UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED) FOR THE TRANSITION PERIOD FROM ________ TO ________

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 incorporation or organization)	(I.R.S. Employer Identification No.)

5900 PRINCESS GARDEN PARKWAY
8TH FLOOR

LANHAM, MARYLAND 20706
(Address of principal executive offices)

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

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

Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ].

One share of voting stock is held by a non-affiliate of the registrant as of December 31, 1997. The registrant is a private equity company and it has no view as to the value of its voting stock.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of December 31, 1997.

Class	Outstanding at December 31, 1997
Class A Common Stock, $.01 Par Value	138.45
Class B Common Stock, $.01 Par Value	0

RADIO ONE, INC.

Form 10-K
For the Fiscal Year Ended December 31, 1997

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PART I

ITEM 1. BUSINESS

EXCEPT WHERE THE CONTEXT INDICATES OTHERWISE, (I) PRIOR TO MARCH 16, 1998, THE TERM "COMPANY" REFERS TO THE REGISTRANT RADIO ONE, INC. AND ITS WHOLLY-OWNED SUBSIDIARY RADIO ONE LICENSES, INC. (THE SURVIVING CORPORATION OF THE MERGER OF RADIO ONE LICENSE LLC WITH AND INTO RADIO ONE LICENSES, INC.) AND (II) ON AND AFTER MARCH 16, 1998, THE TERM "COMPANY" REFERS TO THE REGISTRANT RADIO ONE, INC. AND ITS DIRECT WHOLLY-OWNED SUBSIDIARIES (RADIO ONE LICENSES, INC. AND WYCB ACQUISITION CORPORATION) AND ITS INDIRECT WHOLLY-OWNED SUBSIDIARY (BROADCAST HOLDINGS, INC.).

Radio One, Inc. ("Radio One") founded in 1980, is the largest radio broadcasting company in the United States exclusively targeting African-American listeners and consumers. After giving effect to the Bell Acquisition (as defined), the Company will own and operate a total of twelve radio stations (six FM and six AM) in four of the top-15 African-American markets. The Company seeks to expand within its existing markets and into new, primarily top-30 African-American markets. The Company believes that the African-American community is an attractive target market for radio broadcasters and that the Company has a competitive advantage serving this target market due in part to its African-American ownership and its active involvement in the African-American community.

The Company owns and operates four radio stations in Washington, D.C., the third largest African-American market with a metropolitan statistical area ("MSA") population of approximately 4.2 million in 1995 (approximately 27.4% of which was African-American), and four radio stations in Baltimore, the eleventh largest African-American market with an MSA population of approximately 2.5 million in 1995 (approximately 26.0% of which was African-American). In 1997 the Company entered the Philadelphia market pursuant to the acquisition of WPHI-FM (formerly WDRE-FM), the sixth largest African-American market with an MSA population of approximately 4.9 million in 1995 (approximately 19.9% of which was African-American). On November 19, 1997, WYCB Acquisition Corporation entered into an Option and Stock Purchase Agreement (the "WYCB Agreement") with Broadcast Holdings, Inc. ("BHI"), licensee of WYCB-AM, to acquire BHI for approximately $3.75 million (the "DC Acquisition"). WYCB Acquisition Corporation consummated the DC Acquisition effective March 16, 1998. WYCB-AM is currently the top-rated Gospel radio station in Washington, D.C. In conjunction with the issuance of its Promissory Note in the original principal amount of $3.75 million, WYCB Acquisition Corporation granted a security interest in all of the stock and assets of BHI. This security interest was granted to Allied Capital Financial Corporation ("Allied"). Allied also received a Stock Purchase Warrant from Radio One which entitles it to acquire up to 40,000 shares of the Series A Preferred Stock (as defined) of Radio One if WYCB Acquisition Corporation defaults on the payment of such Promissory Note and the stock and assets of BHI are insufficient to pay the entire amount owed under such Promissory Note. In that event, and only in that event and subject to Allied's fulfillment of certain conditions, Allied may acquire such shares of Radio One equal to the amount owed under the Promissory Note. In conjunction with issuing the Stock Purchase Warrant, the shareholders of Radio One approved an increase in the number of authorized shares of Series A Preferred Stock to provide for sufficient shares in the event that Allied is entitled to exercise its warrant. Radio One also entered into an local marketing agreement formally referred to as a Time Management and Services Agreement with WYCB Acquisition Corporation and BHI, which allows Radio One to provide programming services to and retain all advertising revenue from WYCB-AM in exchange for a monthly fee paid by Radio One to WYCB Acquisition Corporation.

