a Final Order.

(d) FCC Authorizations. As of the date of this Agreement, Seller is

the holder of the FCC Authorizations with respect to the Station listed and described on Schedule 3(a). Such FCC Authorizations constitutes all of the

licenses, permits and authorizations required under Communications Act of 1934, as amended, and the current rules, regulations and policies of the FCC (collectively, the "Communications Act") for, and/or used in the operation of, the Station as now operated and will be operated following completion of the Construction Permit. The FCC Authorizations are in full force and effect, have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Except as listed and described on Schedule 3(a), there is not pending,

or to the knowledge of Seller threatened, any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Authorizations (other than proceedings of general applicability in the radio broadcast industry to amend FCC rules of general applicability), and there is not now issued or outstanding, or to the knowledge of Seller pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller with respect to the Station. The Station is now and will continue to be operating in compliance with the FCC Authorizations, the Communications Act and the current rules and regulations of the FCC and all relevant standards of good engineering practice. The most recently granted license renewal application for the Station was timely and duly filed by Seller, and to the Seller's knowledge, no facts exist which could form a basis for the FCC designating any renewal application for hearing or for denying it or for granting any renewal application for a term less than the maximum statutory term permitted or for the imposition of any adverse conditions on the grant of any of renewal applications.

(e) Real Property. With respect to the Lease Agreement, (i) the Lease

Agreement is in full force and effect, and is valid, binding and enforceable in accordance with its terms, (ii) all accrued and currently payable rents and other payments required by such Lease Agreement have been paid, (iii) the Seller is not in default under the Lease Agreement and no notice of default or notice of termination has been received by Seller, and (iv) Seller has not violated any term or condition under the Lease. No third-party consent or approval is required for the assignment of the Lease Agreement to Purchaser, or for the consummation of the transactions contemplated herein. To the extent that any third-party consent or approval is required, such consent or approval shall be provided by Seller to Purchaser on or prior to the Closing Date.

(f) Litigation. No judgment is issued or outstanding against the

Seller which affects the Assets or the Station. No litigation, action, special assessment, charge, lien, suit, judgment, proceeding or investigation is now pending or to Seller's knowledge, threatened, before any forum, court, or governmental body, department or agency of any kind, including without limitation the FCC, to which Seller or the Station is a party.

(g) Insolvency Proceedings. No insolvency proceedings of any

character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller or the Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings. After giving effect to the transactions contemplated by this Agreement, Seller (i) will have sufficient capital to carry on its business and transactions, and (ii) will be able to pay its debts as they mature or become due.

(h) No Misleading Statements. No statement made by Seller to

Purchaser and no information provided, or to be provided, by Seller to Purchaser pursuant to this Agreement (including schedules and exhibits attached hereto) contains or will contain any untrue statement of a material fact or omits or will omit a material fact. Seller has made full disclosure to Purchaser of all material facts pertaining to the operation of the Station.

(i) No Inconsistent Action. Seller shall not take any action

materially inconsistent with its obligations under this Agreement or that would hinder or delay the consummation of the transactions contemplated by this Agreement.

(j) Taxes. Seller has filed all applicable federal, state, local and

foreign tax returns required to be filed, in accordance with provisions of law pertaining thereto, and has to the best of its knowledge, paid all taxes, interest, penalties and assessments (including, without limitation, income, withholding, excise, unemployment, Social Security, occupation, transfer, franchise, property, sales and use taxes, import duties or charges, and all penalties and interest in respect thereof) required to have been paid with respect to or involving the Station or the Assets.

(k) Additional FCC Matters.

(i) All reports and filings of a material nature required to be filed with the FCC by Seller with respect to the Station (including, without limitation, all required ownership reports have been timely filed. All such reports and filings are accurate and complete in all material respects. Seller maintains a public file for the Station as required by FCC rules. With respect to FCC licenses, permits and authorizations, Seller is operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and Seller is meeting the conditions of each such FCC Authorization.

(ii) Seller is aware of no facts indicating that Seller is not in compliance with all requirements of the FCC, the Communications Act, or any other applicable federal, state and local statutes, regulations and ordinances with respect to the Station. Seller is aware of no facts and Seller has received no notice or communication, formal or informal, indicating that the FCC is considering revoking, suspending, canceling, rescinding or terminating any of the FCC Authorizations.

(iii) The operation of the Station does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 300 kHz to 100 GHz" (ANSI/IEEE C95.1-1992), issued by the American National Standards Institute, and renewal of the FCC Authorizations would not constitute a "major action" within the meaning of Section 1.1301, et seq., of the FCC's rules.

(l) Compliance with Law. The Station, the Assets and Seller with

respect to the Station and the Assets, are in material compliance with all material requirements of law, federal, state and local, and all material requirements of all governmental bodies or agencies having jurisdiction over any of them, the operation of the Station, the use of its Assets, and the Lease Agreement. Without limiting the foregoing, Seller has paid all monies and obtained all licenses, permits, certificates and authorizations needed or required for the operation of the Station. Seller has filed all reports and other documents required to be filed with any federal, state, local or foreign government or subdivision or agency thereof with respect to the Station, that if not properly filed, would adversely affect Purchaser after the Closing Date. Seller has not received any notice, not heretofore complied with, from any federal, state or municipal authority or any insurance or inspection body that the Station fails to comply with any applicable law, ordinance, regulation, building or zoning law, or requirement of any public authority or body.

(m) No Violation. Except with regard to the loan agreement and

related loan documents to which Seller is a party with BB&T Bank, its senior lender, none of (i) the execution, delivery and performance of this Agreement by Seller or its General Partner, (ii) the consummation of the transaction contemplated hereby, nor (iii) Seller'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 and conditions of, constitute a default under, or violate Seller's Limited Partnership Agreement or the Articles of Incorporation or By-Laws of the General Partner of the Seller, any judgment, decree, order, agreement, lease or other instrument to which

Seller is a party or by which Seller is legally bound, or any law, rule or regulation applicable to Seller or the operation of the Station.

(n) Feasibility of Tower. Seller represents that the tower to which

the Lease Agreement refers will permit construction of the facilities pursuant to the requirements of the Construction Permit and the terms of the Lease Agreement.

15. Covenants of Seller. Between the date hereof and the Closing Date,

Seller agrees as follows:

(a) Construction Permit. Seller shall not amend, supplement or take

any action which would adversely change the Construction Permit, without the Purchaser's prior written approval.

(b) Construction of Station. The parties agree that the Seller shall

undertake to complete construction of the facilities authorized in the Construction Permit, and shall use its reasonable best efforts to ensure that construction shall be completed within sixty (60) days from the execution of this Agreement (but no later than September 30, 2001). Seller further agrees to permit Purchaser, and its representatives and agents, access to the facilities being constructed pursuant to the Construction Permit. Seller and Purchaser shall consult with each other regarding the contractor that will perform the construction, the equipment to be used to construct the facilities authorized in the Construction Permit, and a proposed budget. Purchaser will not take, or fail to take, any action which would delay completion of the facilities. All costs associated with the completion of construction of the facilities pursuant to the Construction Permit will be paid by Seller. Upon Closing, Purchaser will reimburse the Seller for such costs reasonably incurred and documented with invoices by Seller. Reimbursement for such costs shall be made as an adjustment to the Purchase Price at Closing. During the construction of the facilities authorized by the Construction Permit, the Seller and the Purchaser shall consult with each other and reach mutual agreement on what costs are reasonable before Seller incurs such costs. On the Closing Date, the Seller shall transfer to Purchaser all rights, title and interest in the equipment used to construct the facilities, pursuant to a Bill of Sale reasonably acceptable to Purchaser.

(c) License to Cover Construction Permit. Seller shall promptly,

following completion of construction pursuant to the Construction Permit, file with the FCC a License to Cover the Construction Permit. Seller shall further diligently prosecute such License to Cover application at the FCC.

(d) Maintenance of Books and Records. Seller shall provide access to

the books, accounts and records of the Station upon Purchaser's reasonable requests.

(e) Operation of the Business. Seller shall operate the Station in

accordance with the terms of the FCC Authorizations and in compliance with all applicable laws, rules and regulations and all applicable FCC rules and regulations. Seller shall maintain the FCC Authorizations in full force and effect and shall timely file and prosecute any necessary applications

for renewal of the FCC Authorizations. Seller will deliver to Purchaser, within ten (10) days after filing, copies of any reports, applications or responses to the FCC related to the Station which are filed during the date hereof to Closing.

(f) Representations and Warranties. Seller shall give detailed

written notice to Purchaser promptly upon learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known to Seller prior to the date hereof, of any of Seller's representations or warranties contained in this Agreement.

(g) Notice of Proceedings. Seller will promptly notify Purchaser in

writing upon: (i) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement; or (ii) receiving any notice from any governmental department, court, agency or commission of its intention to (A) institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement, or (B) nullify or render ineffective this Agreement if consummated.

(h) Confidentiality. Any and all non-public information, disclosures,

knowledge or facts regarding Purchaser or its business or properties to which Seller is exposed as a result of the negotiation, preparation or performance of this Agreement shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for Seller's employees, attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys, on a need-to-know basis.