Additionally, on December 23, 1997, Radio One entered into a Stock Purchase Agreement (the "Bell Agreement") with Bell Broadcasting Company ("Bell"), the owner of two radio stations, one AM and one FM, located in the Detroit, Michigan market and one AM radio station located in Kingsley, Michigan (the "Bell Acquisition"). Pursuant to the Bell Agreement, Radio One agreed to pay approximately $34.2 million in cash plus the cost of certain improvements to the stations, $2.0 million of which was deposited in escrow upon the execution of the Bell Agreement and will be available to the sellers as liquidated damages if Radio One breaches its obligations thereunder. The consummation of the Bell Acquisition is contingent upon certain matters, including the

receipt of final approval from the Federal Communications Commission ("FCC") for the transfer of the FCC licenses. Radio One expects to complete the Bell Acquisition by the end of the third quarter of 1998 which may require the exercise of up to four one month extensions of the closing date at an additional cost of $150,000 per month. The Company anticipates that Bell will become a Restricted Subsidiary, as such term is defined in the Indenture dated as of May 15, 1997 among Radio One, Inc., Radio One Licenses, Inc., and United States Trust Company of New York (the "Indenture"), and a guarantor of the 12% Senior Subordinated Notes due 2004 ("Notes"), as defined in the Indenture. Radio One expects to fund the balance of the purchase price from the Company's free cash balances as well as from the proceeds of a debt or equity offering (or combination thereof) to be completed prior to the cosummation of this acquisition. Detroit is the fifth largest African-American market with an MSA population of approximately 4.5 million in 1995 (approximately 22.6% of which was African-American). The Company may divest itself of the station located in Kingsley, Michigan, following the consummation of the Bell Acquisition, because that station is not integral or material to the transaction and is located a substantial distance from Detroit.

The Company has grown significantly over the past five years through acquisitions as well as internal expansion. From 1992 to 1997 net revenues and broadcast cash flow increased from approximately $10.8 million to approximately $32.4 million, and from approximately $4.8 million to approximately $13.5 million, respectively. The number of radio stations owned and operated by the Company increased from two at the end of 1991 to eight by the end of 1997 and, with the consummation of the DC Acquisition and the proposed Bell Acquisition, will grow to 12.

The Company believes that operating radio stations targeting the African-American population presents significant growth opportunities for the following reasons:

- RAPID POPULATION GROWTH. According to the U.S. Department of Commerce, Bureau of the Census (the "Census Bureau"), from 1980 to 1995, the African-American population increased from approximately 26.7 million to 33.1 million (a 24.0% increase, compared to a 16.0% increase in the population as a whole). Furthermore, the African-American population is expected to exceed 40 million by 2010 (a more than 20% increase from 1995, compared to an expected increase of 13% for the population as a whole).

- HIGHER INCOME GROWTH. According to the Census Bureau, from 1980 to 1995, the rate of increase in median household income in 1995 adjusted dollars for African-Americans was approximately 12.3% compared to 3.9% for the population as a whole.

- CONCENTRATED PRESENCE IN URBAN MARKETS. Approximately 58% of the African-American population is located in the top-30 African-American markets, and the Company believes that the African-American community is usually geographically concentrated in such markets. This concentration of African-Americans enables the Company to reach a large portion of its target population with radio stations that may have less powerful signals, thus potentially lowering the Company's acquisition and operating costs.

- FEWER SIGNALS REQUIRED. The Company believes the current industry trend is for radio broadcasters to acquire the maximum number of radio stations allowed in a market under FCC ownership rules (up to eight radio stations in the largest markets with no more than five being FM or AM), unless restricted by other regulatory authorities. However, relative to radio broadcasters targeting a broader audience, the Company believes it can cover the various segments of its target niche market with fewer programming formats and therefore fewer radio station signals than the maximum allowed.

- STRONG AUDIENCE LISTENERSHIP AND LOYALTY. Based upon reports by Arbitron (as defined) the Company believes that as a group, African-Americans generally spend more time listening to radio than non-African-American audiences. For example, during 1996, African-Americans among all persons 12-years-old and older ("12-plus" or the "12-plus market") in the ten largest 12-plus markets listened to radio broadcasts an average of 27.2 hours per week compared to 22.9

hours per week for non-African-Americans in such markets. In addition, the Company believes African-American radio listeners exhibit a greater degree of loyalty to radio stations which target the African-American community because those radio stations become a valuable source of entertainment and information responsive to the community's interests and lifestyles. As a result, the Company believes that its target demographic group provides greater audience ratings stability than that of other demographic groups.

- COST EFFECTIVE FOR ADVERTISERS. The Company believes that advertisers can reach the African-American community more cost effectively through radio broadcasting than through newspapers or television because the Company's radio broadcasts specifically target the African-American community while newspapers and television typically target a much more diverse audience.

Radio One is led by its Chairperson, Ms. Catherine L. Hughes, who is one of the Company's founders, and her son, Mr. Alfred C. Liggins, III, its Chief Executive Officer and President, who together have over three decades of operating experience in radio broadcasting. Ms. Hughes and Mr. Liggins, together with a strong management team, have implemented a successful strategy of acquiring and turning around underperforming radio stations in top-30 African-American markets. In both Baltimore and Washington, D.C., the Company has increased audience share at each radio station it has acquired. For all of 1997, the Company's radio stations on a combined basis, were ranked first in combined audience and revenue share of radio stations targeting African-Americans in both Baltimore and Washington, D.C. The Company believes that it is well-positioned to apply its successful operating strategy to other radio stations in existing and new markets as attractive acquisition opportunities arise.

The following table sets forth certain information with respect to Radio One and its markets as of December 31, 1997 (including WYCB-AM but excluding the radio stations to be acquired pursuant to the Bell Agreement):

	PRO FORMA COMPANY DATA						MARKET DATA	
	NUMBER OF STATIONS		AFRICAN-AMERICAN MARKET		ENTIRE MARKET		RANKING BY SIZE OF	
MARKET	FM	AM	AUDIENCE RANK	REVENUE RANK	AUDIENCE SHARE(%)	REVENUE SHARE(%)	RADIO REVENUE($)	AFRICAN AMERICAN POPULATION
Washington, D.C.	2	2	1	1	12.4	9.4	$ 218.2	3
Baltimore	2	2	1	1	15.1	16.3	88.5	11
Philadelphia	1	--	N/A	N/A	3.5	1.3	227.5	6

OPERATING STRATEGY

In order to maximize broadcast cash flow at each of its radio stations, the Company strives to create and operate the leading radio station group, in terms of audience share, serving the African-American community and to effectively convert these audience share ratings to advertising revenue while controlling the costs associated with each radio station's operations. The success of the Company's strategy relies on the following: (i) market research, targeted programming and marketing; (ii) significant community involvement; (iii) aggressive sales efforts; (iv) advertising partnerships and special events; (v) strong management and performance-based incentives; and (vi) radio station clustering, programming segmentation and sales bundling.

MARKET RESEARCH, TARGETED PROGRAMMING AND MARKETING

The Company uses market research to tailor the programming, marketing and promotions of its radio stations to maximize audience share. To achieve these goals, the Company uses market research to identify unserved or underserved markets or segments of the African-American community in current and new markets and to determine whether to acquire a new radio station or reprogram one of its existing radio stations to target those markets or segments.

The Company also seeks to reinforce its targeted programming by creating a distinct and marketable identity for each of its radio stations. To achieve this objective, in addition to its significant community involvement discussed below, the Company employs and promotes distinct, high-profile on-air personalities at many of its radio stations, many of whom have strong ties to the African-American community.

SIGNIFICANT COMMUNITY INVOLVEMENT

The Company believes its active involvement and significant relationships in the African-American community, together with its African-American ownership, provide a competitive advantage in targeting African-American audiences. In this way, the Company believes its proactive involvement in the African-American communities in each of its markets greatly improves the marketability of its radio broadcast time to advertisers who are targeting such communities.

Management believes that a radio station's image should reflect the lifestyle and viewpoints of the target demographic group it serves. Due to the Company's fundamental understanding of the African-American community, management believes it is able to identify music and musical styles, as well as political and social trends and issues, early in their evolution. This understanding is then integrated into all aspects of the Company's operations and enables it to create enhanced awareness and name recognition in the marketplace. In addition, the Company believes its multi-level approach to community involvement leads to increased effectiveness in developing and updating its programming formats. Management believes its enhanced awareness and more effective programming formats lead to greater listenership and higher ratings over the long-term.

The Company has a history of sponsoring events that showcase its commitment to the African-American community including:

o heightening the awareness of certain diseases and holding fundraisers to fund the search for cures for diseases which disproportionately impact African-Americans, such as sickle-cell anemia and leukemia;

o developing contests specifically designed to assist African-American single mothers with day care expense;

o fundraising for the many African-American churches throughout the country which have been the target of arsonists; and

o organizing seminars designed to educate African-Americans on personal issues that include buying a home, starting a business, developing a credit history, financial planning and health care.

AGGRESSIVE SALES EFFORTS

The Company has assembled an effective, highly-trained sales staff focused on converting the Company's audience share into revenue. The Company employs a dual sales strategy of selling stations individually where appropriate, by targeting a certain demographic segment, or in combination by focusing on the complementary aspects of the Company's multiple stations.

ADVERTISING PARTNERSHIPS AND SPECIAL EVENTS

The Company believes that in order to create advertiser loyalty it must strive to be the recognized expert in marketing to the African-American consumer in its markets. The Company believes that it has achieved this recognition by focusing on serving the African-American consumer and by creating innovative advertising campaigns and promotional tie-ins. The Company sponsors several major entertainment events each year. The Stone Soul Picnic, developed by the Company in 1989, is an all-day free outdoor concert which showcases advertisers, local merchants and other organizations desiring exposure to over 100,000 people in each of Washington, D.C. and Baltimore. The Company also sponsors The People's Expo every March in Washington, D.C. and Baltimore. This event provides entertainment, shopping and educational seminars to the Company's

listeners and others from the communities that the Company serves. In connection with these events, advertisers buy signage, booth space and broadcast promotions to sell cars, groceries, clothing, financial services and other products and services to the African-American consumer.

STRONG MANAGEMENT AND PERFORMANCE-BASED INCENTIVES

The Company focuses on hiring highly motivated and talented individuals in each functional area of the organization who can effectively help the Company implement its strategies of growth and value creation. The Company's management team is comprised of a diverse group of individuals who bring strong expertise to their respective functional areas. The Company looks to promote from within and, thus, aims to build a middle management and lower-level employee base comprised of individuals with great potential, the ability to operate with high levels of autonomy and the appropriate team-orientation which will enable them to grow their careers within the organization.