(i) Employee Matters. With respect to Seller's employees, Purchaser

assumes no obligation to continue the employment, or assume any compensation arrangements or liabilities of Seller (including, without limitation, any salary, bonuses, fringe benefits, insurance plans, or pension or retirement benefits under any compensation or retirement plan maintained by Seller).

(j) Estoppel Certificates; Liens. Seller, at Seller's expense, will

obtain and deliver to Purchaser (i) a written Estoppel Certificate duly executed by the lessor of the Lease Agreement described on Schedule 3(b), in form and

substance satisfactory to Purchaser, and (ii) all UCC, judgment and state and federal tax lien search reports (showing searches in the name of Seller and the call letters of the Station), necessary to assure that no liens are filed or recorded against the Station or the Assets in the public records of the State of Georgia, or Fayette or Bibb counties, or any other jurisdiction where the Assets are located (the "Lien Search Reports"), other than those liens which will be paid at Closing. The Estoppel Certificate shall be dated within fifteen (15) days of the Closing Date. The Lien Search Reports shall be delivered within fifteen (15) days prior to the Closing Date.

(k) Negative Covenants. Seller shall not, without the prior written

consent of Purchaser:

(i) Renegotiate, renew, modify, amend, terminate, or otherwise permit the Lease Agreement to lapse.

(ii) Amend, modify, supplement or take any action which would adversely change the Construction Permit; and further agrees to defend an appeal or any other adverse action initiated against the Construction Permit.

(ii) Create, assume or permit to exist (subsequent to closing) any mortgage, mortgage deed, pledge, security interest, charge, claim or encumbrance of any kind with respect to the Assets.

(1) Local Marketing Agreement: Seller and Purchaser shall enter into a Local Marketing Agreement (in the form attached hereto as Exhibit B) simultaneously with the execution of this Agreement, which shall commence as specified in the Local Marketing Agreement.

16. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Organization and Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is, or will be, authorized to conduct business as a foreign corporation under the laws of the State of Georgia, subject to all relevant governmental approvals. Purchaser has full power and authority to enter into this Agreement, and, subject to receipt of the FCC Consent, to consummate the transactions contemplated herein. Purchaser owns, either directly or indirectly, all of the issued and outstanding shares of ROI Licensee Sub and has the authority to cause ROI Licensee Sub to purchase the FCC Authorizations from Seller at Closing. ROI Licensee Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is authorized to conduct business as a foreign corporation under the laws of the State of Georgia, subject to all relevant governmental approvals.

(b) Authorization. All necessary actions to duly approve the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein have been taken by Purchaser, and subject to the approval of the FCC and the DOJ, this Agreement constitutes a valid and binding agreement of Purchaser enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting creditors' rights generally or by principles governing the availability of equitable remedies.

(c) Absence of Restrictions. Except for the FCC Consent, Purchaser is, and pending closing will be, legally, technically, financially and otherwise qualified under the Communications Act and all rules, regulations and policies of the FCC to acquire the Assets and operate the Station. Purchaser is not aware of any facts or proceedings which would disqualify Purchaser under the Communications Act from acquiring the Assets or operating the Station or which would cause the FCC not to approve the assignment of the FCC Authorizations to Purchaser. Purchaser has no knowledge of any fact or circumstances relating to Purchaser or any of Purchaser's affiliates that would reasonably be expected to (a) cause the filing of any objection to the Assignment Application, or (b) lead to a delay in the processing by the FCC of the

Assignment Application. As of the Closing Date, Purchaser shall have adequate financial resources available to consummate the transactions contemplated by this Agreement.

(d) Litigation. There is no litigation or other judicial or administrative proceedings pending or, to the knowledge; of Purchaser threatened, which might interfere with Purchaser's power, authority or ability to enter into this Agreement and to carry out the transactions contemplated herein. Purchaser does not know of any basis for such proceedings.

(e) Assumption of Lease Agreement. Purchaser shall, effective as of the Closing Date, assume and comply with all the obligations of the Lease Agreement in accordance with the terms thereof.

(f) Control of Station. Purchaser shall not exercise control over the Station until after the Closing Date.

(g) No Inconsistent Action. Purchaser shall not take any action materially inconsistent with its obligations under this Agreement or that would hinder or delay the consummation of the transactions contemplated by this Agreement.

(h) No Violation. None of (i) the execution, delivery and performance of this Agreement by Purchaser, (ii) the consummation of the transaction contemplated hereby, nor (iii) Purchaser'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 and conditions of, constitute a default under, or violate Purchaser's Articles of Incorporation or By-Laws, any judgment, decree, order, lease or other such instrument to which Purchaser is a party or by which Purchaser is legally bound, or any law, rule or regulation applicable to Purchaser or the operation of the Station.

17. Covenants of Purchaser. Between the date hereof and the Closing Date, Purchaser agrees as follows:

(a) Representations and Warranties. Purchaser shall give detailed written notice to Seller promptly upon learning of the occurrence of any event that would cause or constitute a breach or would have caused a breach had such event occurred or been known to Purchaser prior to the date hereof, of any of the representations and warranties of Purchaser contained in this Agreement.

(b) Application for FCC Consent. Purchaser will diligently take, or cooperate in the taking of, all steps that are necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. Purchaser will promptly provide Seller with copies of any pleading, order or other document served on it relating to the Assignment Application. In the event that Closing occurs prior to a Final Order, then Purchaser's obligations under this Section 17(b) shall survive the Closing.

(c) Consummation of Agreement. Subject to the provisions of Section

31, Purchaser (i) shall use all reasonable efforts to fulfill the conditions in Section 19, and to cause the transactions contemplated by this Agreement to be fully carried out, and (ii) shall not take any action that would make the consummation of this Agreement contrary to the Communications Act or the rules, regulations or policies of the FCC.

(d) Notice of Proceedings. Purchaser will promptly notify Seller in

writing upon: (i) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated herein; or (ii) receiving any notice from any governmental department, court, agency or commission of its intention (A) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (B) to nullify or render ineffective this Agreement or such transactions if consummated.

(e) Confidentiality. Any and all information, disclosures, knowledge

or facts regarding Seller, the Station and their operation and properties derived from or resulting from Seller's acts or conduct (including, without limitation, acts or conduct of Seller's officers, employees, accountants, counsel, agents, consultants or representatives, or any of them) under the provisions of Section 15(e) shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except for Purchaser's attorneys, accountants, investment bankers, investors and lenders, and their respective attorneys for the purpose of consummating the transactions contemplated herein.

18. Conditions Precedent to the Obligations of Seller. The obligation of

Seller to perform, fulfill or carry out its agreements, undertakings and obligations herein made or herein agreed to be performed, fulfilled or carried out on the Closing Date is and shall be subject to the fulfillment of or compliance with, on or prior to the Closing Date, each of the following conditions precedent, any of which may be waived in writing by Seller:

(a) Payments. The Purchase Price which is due and payable by

Purchaser on the Closing Date, shall have been paid in accordance with the terms of this Agreement.

(b) Representations, Warranties and Covenants

(i) Each of the representations and warranties of Purchaser contained in this Agreement shall have been true and correct in all material respects as of the date when made, and shall be deemed to be made again on and as of the Closing Date and shall be true and correct in all material respects; and

(ii) Purchaser shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Proceedings. Purchaser shall not be subject to any restraining

order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby;

provided, however, that in the event that such a restraining order or injunction is in effect at the time a closing would otherwise occur by the terms of this Agreement, neither party shall have the right to terminate this Agreement until the earlier to occur of (i) One Hundred Eighty (180) days following the date hereof, or (ii) Forty Five (45) days following the initial entry of such temporary restraining order or injunction.

(d) FCC Authorization. The assignment of all of the FCC

Authorizations to Purchaser shall have been initially approved by the FCC without any conditions materially adverse to Seller.

(e) Hart-Scott-Rodino Act. If applicable, the waiting period under

the Hart-Scott-Rodino Act shall have expired or been terminated.

19. Conditions Precedent to Obligations of Purchaser. The obligation of

Purchaser to perform, fulfill or carry out its agreements, undertakings and obligations herein made or herein agreed to be performed, fulfilled or carried out on the Closing Date is and shall be subject to fulfillment of or compliance with, on or prior to the Closing Date, each of the following conditions precedent, any of which may be waived in writing by Purchaser:

(a) Representations, Warranties and Covenants

(i) Each of the representations and warranties of Seller contained in this Agreement shall have been true and correct in all material respects as of the date when made, and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects; and

(ii) Seller shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(b) Proceedings. Seller shall not be subject to any restraining order

or injunction restraining or prohibiting the consummation of the transactions contemplated hereby; provided, however, that in the event that such a restraining order or injunction is in effect at the time a closing would otherwise occur by the terms of this Agreement, neither party shall have the right to terminate this Agreement until the earlier to occur of (i) one hundred eighty (180) days following the date hereof, or (ii) forty-five (45) days following the initial entry of such temporary restraining order or injunction.

(c) Construction Permit. As of the Closing Date, no proceeding shall

be pending which seeks, or the effect of which reasonably could be, to revoke, cancel, fail to renew, suspend or modify adversely the Construction Permit and the Construction Permit shall have become a Final Order.