To enhance the quality of management in the sales and programming areas of the Company, General Managers, Sales Managers and Program Directors have significant portions of their compensation tied to the achievement of certain performance goals. General Managers' compensation is based partially on achieving cash flow benchmarks which creates an incentive for management to focus not only on sales growth, but also on expense control. Additionally, Sales Managers and sales personnel have incentive packages based on sales goals, and Program Directors and on-air talent have incentive packages focused on maximizing overall ratings as well as ratings in specific target segments.

RADIO STATION CLUSTERING, PROGRAMMING SEGMENTATION AND SALES BUNDLING

The Company strives to build clusters of radio stations in its markets, with each radio station targeting different demographic segments of the African-American population. This clustering and programming segmentation strategy allows the Company to achieve greater penetration into each segment of its target market. The Company is then able to offer advertisers multiple audiences and to bundle the radio stations for advertising sales purposes when advantageous.

The Company believes there are several potential benefits that result from operating multiple radio stations within the same market. First, each additional radio station in a market provides the Company with a larger percentage of the prime advertising time available for sale within that market. Second, the more signals programmed by the Company, the greater the market share the Company can achieve in its target demographic groups through the use of segmented programming. Third, the Company is often able to consolidate sales, promotional, technical support and corporate functions to produce substantial cost savings. Finally, the purchase of additional radio stations in an existing market allows the Company to take advantage of its market expertise and existing relationships with advertisers.

ACQUISITION STRATEGY

The Company's primary acquisition strategy is to acquire and turn around under performing radio stations in the top-30 African-American markets. The Company considers acquisitions in existing markets where expanded coverage is desirable and considers acquisitions in new markets where the Company believes it is advantageous to establish a presence. In analyzing potential acquisition candidates, the Company generally considers (i) whether the radio station has a signal adequate to reach a large percentage of the African-American community in a market, (ii) whether the Company can reformat or improve the radio station's programming in order to profitably serve the African-American community, (iii) whether the radio station affords the Company the opportunity to segment program formats within a market in which the Company already maintains a presence, (iv) whether the Company can increase broadcast revenues of the radio station through aggressive marketing, sales and promotions, (v) the price and terms of the purchase, (vi) the level of performance that can be expected from the radio station under the Company's management and (vii) the number of competitive radio stations in the market.

The Company believes that large segments of the African-American population in its target markets are often concentrated in certain geographic sections of such markets. The Company further believes that this geographic concentration may provide it with an opportunity to acquire less expensive radio stations with less powerful signals without materially diminishing the Company's coverage of the African-American community. As a result, the Company believes it can have a competitive advantage in securing a substantial share of the radio revenue at a potentially lower acquisition cost per listener than radio stations targeting other demographic groups.

The Company does not apply a fixed formula to determine the purchase price of radio stations and does not focus solely on multiples of broadcast cash flow. Rather the Company seeks to acquire radio stations consistent with its acquisition and operating strategies. The Company will continue to evaluate potential acquisitions in the top-30 African-American markets.

STATION OPERATIONS

The following is a general description of each of the Company's markets and its radio stations in each market. As noted, the data provided in the tables below includes information during periods the radio stations listed were not owned or operated by the Company.

WASHINGTON D.C.

The Washington, D.C. market is estimated to be the eighth largest radio market in terms of population and had 1997 radio advertising revenues totaling an estimated $218.0 million. In 1995, Washington, D.C. had the third largest African-American population in the United States with an MSA population of approximately 4.2 million (approximately 27.4% of which was African-American). The Company believes it owns the strongest franchise (in terms of audience share and number of radio stations) of African-American targeted radio stations in the Washington, D.C. market with two of the four FM radio stations and two of the three AM radio stations that target African-Americans.

	1994(d)	1995(d)	1996(d)	1997(d)
WKYS-FM(a)				
Audience share (12-plus)	3.8%	3.8%	4.5%	5.8%
Audience share rank (12-plus)	10	9(t)	6(t)	1
Audience share (18-34)	5.6%	5.8%	7.5%	10.3%
Audience share rank (18-34)	6	6	2	1
Revenue share	5.1%	3.8%	3.3%	4.5%
Revenue rank	8	14	14	10
WOL-AM and WMMJ-FM (combined)(b)				
Audience share (12-plus)	6.0%	5.4%	5.5%	5.2%
Audience share (25-54)	6.9%	6.4%	6.2%	5.9%
Revenue share	5.9%	5.6%	5.3%	4.5%
Revenue rank	7	7	8	12
WYCB-AM(c)				
Audience share (12-plus)	1.2%	1.6%	1.3%	1.2%
Audience share rank (12-plus)	21	20	20	19
Audience share (35-64)	1.3%	1.7%	1.5%	1.4%
Audience share rank (35-64)	22	19	18	17
Revenue share	N/A	N/A	0.7%	0.6%
Revenue rank	N/A	N/A	N/A	N/A

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As used in this table, "N/A" means not applicable or not available and "(t)" means tied with one or more radio stations.

(a) WKYS-FM was acquired by the Company on June 6, 1995.
(b) WOL-AM and WMMJ-FM advertising time is sold in combination.
(c) Radio One acquired WYCB-AM in the first quarter of 1998 through an Unrestricted Subsidiary (as defined).
(d) Audience share and audience share rank data is based on Arbitron four book averages for the years indicated. Revenue share and rank data are based upon the Radio Revenue Report of Hungerford for December 1997, 1996, 1995 and 1994 except for WYCB-AM which does not report to Hungerford. Revenue share for WYCB-AM represents the radio station's net revenues as a percentage of the market radio revenue reported by the Hungerford Report, (December 1997), as adjusted for WYCB-AM's net revenues.

WOL-AM. Radio One's first radio station, WOL-AM, was purchased in 1980 for approximately $900,000. WOL-AM was a music station with declining revenue share and audience share that the Company converted to one

of the country's first all-talk radio stations targeting African-Americans. Radio One's Chairperson, Ms. Catherine L. Hughes, who hosted WOL-AM's daily four-hour morning show from 1983 to 1995, created a valuable niche for the radio station as "The Voice of Washington's Black Community." The Company believes that WOL-AM is a vital communications platform for the community, political and business leaders in its market. WOL-AM's ratings have historically fluctuated between a 1% and 2% audience share in the 12-plus market.

WMMJ-FM. Radio One purchased WMMJ-FM in 1987 for approximately $7.5 million. At the time, WMMJ-FM was being programmed in a general market adult contemporary format, which led it to garner a 1.2% audience share of the 12-plus market. However, given its relatively low signal strength (Class A with 3,000 watts of power since been upgraded to 6,000 watts) and low ratings, it was generating minimal revenues and little or no broadcast cash flow. After extensive research by the Company, WMMJ-FM was the first FM radio station on the East Coast to introduce an Urban Adult Contemporary ("Urban AC") programming format. This format focuses on African-Americans in the 25 to 54 age group and provides adult-oriented Urban Contemporary music from the 1960s, 1970s, 1980s and 1990s. The Urban AC format was almost immediately successful, and today WMMJ-FM, with a 4.1% 1997 four-book audience share in the 12-plus market, is a popular radio station among all 25 to 54-year-olds in Washington, D.C. with a long-standing and loyal listener base.

WKYS-FM. Radio One purchased WKYS-FM in June 1995 for approximately $34.4 million. WKYS-FM is a Class B (as defined) Young Urban Contemporary radio station targeting 18 to 34-year-old African-American adults. From 1978 to 1989, WKYS-FM was Washington, D.C.'s perennial Urban Contemporary leader and was frequently the market's number one radio station overall. However, in 1987, WPGC-FM (now owned by CBS Corporation ("CBS")) changed its format from Adult Contemporary to CHR/Urban and in the Spring of 1989, replaced WKYS-FM as the number one urban radio station in terms of audience share. From 1986 to the Fall of 1994, WKYS-FM's overall ratings rank fell from number one to number twelve with a 3.3% audience share of the 12-plus market, while WPGC-FM moved from near the bottom to number one with a 9.0% audience share of the 12-plus market. By 1995, the former owner of WKYS-FM abandoned the 18 to 34-year- old demographic group and began to target 25 to 54-year-olds, making it a direct competitor to Radio One's WMMJ-FM instead of CBS's WPGC-FM. When Radio One purchased WKYS-FM in June 1995, it repositioned WKYS-FM's programming away from WMMJ-FM and back towards 18 to 34-year-olds and WPGC-FM. Since June 1995, the Company has been able to dramatically increase WKYS-FM's overall 12-plus market audience share and in 1997 WKYS-FM became Washington, D.C.'s number one rated radio station for the 12-plus as well as 18 to 34-year old markets. During this same period of time, WPGC-FM has fallen to the number two position in the 12-plus and 18 to 34-year-old markets.

WYCB-AM. WYCB Acquisition Corporation, a wholly-owned Unrestricted Subsidiary (as defined) of Radio One, entered into the WYCB Agreement with BHI, licensee of WYCB-AM, on November 19, 1997 to acquire all of the outstanding stock of BHI for approximately $3.75 million. WYCB Acquisition Corporation consummated the DC Acquisition effective March 16, 1998. BHI is now a wholly-owned subsidiary of WYCB Acquisition Corporation and also an Unrestricted Subsidiary of Radio One. WYCB-AM is currently the top-rated Gospel radio station in Washington, D.C. The Company believes WYCB-AM's Gospel programming format will provide the Company with access to another segment of the African-American community in Washington, D.C., which will complement its existing radio station group in that market.

BALTIMORE, MARYLAND

The Baltimore market is the 19th largest radio market in terms of population and had 1997 radio advertising revenues totaling an estimated $88.0 million. In 1995, Baltimore had the eleventh largest African-American population in the United States with an MSA population of approximately 2.5 million (approximately 26.0% of which was African-American). The Company believes Baltimore is "under radioed" with only 15 viable FM radio stations (according to Duncan's Radio Market Guide), in part because of its close proximity to Washington, D.C., and therefore, a particularly attractive market. The Company believes it owns the strongest franchise of African-American targeted radio stations in the Baltimore market with the only two FM radio stations and two of the four AM radio stations which target African-Americans.