(d) Tower. Authorization for and construction of the Tower that is

the subject of the Lease Agreement is final and complete, and as currently constructed will permit the facilities authorized in the Construction Permit to be constructed in accordance with the Construction Permit.

(e) FCC Authorization. The assignment of all of the FCC

Authorizations to Purchaser shall have become Final Order as referred to in Section 1(i), without any conditions materially adverse to Purchaser. The Station shall be operating in material compliance with the rules and regulations of the FCC.

(f) Liens Released. All UCC Lien Search Reports have been delivered

by Seller to Purchaser, and all security interests pertaining to the Assets shall be released of record and there shall be no liens in respect of the Assets.

(g) Lease Agreement; Estoppel Certificate. Seller shall have executed

the Lease Agreement prior to the Closing Date; and the lessor under the Lease Agreement shall have duly executed an Estoppel Certificate as of the Closing Date, and if necessary, given its written consent to the assignment of the Lease Agreement to Purchaser.

(h) Hart-Scott-Rodino Act. If applicable, the waiting period under

the Hart-Scott-Rodino Act shall have expired or been terminated.

(i) Completion of Facilities Authorized in Construction Permit.

Seller shall have completed construction of the facilities authorized in the Construction Permit.

(j) FCC License to Cover Construction Permit. Seller shall have filed

with the FCC an application for a License to Cover the Construction Permit.

20. Indemnification by Seller. Notwithstanding the Closing, and regardless

of any investigation made at any time by or on behalf of Purchaser or any information Purchaser may have, Seller hereby agrees to indemnify and hold Purchaser harmless against and with respect to, and shall reimburse Purchaser for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant or agreement by Seller contained in this Agreement or in any certificate, document, or instrument delivered to Purchaser under this Agreement.

(b) Any and all obligations of Seller not assumed by Purchaser pursuant to this Agreement.

(c) Any and all losses, liabilities, or damages resulting from Seller's operation or ownership of the Station prior to the Closing Date, including any liabilities arising under the FCC Authorizations which relate to events occurring prior to the Closing Date.

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs, and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

21. Notice of Indemnity Claim to Seller. Purchaser agrees to give written

notice to Seller within ten (10) days of the occurrence of any event, or of its discovery of any facts, which entitle or may entitle Purchaser to indemnification hereunder. Any failure to furnish such notice shall not prevent the Purchaser from seeking and obtaining indemnification hereunder if such failure to furnish notice does not prejudice Seller's rights hereunder. With respect to threatened or asserted claims of third parties, Seller shall promptly defend such claim by counsel of its own choosing. Seller shall not settle any claim without Purchaser's approval, unless such settlement is a cash settlement paid by Seller and there is a full release of Purchaser.

22. Defense or Settlement of Indemnity Claim by Seller. If Seller, within

fifteen (15) days after notice of a claim, fails to notify Purchaser of its intent to defend such claim, Purchaser shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of Seller under this indemnity Purchaser shall make a good faith attempt to seek indemnification from any third parties, including insurers, who may be liable upon any claims made against Purchaser and for which Seller would be liable under this Section.

23. Indemnification by Purchaser. Notwithstanding the Closing, and

regardless of any investigation made at any time by or on behalf of Seller or any information Seller may have, Purchaser hereby agrees to indemnify and hold Seller harmless against and with respect to, and shall reimburse Seller for:

(a) Any and all losses, liabilities, or damages resulting from any untrue representation, breach of warranty, or nonfulfillment of any covenant or agreement by Purchaser contained in this Agreement or in any certificate, document, or instrument delivered to Seller under this Agreement.

(b) Any and all obligations of Seller assumed by Purchaser pursuant to this Agreement.

(c) Any and all losses, liabilities, or damages resulting from the operation or ownership of the Station on and after the Closing Date.

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

24. Notice of Indemnity Claim to Purchaser. Seller agrees to give written

notice to Purchaser within ten (10) days of the occurrence of any event, or of its discovery of any facts, which entitle or may entitle Seller to indemnification hereunder. Any failure to furnish such

notice shall not prevent the Seller from seeking and obtaining indemnification hereunder if such failure to furnish notice does not prejudice Purchaser's rights hereunder. With respect to threatened or asserted claims of third parties, Purchaser shall promptly defend such claim by counsel of its own choosing.

25. Defense or Settlement of Indemnity Claim by Purchaser. If Purchaser, within fifteen (15) days after notice of a claim, fails to notify Seller of its intent to defend such claim, Seller shall be entitled to undertake the defense, compromise or settlement of such claim at the expense of and for the account and risk of Purchaser under this indemnity. Seller shall make a good faith attempt to seek indemnification from any third parties, including insurers, who may be liable upon any claims made against Seller and for which Purchaser would be liable under this Section.

26. Indemnification Threshold. Notwithstanding the provisions of Sections 20 and 23, neither party shall be required to indemnify the other party under Sections 20 and 23 unless and until such time as the aggregate amount of the claims against the indemnifying party, to which the other party (as a claimant) is entitled to be indemnified, exceeds Five Thousand Dollars (\$5,000.00). In such event, the full amount of the amount sought pursuant to the indemnity, including the portion under \$5,000, shall be included in the indemnity and shall be recoverable.

27. Seller's Deliveries at Closing. On the Closing Date, Seller shall

execute and deliver or cause to be delivered to Purchaser, in form and substance reasonably satisfactory to Purchaser:

(a) Assignments of FCC Authorizations. One or more assignments

assigning to Purchaser the FCC Authorizations and all other licenses, authorizations and permits obtained in connection with the operation of the Station set forth in Schedule 3(a) attached hereto.

(b) Assignment of Lease. An assignment of the Lease Agreement to

Purchaser.

(c) Files, Records, Documents and Logs. The files, records, documents

and logs referred to in Section 3(b) hereof.

(d) Authorizing Resolutions. Copies of any and all resolutions of

Seller authorizing the execution and performance of this Agreement and the consummation of the transactions described herein.

(e) Prorations under Lease. A complete and detailed preliminary list

of all adjustments and prorations to be made pursuant to the provisions of Section 9 hereof.

(f) Closing Documents. Those documents (including a Bill of Sale for

the tangible Assets, an Estoppel Certificate and, if necessary, written consent from lessor under the Lease Agreement), in form and substance satisfactory to Purchaser, that are sufficient to sell,

convey, transfer and assign the FCC Authorizations and Assets to Purchaser free and clear of any liens.

(g) Certified Officer's Certificate. A certificate, dated the Closing

Date and duly executed by the President or Vice President of the General Partner of Seller, authorized on behalf of Seller to give such certificate, to the effect that conditions set forth in Section 19 have been satisfied.

(h) Miscellaneous. All other documents and instruments reasonably

requested by Purchaser and required to be provided to Purchaser pursuant to the terms of this Agreement.

28. Purchaser's Deliveries at Closing. On the Closing Date, Purchaser

shall execute and deliver or cause to be delivered to Seller, in form and substance reasonably satisfactory to Seller:

(a) Purchase Price. The Purchase Price, as adjusted, payable on the

Closing Date as set forth in Section 7 hereof by wire transfer.

(c) Assumption Instrument: Lease. Such instruments as Seller may

reasonably require evidencing Purchaser's assumption and agreement to perform all of the Seller's obligations under the Lease Agreement.

(d) Authorizing Resolutions. Copies of any and all resolutions of the

Board of Directors of Purchaser authorizing the execution and performance of this Agreement and the consummation of the transactions described herein.

(e) Certified Officer's Certificate. A certificate, dated the Closing

Date and duly executed by an officer of Purchaser, authorized on behalf of Purchaser, to give such certificate, to the effect that conditions set forth in Section 18(a) have been satisfied.

(f) Miscellaneous. All other documents and instruments reasonably

requested by Seller and required to be provided to Seller pursuant to the terms of this Agreement.

29. Survival of Representations and Warranties. All representations,

warranties, covenants and agreements contained in this Agreement shall survive the Closing Date for a period of one (1) year; provided; with the exception of the representations, warranties, covenants and agreements contained in Sections 7(b) which shall survive the Closing for a period of five (5) years; and with the exception of Section 14(d) which shall survive the closing indefinitely.

30. Fees and Expenses. Sales and transfer taxes, if any, upon the transfer

of the Assets to Purchaser hereunder shall be paid by Seller. Seller and Purchaser shall each pay one-half of the FCC filing fees. Purchaser shall pay any filing fees required under the HSR Act. All other expenses incurred in connection with the transactions contemplated herein shall be borne by the party which incurs such expenses.

31. Termination. This Agreement may be terminated at any time on or prior

to the Closing Date:

(a) by the mutual written consent of Seller and Purchaser;

(b) by either Purchaser or Seller, if the party seeking to terminate is not in material default or breach of this Agreement, upon written notice to the other if (i) on or prior to the Closing Date, the other party defaults in any material respect in the observance or in the due and timely performance of any of its covenants and agreements contained herein and fails to cure such default within fifteen (15) business days of the date written notice of breach is received from the non-breaching party by the breaching party; or (ii) if there shall be in effect any judgment, final decree or order that would prevent or make unlawful the Closing;

(c) by either Purchaser or Seller in accordance with Section 11 of this Agreement, unless the Closing has already occurred.