	1994(c)	1995(c)	1996(c)	1997(c)
WERQ-FM(a)				
Audience share (12-plus)	5.6%	5.2%	6.4%	9.3%
Audience share rank (12-plus)	6	7	4	1
Audience share (18-34)	8.3%	8.6%	10.7%	16.0%
Audience share rank (18-34)	3	2	2	1
WOLB-AM(a)				
Audience share (12-plus)	0.4%	0.9%	0.6%	0.9%
Audience share rank (12-plus)	32(t)	23(t)	28(t)	24
Audience share (35-64)	0.6%	1.1%	0.9%	1.2%
Audience share rank (35-64)	26(t)	19(t)	23	17
WERQ-FM and WOLB-AM (Combined)(a)				
Audience share (12-plus)	6.0%	6.1%	7.0%	10.2%
Audience share (25-54)	4.3%	4.9%	5.7%	9.1%
Revenue share	5.2%	6.7%	6.7%	11.1%
Revenue rank	8	8	8	4
WWIN-FM(b)				
Audience share (12-plus)	3.3%	4.0%	3.6%	3.6%
Audience share rank (12-plus)	11	10	10	9
Audience share (25-54)	4.5%	5.5%	4.9%	4.9%
Audience share rank (25-54)	7	5	7(t)	7
WWIN-AM(b)				
Audience share (12-plus)	1.0%	1.1%	1.1%	0.8%
Audience share rank (12-plus)	21	18(t)	20(t)	26
Audience share (35-64)	1.2%	1.1%	1.4%	1.1%
Audience share rank (35-64)	19(t)	19(t)	18	19
WWIN-FM and WWIN-AM (Combined)(b)				
Audience share (12-plus)	4.3%	5.1%	4.7%	4.4%
Audience share (25-54)	5.6%	6.6%	6.0%	5.8%
Revenue share	5.1%	5.7%	5.8%	5.2%
Revenue rank	9	10	10	9

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As used in this table, "N/A" means not applicable or not available and "(t)" means tied with one or more radio stations.

(a) Based upon the Hungerford Report, (December, 1997). WERQ-FM and WOLB-FM jointly report revenue data to Hungerford.

(b) Based upon the Hungerford Report, (December, 1997). WWIN-FM and WWIN-AM jointly report revenue data to Hungerford.

(c) Audience share and audience share rank data are based on Arbitron four book averages for the years indicated. Revenue share and rank data are based on the Radio Revenue Report by Hungerford for December 1997, 1996, 1995 and 1994.

WWIN-FM AND WWIN-AM. In January 1992, Radio One made its first acquisition outside of the Washington, D.C. market with the purchase of two Baltimore radio stations, WWIN-FM and WWIN-AM, for approximately $4.7 million. At the time, these two radio stations were Black Adult Contemporary and Gospel radio stations, respectively. Combined, the two Baltimore radio stations had approximately $2.5 million in revenue and approximately $400,000 in broadcast cash flow. During Radio One's first full year of ownership, through aggressive selling efforts and expense control, revenues increased to approximately $3.5 million, and broadcast cash flow increased to approximately $1.0 million. Additionally, at the time of the acquisition, WWIN-FM was a weak second to WXYV-FM, the dominant Urban Contemporary radio station in the market, with less than one-third of that radio station's market share. Today, WWIN-FM is a leading urban radio station, second only to the Company's WERQ-FM, among 25 to 54-year-olds in the Baltimore market (in terms of audience share) and WWIN-AM continues to occupy an attractive niche on the AM frequency with its Gospel programming format.

WERQ-FM AND WOLB-AM. In September 1993, Radio One completed another acquisition in the Baltimore market with the purchase of WERQ-FM and WOLB-AM (formerly WERQ-AM) for approximately $9.0 million. WERQ-FM, which has a full-powered signal, was, at the time of its acquisition, a CHR/Urban radio station, while WERQ-AM was a satellite-fed, all-news radio station. Combined, these radio stations were losing approximately $600,000 per year. Radio One proceeded to convert the format of WERQ-FM to a more focused young Urban Contemporary format targeted at 18 to 34-year-old African-Americans, while WOLB-AM began simulcasting with Radio One's Black Talk radio station in Washington, D.C., WOL-AM. These moves, in conjunction with more aggressive sales efforts and savings from radio station clustering, increased revenues by approximately $1.0 million and eliminated the operating loss in these radio stations' first full year of ownership by Radio One. Over time, WERQ-FM's audience share increased dramatically, and today, it is the number one radio station in the 12-plus and 18 to 34-year-old market while its former primary competitor, WXYV-FM, changed format during 1997 and no longer targets the same listener base as that of WERQ-FM.

PHILADELPHIA, PENNSYLVANIA

The Philadelphia market is the fifth largest radio market in terms of MSA population and had 1997 radio advertising revenues totaling an estimated $226.0 million. In 1995, Philadelphia had the sixth largest African-American population in the United States with an MSA population of approximately 4.9 million (approximately 19.9% of which was African-American).