(d) by either Purchaser or Seller, if the FCC denies the Assignment Application and/or the DOJ denies the approvals contemplated by this Agreement.

A termination pursuant to this Section shall not relieve either party of any liability it otherwise has for a breach of this Agreement. So long as Purchaser is not in breach of this Agreement, the Earnest Money shall be returned to Purchaser if the Agreement is terminated.

32. Remedies.

(a) Seller recognizes that, in the event Seller defaults in the performance of its obligations under this Agreement, monetary damages alone will not be adequate. Purchaser shall therefore be entitled in such event, either (i) to bring suit at law or equity for money or other damages (including costs and expenses incurred by Purchaser in the preparation and negotiation of this Agreement and in contemplation of the Closing hereunder) or for indemnification under Section 20 hereof; or (ii) to obtain specific performance of the terms of this Agreement. In any action to enforce the provisions of this Agreement, Purchaser shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security. In addition, Purchaser shall be entitled to obtain from Seller court costs and reasonable attorney's fees incurred by it in enforcing its rights hereunder.

(b) If the transactions contemplated by this Agreement are not consummated as a result of Purchaser's wrongful failure to close hereunder, Seller shall be entitled to payment of the Earnest Money, plus an additional payment of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000), but only if Purchaser has extended the Closing Date beyond January 30, 2002, pursuant to Section 1(c) of this Agreement, and the Purchaser's wrongful conduct occurs after January 30, 2002 ("Extension Payment"), as liquidated damages in full settlement of any damages of any nature or kind that Seller may suffer or allege to suffer as the

result thereof. It is understood and agreed that the amount of liquidated damages represents Purchaser's and Seller's reasonable estimate of actual damages and does not constitute a penalty. Recovery of liquidated damages under this Section shall be the sole and exclusive remedy of Seller against Purchaser for failure to consummate this Agreement and shall be applicable regardless of the actual amount of damages sustained. In addition, Seller shall be entitled to obtain from Purchaser court costs and reasonable attorney's fees incurred by it in enforcing its rights hereunder. Seller shall not be required, as a condition to obtaining liquidated damages, to have tendered the Assets but shall be required to demonstrate that it is willing and able to do so and to perform its other closing obligations in all material respects.

33. Notices. All notices, requests, demands and other communications

required or permitted under this Agreement shall be in writing (which shall include notice by facsimile transmission) and shall be deemed to have been duly made and received when personally served, or when delivered by Federal Express or a similar overnight courier service, expenses prepaid, or, if sent by facsimile communications equipment, delivered by such equipment, addressed as set forth below:

(a) If to Seller, to:

Mr. Douglas M. Grimm
U.S. Broadcasting Limited Partnership
544 Mulberry Street, Suite 500
P.O. Box 900
Macon, GA 31202
Fax: (478) 745-2078

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

Michael J. Golub, Esq.
Bodzin & Golub, P.C.
1156 15th Street, NW, Suite 329
Washington, D.C. 20005
Fax: (202) 785-8882

(b) If to Purchaser, to:

Mr. Alfred Liggins
President and Chief Executive Officer
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 Vilardo, Esq.
General Counsel
Radio One, Inc.
5900 Princess Garden Parkway
8th Floor
Lanham, MD 20706
Fax: (301) 306-9638

Either of the parties may from time to time designate a substitute address in a writing delivered to the other party.

34. Brokerage. The parties acknowledge that the Seller has engaged a

broker to facilitate this transaction on the Seller's part. The parties agree that any brokerage commission or finder's fee charged by said broker, in connection with the transaction contemplated by this Agreement, shall be the sole responsibility of the Seller.

35. Rescission of Agreement. If the Closing occurs prior to a Final Order,

and prior to becoming a Final Order the FCC Consent is reversed or otherwise set aside, and there is a Final Order of the FCC (or court of competent jurisdiction) requiring the re-assignment of the FCC Authorizations to Seller, then Seller and Purchaser agree that the purchase and sale of the Station Assets shall be rescinded. In such event, Purchaser shall reconvey to Seller the Station Assets, and Seller shall repay to Purchaser the Purchase Price (limited in all events to the value of such Purchase Price at the time of the Closing) and reassume the Seller's contracts assigned and assumed by Purchaser at Closing. Any such rescission shall be consummated on a mutually agreeable date within thirty (30) calendar days of such Final Order (or, if earlier, within the time required by such order). In connection therewith, Purchaser and Seller shall each execute such documents (including execution by Purchaser of instruments of conveyance of the Station Assets to Seller and execution by Seller of instruments of assumption of the Seller contracts assigned and assumed at Closing) and make such payments (including repayment by Seller to Purchaser of the Purchase Price, which shall be limited to the value of such Purchase Price at the time of the Closing) as are necessary to give effect to such rescission. Seller's and Purchaser's obligations under this Section 35 shall survive the Closing.

36. Successors and Assigns. Except as otherwise expressly provided herein,

this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Neither may assign any of its rights or delegate any of its duties hereunder without the prior written consent of the other party, and any such attempted assignment or delegation without such consent shall be void; provided, however, that Purchaser may assign its rights and obligations hereunder to one or more wholly-owned subsidiaries of Purchaser, in whole or in part without Seller's consent so long as Purchaser notifies Seller in writing within five (5) business days of such assignment, and assignee assumes all obligations of Purchaser hereunder.

37. Further Assurances. The parties agree to execute and deliver to the

other such other documents or instruments as may be reasonable and necessary in furtherance of the performance of the terms, covenants and conditions of this Agreement.

38. Exhibits. All Exhibits and Schedules attached to this Agreement shall

be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth herein.

39. Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

40. Headings. The headings of the Sections of this Agreement are inserted

as a matter of convenience and for reference purposes only and in no respect define, limit or describe the scope of this Agreement or the intent of any Section hereof.

41. Entire Agreement. This Agreement and all exhibits attached hereto and

all agreements to be delivered by the parties pursuant hereto, represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, supersedes all prior negotiations between such parties, and can be amended, supplemented or changed only by an agreement in writing which makes specific reference to this Agreement or the agreement or instrument delivered pursuant hereto, as the case may be, and which is signed by the party against whom enforcement of any such amendment, supplement or modification is sought.

42. Confidentiality and Press Releases.

(a) The parties acknowledge they have agreed to hold in strict confidence all documents and information concerning each other and their business and properties (except that the parties may disclose such documents and information to any governmental authority reviewing the transaction contemplated hereby), and if the transaction contemplated hereby is not consummated, such confidence shall be maintained, and all such documents and information (in written form) shall immediately thereafter be returned to the party originally furnishing the same and the party returning such information shall not retain copies thereof.

(b) The parties hereto shall reasonably cooperate in the issuance of any press release or any other public announcement or other communication with any news media concerning this Agreement or the transactions contemplated hereby; provided, however, that nothing contained herein shall prevent any party from promptly making all filings with governmental authorities as may, in its judgment, be required or advisable in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, in which case the other parties shall be first notified in writing.

43. Severability. If any provision of this Agreement or the application

thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this

Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

44. Governing Law. This Agreement and all questions relating to its -----
validity, interpretation, performance and enforcement shall be governed and construed in accordance with the laws of the State of Georgia without giving effect to principles of conflicts of law.

[SIGNATURE PAGES TO ASSET PURCHASE AGREEMENT TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have hereunto set their respective hands and seals as of the day and year first above written.

SELLER

U.S. BROADCASTING LIMITED PARTNERSHIP

By: /s/ Magic Broadcasting II, Inc., its General Partner

Name: Donald G. McCoy
Title: President

PURCHASER

RADIO ONE, INC.

By: /s/ SCOTT R. ROYSTER

Name: Scott R. Royster
Title: Executive Vice President, Chief Financial Officer

List of Schedules and Exhibits

LIST OF SCHEDULES

- - - - -

Schedule 3(a) : FCC Authorizations
Schedule 3(b) : Tower Lease Agreement

LIST OF EXHIBITS

- - - - -

Exhibit A : Escrow Agreement
Exhibit B : Local Marketing Agreement

EMPLOYMENT AGREEMENT

BETWEEN

RADIO ONE, INC.

AND

ALFRED C. LIGGINS, III

Dated effective as of April 9, 2001

11. Resolution of Disputes 15

12. Successors 15

 12.1. Executive 15

 12.2. The Company 15

13. Miscellaneous 15

 13.1. Applicable Law 15

 13.2. Amendments/Waiver 15

 13.3. Notices 16

 13.4. Withholding 16

 13.5. Severability 16

 13.6. Captions 17

 13.7. Entire Agreement 17

 13.8. Counterparts 17

 13.9. Representation 17

 13.10. Survivorship 17

 13.11. Right of Offset 17

Exhibits
- - - - -

- Exhibit A - Option Agreement
- Exhibit B - Form of 83(b) Election
- Exhibit C - Promissory Note and Stock Pledge Agreement

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement"), dated effective as of April 9, 2001, is made by and between Radio One, Inc., a Delaware corporation (the "Company"), and Alfred C. Liggins, III (the "Executive").

In consideration of the premises and mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Definitions.

"Affiliate" shall mean any Person directly or indirectly controlling, controlled by, or under common control with, the Company.

"Annual Base Salary" shall mean the annual base salary as described in Section 5.1 hereof.