WPHI-FM. On February 8, 1997, Radio One entered into a local marketing agreement ("LMA") with the then-current owner of WPHI-FM (at the time the station's call sign was WDRE-FM), and the radio station's programming format changed from Modern Rock to young Urban Contemporary targeting 18 to 34-year-old African-Americans like that of WKYS-FM's, one of the Company's radio stations in Washington, D.C., and WERQ-FM's, one of the Company's radio stations in Baltimore. On May 19, 1997, Radio One acquired WPHI-FM, providing the Company with an opportunity to apply its operating strategy in another top-30 African-American market. Although WPHI-FM is a Class A facility operating at the equivalent of 3,000 watts, the Company believes it adequately reaches at least 90% of the African-Americans in Philadelphia. The Company believes the acquisition of WPHI-FM fits the Company's acquisition model of finding lower powered and lower priced radio stations that will adequately cover a target African-American population due to the relatively high concentration of that target market in certain geographic sections of a market. In the most recent Arbitron Survey, WPHI-FM achieved a 3.5% audience share in the 12-plus market and had solidly positioned itself as the number two young urban station in the market behind WUSL-FM.

DETROIT, MICHIGAN

The Detroit market is the sixth largest radio market in terms of MSA population and had 1997 radio advertising revenues totaling an estimated $200.0 million. In 1995, Detroit had the fifth largest African-American population in the United States with an MSA population of approximately 4.5 million (approximately 22.6% of which was African-American).

On December 23, 1997, Radio One entered into the Bell Agreement to acquire all of the outstanding capital stock of Bell, the owner of two radio stations located in the Detroit, Michigan market and one radio station located in Kingsley, Michigan. Pursuant to the Bell Agreement, Radio One agreed to pay approximately $34.2 million in cash plus the cost of certain improvements to the stations, $2.0 million of which was deposited in escrow upon the execution of the Agreement and will be available to the sellers as liquidated damages if Radio One breaches its obligations thereunder. The consummation of the Bell Acquisition is contingent upon certain matters, including the receipt of final approval from the FCC for the transfer of the FCC licenses. Radio One expects to complete the Bell Acquisition by the end of the third quarter of 1998 which may require the exercise of up to four one month extensions of the closing date, each extension to cost $150,000. Radio One anticipates that Bell will become a Restricted Subsidiary, as that term is defined in the Indenture, and a guarantor of the Notes.

ADVERTISING REVENUES

Substantially all of the Company's revenues are generated from the sale of local and national advertising for broadcast on its radio stations. Additional broadcasting revenue is generated from network compensation payments and other miscellaneous transactions. Local sales are made by the sales staffs located in Washington, D.C., Baltimore and Philadelphia. National sales are made by firms specializing in radio advertising sales on the national level, in exchange for a commission from the Company that is based on a percentage of the Company's gross revenue from the advertising obtained. Approximately 69% of the Company's net broadcasting revenues for the fiscal year ended December 31, 1997 were generated from the sale of local advertising and 26% from sales to national advertisers with the balance of net broadcasting revenues being derived from various special events hosted by the Company as well as sponsorships and other similar forms of revenue generation.

The Company believes that advertisers can reach the African-American community more cost-effectively through radio broadcasting than through newspapers or television. Advertising rates charged by radio stations are

based primarily on (i) a radio station's audience share within the demographic groups targeted by the advertisers, (ii) the number of radio stations in the market competing for the same demographic groups and (iii) the supply and demand for radio advertising time. Advertising rates are generally highest during the morning and afternoon commuting hours.

A radio station's listenership is reflected in ratings surveys that estimate the number of listeners tuned to a radio station and the time they spend listening to that radio station. Each radio station's ratings are used by its advertisers to consider advertising with the radio station, and are used by the Company to chart audience growth, set advertising rates and adjust programming. The radio broadcast industry's principal ratings are from The Arbitron Company ("Arbitron"), to which the Company subscribes. Arbitron publishes monthly and quarterly ratings surveys for significant domestic radio markets. These surveys are the Company's primary source of ratings data with respect to its radio stations.

COMPETITION

Radio broadcasting is a highly competitive business. Each of the Company's radio stations competes for audience share and advertising revenue directly with other radio stations, as well as with other media such as billboards, newspapers and television. There are well-capitalized firms competing in the same geographic markets as the Company, many of which have greater financial resources.

The financial success of each of the Company's radio stations depends, to a significant degree, upon its audience ratings, its share of the overall radio advertising revenue within a specific market and the economic health of that market. The audience ratings and advertising revenue of the Company's individual radio stations are subject to change, and any adverse change in a particular market could have a material adverse effect on the total revenue and broadcast cash flow of the Company. The Company's radio stations compete for audience share and advertising revenue directly with other FM and AM radio stations and with other media within their respective markets. While the Company already competes with other radio stations with comparable programming formats in each of its markets, if another radio station in the market were to convert its programming format to a format similar to one of the Company's radio stations, if a new radio station were to adopt a competitive format or if an existing competitor were to strengthen its operations, the Company's radio stations could suffer a reduction in ratings and/or advertising revenue and could require increased promotion and other expenses. In addition, certain of the Company's radio stations compete, and in the future other radio stations of the Company may compete, with duopolies or other combinations of radio stations operated by a single operator.