"Annual Incentive" shall have the meaning set forth in Section 5.2 hereof.

"Board" shall mean the board of directors of the Company.

"Cause" shall mean (i) the commission by the Executive of a felony, fraud, embezzlement or an act of serious, criminal moral turpitude which, in case of any of the foregoing, in the good faith judgment of the Board, is likely to cause material harm to the business of the Company and the Company Affiliates, taken as a whole, provided that in the absence of a conviction or plea of nolo contendere, the Company will have the burden of proving the commission of such act by clear and convincing evidence, (ii) the commission of an act by the Executive constituting material financial dishonesty against the Company or any Company Affiliate, provided that in the absence of a conviction or plea of nolo contendere, the Company will have the burden of proving the commission of such act by a preponderance of the evidence, (iii) the repeated refusal by the Executive to use his reasonable and diligent efforts to follow the lawful and reasonable directives (in light of the terms of this Agreement) of the Board with respect to a matter or matters within the control of the Executive, or (iv) the Executive's willful gross neglect in carrying out his material duties and responsibilities under this Agreement, provided, that, unless the Board reasonably determines that a breach described in clause (iii) or (iv) is not curable, the Executive will, subject to the following proviso, be given written notice of such breach and will be given an opportunity to cure such breach to the reasonable satisfaction of the Board within thirty (30) days of receipt of such written notice (subject to the Executive's right to seek arbitration of the cure of such breach as provided in Section 11 of this Agreement), and, provided further, that the Executive will only be entitled to cure two such defaults during the Term of Employment.

"Change of Control" shall be deemed to have occurred in the event of a transaction or series of related transactions pursuant to which any Person or group (as such term is defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) of Persons, other than the Executive and Catherine L. Hughes, (a) acquire, whether by merger, consolidation or transfer or

issuance of capital stock, capital stock of the Company (or any surviving or resulting company) possessing the voting power to elect a majority of the Board of the Company (or such surviving or resulting company) or (b) acquire all or substantially all of the Company's assets determined on a consolidated basis.

"Class D Common Stock" shall mean the Company's class D common stock, par value \$.001 per share.

"COBRA" shall mean the requirements of Part 6 of Subtitle B of Title I of ERISA and Codess.4980B and of similar state law.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commencement Date" shall have the meaning set forth in Section 3 hereof.

"Common Stock" shall mean all classes of the Company's Common Stock and any capital stock of the Company distributed after the date of this Agreement with respect to shares of Common Stock by way of dividend, distribution, stock split, exchange, conversion, merger, consolidation, reorganization or other recapitalization.

"Company Affiliate" shall mean any Subsidiary of the Company.

"Competing Business" shall have the meaning set forth in Section 9(a) hereof.

"Competing Market" shall have the meaning set forth in Section 9(a) hereof.

"Confidential Information" shall have the meaning set forth in Section 7 hereof.

"Date of Termination" shall mean the earlier of (a) the date of termination, if any, specified in the Notice of Termination (which date shall not be earlier than the date of receipt of such Notice of Termination) or (b) the date on which the Executive's employment under this Agreement actually terminates.

"Disability" shall mean the Executive's inability to render the services required under this Agreement by reason of a physical or mental disability for ninety (90) days, which need not be consecutive, during any twelve (12) consecutive month period, and the effective date of such Disability shall be the day next following such ninetieth (90th) day. A determination of Disability will be made by a physician satisfactory to both the Executive and the Company; provided that if the Executive and the Company cannot agree as to a physician, then each will select a physician and such physicians shall together select a third physician, whose determination as to Disability shall be completed within ten (10) days of the date on which the disagreement between the Executive and the Company arose and the decision of such third physician will be final and binding on the Executive and the Company. The Executive and the Company shall have the right to present to such physician such information and arguments as each deems appropriate, including the opinion of other physicians.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Good Reason" shall be deemed to exist if, without the express written consent of the Executive, (a) the Executive's rate of Annual Base Salary (as provided in Section 5.1 of this Agreement), including any increases, is reduced, (b) the Executive suffers a substantial reduction in his title, duties or responsibilities, (c) the Company's headquarters shall be located outside the geographic area described in Section 5.9 hereof, (d) the Company fails to pay the Executive's Annual Base Salary when due or to pay any other material amount due to the Executive hereunder within five (5) days of written notice from the Executive, (e) the Company materially breaches this Agreement (other than a breach described in the preceding clause (d)) and fails to correct such breach within thirty (30) days after receiving the Executive's demand that it remedy the breach, or (f) the Company fails to obtain a satisfactory written agreement from any successor to assume and agree to perform this Agreement, which successor the Executive reasonably concludes is capable of performing the Company's financial obligations under this Agreement.

"Material Lines" shall have the meaning set forth in Section 9(a) hereof.

"Noncompete Period" shall have the meaning set forth in Section 9(a) hereof.

"Note and Pledge Agreement" shall have the meaning set forth in Section 5.12 hereof.

"Notice of Termination" shall have the meaning set forth in Section 6.5 hereof.

"Options" shall have the meaning set forth in Section 5.10 hereof.

"Option Agreement" shall have the meaning set forth in Section 5.10 hereof.

"Option Shares" shall have the meaning set forth in Section 5.10 hereof.

"Person" shall mean any natural or legal person including any individual, partnership, joint venture, corporation, association, joint stock company, limited liability company, trust, unincorporated organization or government or any department or agency or political subdivision thereof.

"Purchased Class D Common Stock" shall have the meaning set forth in Section 5.11(a) hereof.

"Section 6.1 Severance Period" shall have the meaning set forth in Section 6.1(a)(i) hereof.

"Section 6.2 Severance Period" shall have the meaning set forth in Section 6.2(a)(i) hereof.

"Subsidiary" shall mean, with respect to any Person, a corporation of which the securities having a majority of the voting power in electing directors are, at the time of determination, owned by such Person, directly or through one or more Subsidiaries.

"Term of Employment" shall have the meaning set forth in Section 3 hereof.

"Transfer" shall mean a sale, transfer, assignment, pledge, hypothecation, mortgage or other disposition (whether with or without consideration and whether voluntarily or involuntarily or by operation of law) of any interest in any Option Shares or Common Stock; except that a transfer or assignment to any trust established and maintained for the benefit of the Executive shall not be deemed a Transfer hereunder; provided that such trust agrees in writing to be bound by any transfer restrictions set forth herein.

"Vehicle Allowance" shall have the meaning set forth in Section 5.7 hereof.

"Withholding Amount" shall have the meaning set forth in Section 5.11(c) hereof.

"Work Product" shall have the meaning set forth in Section 8 hereof.

2. Employment. During the Term of Employment, subject to the terms and provisions set forth in this Agreement, the Company shall employ the Executive as the Chief Executive Officer and President of the Company and the Executive hereby accepts such employment.

3. Term of Employment. The term of employment under this Agreement shall commence as of the date hereof (the "Commencement Date") and, unless earlier terminated by the Company or the Executive under Section 6 of this Agreement, shall continue until April 8, 2005 (the "Term of Employment").

4. Positions, Responsibilities and Duties.

4.1. Duties. During the Term of Employment, the Executive, as the Chief Executive Officer and President of the Company, shall be responsible, subject to the direction of the Board, for identifying acquisition opportunities for the Company and providing strategic guidance, leadership and direction to the management team of the Company and for such other duties and functions of a senior executive nature, commensurate with his title, responsibility and remuneration as may be directed from time to time by the Board. Executive shall report solely to the Board.

4.2. Attention to Duties and Responsibilities. During the Term of Employment, the Executive shall devote substantially all of his business time to the business and affairs of the Company and shall use his best efforts, ability and fidelity to perform faithfully and efficiently his duties and responsibilities.

5. Compensation and Other Awards.

5.1. Annual Base Salary. Commencing on July 1, 2001, as compensation for the services to be provided by the Executive under this Agreement, the Company shall pay the Executive an annual base salary of Five-Hundred Thousand Dollars (\$500,000.00). The Executive's annual base salary shall be increased (but not decreased) at the commencement of each subsequent calendar year by an amount which shall be no less than five percent (5%) of such annual base salary in effect immediately prior to such increase, or such greater amount as the Board in its sole discretion shall

decide. Such annual base salary shall be payable to the Executive in equal installments at least twice per month in accordance with the Company's regular payroll practice.

5.2. Annual Incentive Compensation. The Board may, in its sole discretion, award an annual incentive cash payment (the "Annual Incentive") to the Executive during each or any year occurring during the Term of Employment based upon the Executive's performance and the Company's operating results during any such year. The Annual Incentive, if any, shall be due and payable by the Company on or before February 28 of the year immediately following the year for which such Annual Incentive is awarded.

5.3. Retirement and Savings Plans. During the Term of Employment and to the extent eligible, the Executive shall be entitled to participate in all pension, retirement, savings and other employee benefit plans and programs applicable to peer executives of the Company.

5.4. Welfare Benefit Plans and Perquisites. During the Term of Employment and to the extent eligible, Executive, Executive's spouse, if any, and Executive's eligible dependents, if any, shall be entitled to participate in and be covered by all welfare benefit plans and programs, if any, and shall be entitled to receive such perquisites and fringe benefits, if any, generally applicable to executives of the Company.

5.5. Expense Reimbursement. During the Term of Employment, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in performing his duties and responsibilities hereunder in accordance with the policies and procedures of the Company as in effect at the time the expense was incurred, as the same may be changed prospectively from time to time.

5.6. Vacation Benefits. During the Term of Employment, the Executive shall be entitled to four (4) weeks paid vacation annually at such times which do not materially interfere with the operations of the Company. Any vacation not used by the Executive during any calendar year during the Term of Employment shall accumulate to the extent permitted by and in accordance with the Company policy then in effect.

5.7. Vehicle Allowance. During the Term of Employment, the Executive shall be entitled to use of an automobile leased by the Company and the Company shall also cover the cost of any and all applicable insurance coverage therefor (the "Vehicle Allowance"). During the Term of Employment, the monthly cost to the Company of such Vehicle Allowance shall be at least equal to the monthly amount being paid by the Company for the Executive's automobile lease and applicable insurance expenses on the date of this Agreement. Upon expiration of the Company's lease, the Executive shall have the right to purchase such vehicle in accordance with the terms of the Company's lease agreement for such vehicle.

5.8. Wireless Communications Allowance. During the Term of Employment, the Executive shall be entitled to use of a wireless telephone and/or other wireless communications devices with all equipment and service costs thereof to be borne by the Company.

5.9. Geographic Location. The Executive's services hereunder shall be rendered primarily in (a) the Washington, D.C. metropolitan area, or (b) such other location mutually agreed to by the Company and the Executive.

5.10. Stock Options. Effective as of April 3, 2001, the Company granted to the Executive options to purchase Two Hundred Fifty Thousand shares of Class D Common Stock (the "Options," and the shares of Class D Common Stock obtainable upon exercise of such Options, the "Option Shares"). Except as set forth in this Section 5.10, all terms and conditions of such Options (and such Option Shares) shall be set forth in the option agreement attached hereto as Exhibit A evidencing the grant of such Options (the "Option Agreement").

(a) The price payable by the Executive for each Option Share shall be as set forth in the Option Agreement.

(b) The Options to purchase Option Shares shall vest and first become exercisable as described in the vesting schedule set forth in the Option Agreement.

(c) Upon a Change of Control, all of the Executive's Options shall become fully and immediately exercisable.

(d) Upon termination of the Executive's employment hereunder, any then unexercisable Option shall expire and be immediately forfeited. The Executive's right to exercise any exercisable Option following termination of his employment shall also expire and be forfeited to the extent that such Options are not exercised on or before the ninetieth (90th) day following such termination.

(e) All unexercised Options to acquire Option Shares shall expire on the tenth anniversary of their respective dates of grant.

(f) During the Term of Employment, the Executive may not Transfer any Options, whether or not exercised.

5.11. Subscription for and Purchase of Class D Common Stock; Repurchase of Purchased Class D Common Stock.

(a) The Executive hereby subscribes for and agrees to purchase, and the Company hereby agrees to issue and sell to the Executive on the date hereof, One Million Five Hundred Thousand (1,500,000) shares of Class D Common Stock (the "Purchased Class D Common Stock"), for an aggregate purchase price of Twenty One Million One Hundred Five Thousand Dollars (\$21,105,000.00).

(b) The Company and the Executive agree that as of the Commencement Date, the value of the Purchased Class D Common Stock is Twenty One Million One Hundred Five Thousand Dollars (\$21,105,000.00). The Company and the Executive shall use reasonable efforts to take accounting and tax positions consistent with such valuation. Not later than thirty (30) days after the Commencement Date, the Executive shall make an election, in the form attached hereto as

Exhibit B, to have the Purchased Class D Common Stock taxed under the provisions of ss.83(b) of the Internal Revenue Code.

(c) The Executive shall be responsible for the payment of any withholding tax requirement arising from his purchase of the Purchased Class D Common Stock. The amount of withholding tax required with respect to the Executive's purchase of the Purchased Class D Common Stock (the "Withholding Amount") shall be determined by the Chief Financial Officer, Controller or other appropriate officer of the Company, and the Executive shall furnish such information and make such representations as such officer requires to make such determination. The Company shall notify the Executive of the Withholding Amount and the Executive shall pay such Withholding Amount to the Company, either in cash, by certified cashier's check, or by delivery to the Company of a full recourse promissory note of the Executive in form and substance acceptable to the Company. The Company shall remit the Withholding Amount to the appropriate taxing authority or authorities.

(d) The Purchased Class D Common Stock shall vest in accordance with the following vesting schedule:

| Vesting Date | Number of Shares Vested |
|---------------|-------------------------|
| April 8, 2002 | 375,000 |
| April 8, 2003 | 750,000 |
| April 8, 2004 | 1,125,000 |
| April 8, 2005 | 1,500,000 |

(e) Upon a Change of Control, all of the Executive's unvested Class D Common Stock shall immediately become fully vested.

(f) During the Term of Employment, the Executive may not Transfer any unvested Purchased Class D Common Stock, except as provided in Section 5.11(g) hereof and except that the Executive may pledge shares of unvested Purchased Class D Common Stock to the Company. Any Transfer or attempted Transfer of any unvested Purchased Class D Common Stock in violation of this Section 5.11(f) shall be null and void, and the Company shall not record such Transfer on its books or treat any purported transferee of such unvested Purchased Class D Common Stock as the owner of such securities for any purpose.

(g) Upon termination of the Executive's employment hereunder, (i) the Company may repurchase from the Executive any unvested Purchased Class D Common Stock and (ii) the Executive may require the Company to repurchase from the Executive any unvested Purchased Class D Common Stock, in each case for a purchase price of Fourteen Dollars and Seven Cents (\$14.07) per share.

(h) The Executive hereby acknowledges that the Purchased Class D Common Stock has not been registered under the Securities Act of 1933, as amended, and accordingly, such Purchased Class D Common Stock may be subject to certain transfer restrictions (in addition to the transfer restrictions on unvested Purchased Class D Common Stock set forth in Section 5.11(f) hereof). The certificate(s) representing such Purchased Class D Common Stock will bear the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY ALSO BE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER, CERTAIN REPURCHASE OPTIONS, AND CERTAIN OTHER AGREEMENTS SET FORTH IN AN EMPLOYMENT AGREEMENT BETWEEN THE COMPANY AND THE SIGNATORY THERETO. A COPY OF SUCH AGREEMENT MAY BE OBTAINED BY THE HOLDER HEREOF AT THE COMPANY'S PRINCIPAL PLACE OF BUSINESS WITHOUT CHARGE.

(i) The Company shall use its commercially reasonable efforts to include in any registration statement on Form S-3 (or any similar or successor "short-form" registration statement, other than any such registration statement relating to the issuance of shares of Common Stock or rights to receive shares of Common Stock pursuant to any employee benefit or equity compensation plan or relating to any transaction described in Rule 145 under the Securities Act of 1933, as amended) filed with the Securities and Exchange Commission after April 8, 2002, shares of Purchased Class D Common Stock owned by the Executive that have become vested pursuant to Section 5.11(d) hereof on or before the date on which such registration statement is filed or becomes effective.

5.12. Promissory Note and Stock Pledge Agreement. In order to finance the Executive's purchase of the Purchased Class D Common Stock pursuant to Section 5.11 hereof, the Company shall loan to the Executive on the Commencement Date the principal amount of Twenty One Million One Hundred Five Thousand Dollars (\$21,105,000.00), evidenced by the Promissory Note and Stock Pledge Agreement of even date herewith and attached hereto as Exhibit C (the "Note and Pledge Agreement"), pursuant to which the Executive shall pledge all of the Purchased Class D Common Stock to the Company.

6. Termination. The Executive's employment hereunder may be terminated under the following circumstances:

6.1. Termination Upon Expiration of Term of Employment or by Executive Upon Change of Control.

(a) In the event of a termination by the Company of the Executive's employment under this Agreement upon expiration of the Term of Employment in accordance with Section 3 hereof (except as provided in Section 6.2 hereof) or pursuant to Section 6.1(c) hereof, the Term of Employment shall end and, notwithstanding Section 5 hereof, the Executive shall only be entitled to:

(i) the continuation of the Annual Base Salary at the rate then in effect (as provided in Section 5.1 of this Agreement) on the Date of Termination for a period of six (6) months commencing on such Date of Termination (the "Section 6.1 Severance Period").

(ii) any Annual Base Salary accrued to the Date of Termination, and any Annual Incentive relating to a prior year actually awarded or, relating to any year, objectively determinable, but not yet paid as of the Date of Termination;

(iii) reimbursement for all expenses (under Sections 5.5, 5.7 and 5.8 of this Agreement) incurred as of the Date of Termination, but not yet paid as of the Date of Termination;

(iv) to the extent applicable, and as so permitted by applicable law, the continuation of the Executive's welfare benefits (as described in Section 5.4 of this Agreement) at the level in effect on the Date of Termination during the Section 6.1 Severance Period or beyond as the law requires, and any other compensation and benefits as may be provided in accordance with the terms and provisions of applicable plans and programs, if any, generally applicable to executives of the Company or specifically applicable to the Executive, provided, that if Company is not able to provide continuing coverage under any such welfare benefit plan or program following the Executive's termination, the Company shall pay to the Executive cash in an amount sufficient to permit Executive to obtain substantially similar coverage outside of the Company's policy or program during such Section 6.1 Severance Period, and provided, further, that the Company shall pay all premiums for COBRA group health continuation coverage for the Executive and his dependents during such Section 6.1 Severance Period; and

(v) such rights as the Executive may have under any other written agreement between the Company and the Executive which is then currently in effect.

(b) The amounts owed under Section 6.1(a)(i) shall be payable in equal bi-weekly installments from the Date of Termination through the expiration of the Section 6.1 Severance Period. The amounts owed under Section 6.1(a)(ii) shall be paid within fifteen (15) days of the Date of Termination. The amounts owed under Section 6.1(a)(iii), unless otherwise expressly specified herein, shall be paid in accordance with the policies and procedures of the Company in effect at the time the applicable expenses were incurred. The amounts owed under Section 6.1(a)(iv) shall be payable in accordance with the terms of the applicable plans and programs, except cash amounts to be paid in accordance with the proviso of Section 6.1(a)(iv), which shall be paid within sixty (60) days of the Date of Termination. The amounts owed under Section 6.1(a)(v) shall be paid within sixty (60) days of the Date of Termination.

(c) At any time during the six (6) month period immediately following a Change of Control, the Executive may, in his sole discretion and upon thirty (30) days' prior written notice to the Board, terminate his employment under this Agreement and receive the benefits provided under Section 6.1(a) hereof.

6.2. Termination by the Company Without Cause or Upon Change of Control or by Executive for Good Reason.

(a) In the event that the Company terminates the Executive's employment without Cause, or in accordance with Section 3 hereof at any time during the six month period

immediately following a Change of Control, or if the Executive terminates his employment for Good Reason, the Executive shall only be entitled to:

- (i) the continuation of the Annual Base Salary at the rate then in effect (as provided in Section 5.1 of this Agreement) on the Date of Termination for a period of twelve (12) months commencing on such Date of Termination (the "Section 6.2 Severance Period").
- (ii) any Annual Base Salary accrued to the Date of Termination, and any Annual Incentive relating to a prior year actually awarded or, relating to any year, objectively determinable, but not yet paid as of the Date of Termination;
- (iii) reimbursement for all expenses (under Sections 5.5, 5.7 and 5.8 of this Agreement) incurred as of the Date of Termination, but not yet paid as of the Date of Termination;
- (iv) to the extent applicable, and as so permitted by applicable law, the continuation of the Executive's welfare benefits (as described in Section 5.4 of this Agreement) at the level in effect on the Date of Termination during the Section 6.2 Severance Period or beyond as the law requires, and any other compensation and benefits as may be provided in accordance with the terms and provisions of applicable plans and programs, if any, generally applicable to executives of the Company or specifically applicable to the Executive, provided, that if Company is not able to provide continuing coverage under any such welfare benefit plan or program following the Executive's termination, the Company shall pay to the Executive cash in an amount sufficient to permit Executive to obtain substantially similar coverage outside of the Company's policy or program during such Section 6.2 Severance Period, and provided, further, that the Company shall pay all premiums for COBRA group health continuation coverage for the Executive and his dependents during such Section 6.2 Severance Period; and
- (v) such rights as the Executive may have under any other written agreement between the Company and the Executive which is currently in effect.

(b) The amounts owed under Section 6.2(a)(i) shall be payable in equal bi-weekly installments from the Date of Termination through the expiration of the Section 6.2 Severance Period. The amounts owed under Section 6.2(a)(ii) shall be paid within fifteen (15) days of the Date of Termination. The amounts owed under Section 6.2(a)(iii), unless otherwise expressly specified herein, shall be paid in accordance with the policies and procedures of the Company in effect at the time the applicable expenses were incurred. The amounts owed under Section 6.2(a)(iv) shall be payable in accordance with the terms of the applicable plans and programs, except cash amounts to be paid in accordance with the proviso of Section 6.2(a)(iv), which shall be paid within sixty (60) days of the Date of Termination. The amounts owed under Section 6.2(a)(v) shall be paid within sixty (60) days of the Date of Termination.

(c) Upon thirty (30) days' prior written notice to the Board, the Executive may terminate his employment under this Agreement for Good Reason and such notification shall specify the act, or acts, on the basis of which the Executive has found Good Reason. The Board shall then

be provided the opportunity, within thirty (30) days of its receipt of such notification, to meet with the Executive to discuss such act or acts. If the Executive does not rescind his termination of employment at such meeting, the Executive's employment by the Company shall be terminated for Good Reason pursuant to this Section 6.2, subject to the Company's right to seek arbitration of the existence of Good Reason as provided in Section 11 of this Agreement, and the Executive shall receive the benefits provided under Section 6.2(a) hereof. The Company agrees that the Executive's continuation of his employment during the initial six-month period following the occurrence of a Good Reason shall not constitute a waiver of his rights to resign for Good Reason, which shall be preserved during such period.

6.3. Termination Due to Death or Disability, by the Company for Cause or by Executive without Good Reason.

(a) In the event of the Executive's death, or a termination of the Executive's employment under this Agreement by either the Company or the Executive due to Disability, or the termination by the Company of the Executive's employment under this Agreement for Cause, or if the Executive terminates his employment with the Company without Good Reason (other than as provided in Section 6.1(c)), the Term of Employment shall end and, notwithstanding Section 5 hereof, the Executive, his estate or other legal representative, as the case may be, shall only be entitled to:

(i) any Annual Base Salary accrued to the Date of Termination, and any Annual Incentive relating to a prior year actually awarded or, relating to any year, objectively determinable, but not yet paid as of the Date of Termination;

(ii) reimbursement for all expenses (under Sections 5.5, 5.7 and 5.8 of this Agreement) incurred as of the Date of Termination, but not yet paid as of the Date of Termination;

(iii) any other compensation and benefits as may be provided in accordance with the terms and provisions of applicable plans and programs, if any, generally applicable to executives of the Company or specifically applicable to the Executive; and

(iv) such rights as the Executive may have under any other written agreement between the Company and the Executive which is currently in effect.

(b) The amounts owed under Section 6.3(a)(i) shall be paid within fifteen (15) days of the Date of Termination. The amounts owed under Section 6.3(a)(ii), unless otherwise expressly specified herein, shall be paid in accordance with the policies and procedures of the Company in effect at the time the applicable expenses were incurred. The amounts owed under Section 6.3(a)(iii) shall be payable in accordance with the terms of the applicable plans and programs. The amounts owed under Section 6.3(a)(iv) shall be paid within sixty (60) days of the Date of Termination.

(c) The Company may terminate the Executive for Cause. In each case, the existence of Cause must be confirmed by the Board prior to any termination therefor. In the event of such a confirmation, the Company shall notify the Executive that the Company intends to

terminate the Executive's employment for Cause under this Section 6.3. Such notification shall specify the act, or acts, on the basis of which the Board has so confirmed the existence of Cause.

(d) Upon sixty (60) days' prior written notice to the Board, Executive may terminate his employment under this Agreement without Good Reason.

6.4. No Mitigation; No Offset. In the event of any termination of employment, the Executive shall be under no obligation to seek other employment and there shall be no offset against any amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that the Executive may obtain. Any amounts due under this Section 6 are in the nature of severance payments, or liquidated damages, or both, and are not in the nature of a penalty.

6.5. Notice of Termination. Any termination of the Executive's employment under this Section 6 shall be communicated by a notice of termination (the "Notice of Termination") to the other party hereto given in accordance with Section 13.3 of this Agreement. Such notice shall (a) indicate the specific termination provision in this Agreement relied upon, (b) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (c) if the termination date is other than the date of receipt of such notice, specify the date on which the Executive's employment is to be terminated (which date shall not be earlier than the date on which such notice is actually received).

7. Confidential Information. The Executive acknowledges that the confidential or proprietary information obtained by him while employed by the Company concerning the business or affairs of the Company or any Affiliate of the Company ("Confidential Information") is the property of the Company or such Affiliate, as the case may be. For purposes of this Agreement, the term "Confidential Information" does not include information that the Executive can demonstrate (a) was in the Executive's possession prior to first being employed by the Company, provided that such information is not known by the Executive to be subject to another confidentiality agreement with, or other obligation of secrecy to, the Company or another party, (b) is generally available to the public and became generally available to the public other than as a result of a disclosure in violation of this Agreement, (c) became available to the Executive on a non-confidential basis from a third party, provided that such third party is not known by the Executive to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Company or another party or is otherwise prohibited from providing such information to the Executive by a contractual, legal or fiduciary obligation or (d) the Executive is required to disclose pursuant to applicable law or regulation (as to which information, the Executive will provide the Company with prior notice of such requirement and, if practicable, an opportunity to obtain an appropriate protective order). The Executive agrees that he will not during the Term of Employment and for the two-year period following the Term of Employment, willfully disclose Confidential Information to any Person (other than employees of the Company or any Subsidiary thereof or any other Person expressly authorized by the Board to receive Confidential Information or otherwise as required in the course of his duties during the Term of Employment) or use for his own account any Confidential Information without the prior written consent of the Board. The Executive shall deliver to the Company at the termination of the Term of Employment, or at any other time the Board may request in writing, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and

data (and copies thereof) containing Confidential Information or Work Product which he may then possess or have under his control. The Company shall, upon the Executive's request, provide to the Executive a copy of such documents as may be reasonably necessary for the Executive to exercise his rights under Section 11 hereof, or to defend himself in any third party shareholder disputes, and which shall otherwise remain subject to the provisions of this Section 7.

8. Work Product. The Executive agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, reports and all similar or related information which relate to the Company's or its Subsidiaries' actual business, research and development or existing products or services and which are conceived, developed or made by the Executive while employed with the Company ("Work Product") belong to the Company or such Subsidiary. Upon the written request of the Board, the Executive will promptly disclose such Work Product to the Board and perform all actions reasonably requested by the Board (whether during or after the Term of Employment) to establish and confirm such ownership.

9. Noncompete, Non-Solicitation.

(a) Executive acknowledges that in the course of his employment with the Company he will become familiar with the trade secrets and other confidential information of the Company and the Subsidiaries of the Company and that his services will be of special, unique and extraordinary value to the Company. Therefore, Executive agrees that, during the Term of Employment and for an additional period (the "Noncompete Period") equal to (i) in the event that Executive's employment is terminated pursuant to Section 6.1 hereof, for a period of six (6) months thereafter or (ii) in the event that Executive's employment terminated pursuant to Section 6.2 or Section 6.3 hereof, for a period of one (1) year thereafter, he shall not directly or indirectly own, manage, control, participate in, consult with, or render services for any "Competing Business" (as defined below) in any "Competing Market" (as defined below). For purposes of this section, a "Competing Business" is one in which the predominant activities of the business are classified under the same principal Standard Industrial Classification category (using the categories as in effect on April 9, 2001) as any of the "Material Lines" (as defined below) of the Company and the Company Affiliates. A division or subsidiary of a diversified business will be treated as a Competing Business only if (i) the diversified business falls within the preceding sentence and (ii) either (I) Executive directly provides services to that division or subsidiary as his primary employment within the diversified business or (II) that division or subsidiary would be a Material Line on a consolidated basis as defined below for the potentially competing diversified business. A "Competing Market" is a geographic market (as defined by The Arbitron Company) in which the Company or any Company Affiliate has, on or before the Date of Termination, with respect to one or more Material Lines, (i) commenced material operations or (ii) determined before such date to commence such material operations and committed substantial resources to either determining the feasibility of such commencement or actually commencing such operations. A geographic market in which the Company or any Company Affiliate operates a Material Line will only be treated as a Competing Market for the Material Line in that market, and not for other Material Lines or other operations of the Company and its Company Affiliates. A "Material Line" is a division, subsidiary, or business line from which the Company and its Company Affiliates derived at least 25% of audited consolidated gross revenues for the Company's fiscal year ended before the Date of Termination. The Company agrees that any businesses arising out of or related to (y) the interest in or ownership of an FM radio station licensed in Mableton, Georgia by Mableton Investment Group (in which the

Executive has an equity interest), and (z) Executive's current ownership of and interest in Music One, Inc., are expressly excluded from the intended scope of this provision and thus not Competing Businesses. Nothing herein shall prohibit Executive from being a passive owner of not more than 4.9% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) During the Noncompete Period, the Executive shall not directly or indirectly through another Person (i) induce or attempt to induce any employee of the Company or any Subsidiary of the Company to leave the employ of such Person, (ii) hire any individual who was an executive of the Company or its Subsidiaries, a general, station or regional manager of the Company or its Subsidiaries or a radio personality employed by the Company or its Subsidiaries at any time during the Term of Employment (other than individuals who have not been employed by the Company or a Subsidiary of the Company for a period of at least six months prior to employment by the Executive directly or indirectly through another Person), or (iii) induce or attempt to induce any customer, supplier, licensee or other Person having a business relationship with the Company or any Subsidiary of the Company to cease doing business with the Company or such Subsidiary of the Company, or interfere materially with the relationship between any such customer, supplier, licensee or other Person having a business relationship with the Company or any Subsidiary of the Company.

(c) If, at the time of enforcement of this Section 9, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

10. Non-Exclusivity of Rights. Nothing in this Agreement shall limit or otherwise prejudice such rights as the Executive may have under any future agreements with the Company.

11. Resolution of Disputes. Any disputes arising under or in connection with this Agreement shall be resolved by arbitration, to be held in Baltimore, Maryland, in accordance with the Commercial Arbitration Rules and procedures of the American Arbitration Association. Such arbitration shall be before a single arbitrator who shall be a retired federal or Maryland State judge acceptable to the Company and the Executive. In the event that the Executive and the Company cannot agree upon an arbitrator within thirty (30) days of a notice demanding such agreement from one to the other, the arbitrator shall be chosen by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The decision of the arbitrator shall be final, conclusive and binding upon the Company and the Executive. All costs, fees and expenses, including attorney fees, of any arbitration in connection with this Agreement, which results in any final decision of the arbitrator requiring the Company to make a payment to the Executive beyond what was offered to the Executive by the Company, shall be borne by, and be the obligation of, the Company. In no event shall the Executive be required to reimburse the Company for any of the costs and expenses incurred by the Company relating to any arbitration. If the Executive has had an opportunity to be heard by the Board and the Board has made a good faith determination to terminate the Executive hereunder, the Company may suspend payments to the Executive of his Annual Base Salary; provided that in the event that an arbitrator finds in favor of the Executive, the Company

shall pay such suspended Annual Base Salary payments to the Executive, together with interest thereon at the greater of 8% or prime plus 3% per annum from the date such payments were due to the date actually paid. The obligation of the Company and the Executive under this Section 11 shall survive the termination for any reason of the Term of Employment (whether such termination is by the Company, by the Executive, or upon the expiration of the Term of Employment).

12. Successors.

12.1. Executive. This Agreement is personal to the Executive and, without the prior express written consent of the Company, shall not be assignable by the Executive, except that the Executive's rights to receive any compensation or benefits under this Agreement may be transferred or assigned pursuant to testamentary disposition, intestate succession or pursuant to a qualified domestic relations order. This Agreement shall inure to the benefit of and be enforceable by the Executive's heirs, beneficiaries and/or legal representatives.

12.2. The Company. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, provided that the Company may only transfer or assign this Agreement with the Executive's prior written consent.

13. Miscellaneous.

13.1. Applicable Law. The corporate law of the State of Delaware will govern all questions 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 and construed in accordance with the internal laws of the State of Maryland.

13.2. Amendments/Waiver. This Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors and legal representatives. No waiver by any party to this Agreement of any breach of any term, provision or condition of this Agreement by the other party shall be deemed a waiver of a similar or dissimilar term, provision or condition at the same time, or any prior or subsequent time.

13.3. Notices. All notices, waivers and other communications hereunder shall be in writing and shall be given by hand-delivery to the other party, by facsimile (with appropriate confirmation of transmission), by reputable overnight courier, or by registered or certified mail, return receipt requested, postage prepaid, and shall be deemed delivered when actually delivered by hand, upon receipt of confirmation of facsimile transmission, three days after mailing, or one day after dispatch by overnight courier, addressed as follows:

If to the Executive:

Mr. Alfred C. Liggins
813 Maryland Avenue, NE
Washington, DC 20002

If to the Company:

Radio One, Inc.
5900 Princess Garden Parkway, 7th Floor
Lanham, MD 20706
Attention: General Counsel
Facsimile: 301-306-9638

or to such other address as either party shall have furnished to the other in writing in accordance herewith.

13.4. Withholding. Notwithstanding anything else to the contrary herein, the Company may withhold from any amounts payable under this Agreement such taxes as shall be required to be withheld pursuant to any applicable law or regulation. Where amounts are payable to the Executive pursuant to this Agreement both in cash and in a form other than cash, the Company may, at its option and upon prior notice to the Executive, withhold from such cash payments, or withhold from such payments in a form other than cash, or withhold from both.

13.5. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby: (a) such provision will be fully severable; (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as shall be agreed upon by the Company and the Executive.

13.6. Captions. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

13.7. Entire Agreement. This Agreement contains the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto.

13.8. Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

13.9. Representation. The Executive represents and warrants that the performance of the Executive's duties and obligations under this Agreement will not violate any agreement between the Executive and any other Person.

13.10. Survivorship. The respective rights and obligations of the parties under this Agreement shall survive any termination of this Agreement or the Executive's employment

hereunder for any reason to the extent necessary to the intended preservation of such rights and obligations.

13.11. Right of Offset. The Executive and the Company agree that concurrently with the execution and delivery of this Agreement the Company and the Executive are entering into the Note and Pledge Agreement. At the sole option of Executive, any amounts due under the Note and Pledge Agreement shall be offset against any amount due under or with respect to this Agreement.

[END OF PAGE]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Executive has hereunto set his hand,
and the Company has caused this Employment Agreement to be executed in its name
and on its behalf by its authorized representative, all as of the day and year
first above written.

RADIO ONE, INC.,
a Delaware corporation

By: /s/ Scott R. Royster

Name: Scott R. Royster
Title: Chief Financial Officer and
Executive Vice President

EXECUTIVE:

/s/ Alfred C. Liggins, III

Alfred C. Liggins, III