Radio broadcasting is also increasingly subject to competition from new media technologies that are being developed or introduced, such as the delivery of audio programming over the Internet and by cable television systems or the introduction of digital audio broadcasting ("DAB"). DAB may provide a medium for the delivery by satellite or terrestrial means of multiple audio programming formats to local and national audiences. The Company cannot predict the effect, if any, that any such new technologies may have on the radio broadcasting industry.

ANTITRUST

An important element of the Company's growth strategy involves the acquisition of additional radio stations. Following the passage of the Telecommunications Act of 1996, the Antitrust Division of the Department of Justice has become more aggressive in reviewing proposed acquisitions of radio stations and radio station networks which otherwise complied with the FCC's ownership limitations, particularly in instances where the proposed acquiror already owns one or more radio stations in a particular market and the acquisition involves another radio station in the same market. The Department of Justice reviews transactions on a case-by-case basis to determine whether competition will be adversely affected after the transaction is consummated. Recently, the Antitrust Division obtained consent decrees requiring an acquiror to dispose of one or more radio stations in a particular market where the acquisition (which would otherwise comply with the FCC's ownership limitations) would have resulted in an undue concentration of market share by the acquiror. The post-acquisition concentration of combined market share and combined advertising revenues of the acquiror were the likely factors which caused

the Antitrust Division to require divestiture. Additionally, any acquisitions are potentially subject to review by the Federal Trade Commission.

FEDERAL REGULATION OF RADIO BROADCASTING

The radio broadcasting industry is subject to extensive and changing regulation by the FCC of programming, technical operations, employment and other business practices. The FCC regulates radio broadcast stations pursuant to the Communications Act of 1934, as amended. The Communications Act permits the operation of radio broadcast stations only in accordance with a license issued by the FCC upon a finding that the grant of a license would serve the public interest, convenience and necessity. The Communications Act provides for the FCC to exercise its licensing authority to provide a fair, efficient and equitable distribution of broadcast service throughout the United States. Among other things, the FCC assigns frequency bands for radio broadcasting; determines the particular frequencies, locations and operating power of radio broadcast stations; issues, renews, revokes and modifies radio broadcast station licenses; regulates transmitting equipment used by radio broadcast stations; adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, program content and employment and business practices of radio broadcast stations; and has the power to impose penalties, including monetary forfeitures, for violations of its rules and the Communications Act.

The Communications Act prohibits the sale or assignment of an FCC license, or other transfer of control of an FCC licensee, without the prior approval of the FCC. In determining whether to grant requests for consents to assignments or transfers, and in determining whether to grant or renew a radio broadcast license, the FCC considers a number of factors pertaining to the licensee (and any proposed licensee), including restrictions on foreign ownership, compliance with FCC media ownership rules, licensee "character" and compliance with the Anti-Drug Abuse Act of 1988.

The following is a brief summary of certain provisions of the Communications Act and specific FCC rules and policies. This summary does not purport to be complete and is qualified in its entirety by the text of the Communications Act, the FCC's rules and regulations, and the public notices and rulings of the FCC. A potential investor should refer to the Communications Act and these FCC rules and policies for further information concerning the nature and extent of federal regulation of radio broadcast stations.

A licensee's failure to observe the requirements of the Communications Act or FCC rules and policies may result in the imposition of various sanctions, including admonishment, fines, the grant of "short" (less than the full eight-year) renewal terms, grant of a license with conditions or, for particularly egregious violations, the denial of a license renewal application, the revocation of an FCC license or the denial of FCC consent to acquire additional broadcast properties. Congress and the FCC have had under consideration, and may in the future consider and adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect the operation, ownership and profitability of the Company's radio stations, result in the loss of audience share and advertising revenues for the Company's radio broadcast stations or affect its ability to acquire additional radio broadcast stations or finance such acquisitions. Such matters may include changes to the license authorization and renewal process; proposals to impose spectrum use or other fees on FCC licensees; auction of new broadcast licenses; changes to the FCC's equal employment opportunity regulations and other matters relating to involvement of minorities and women in the broadcasting industry; proposals to change rules relating to political broadcasting including proposals to grant free air time to candidates, and other changes regarding program content; proposals to restrict or prohibit the advertising of beer, wine and other alcoholic beverages; technical and frequency allocation matters, including those relative to the implementation of digital audio broadcasting on both a satellite and terrestrial basis; changes in broadcast cross-interest, multiple ownership, foreign ownership, cross-ownership and ownership attribution policies; changes to technical broadcast requirements; proposals to allow telephone companies to deliver audio and video programming to homes in their service areas; and proposals to alter provisions of the tax laws affecting broadcast operations and acquisitions.

The Company cannot predict whether or not any such changes might be adopted nor can it predict what other matters might be considered in the future, nor can it judge in advance what impact, if any, the implementation of any of these proposals or changes might have on its business.

FCC Licenses. The Communications Act provides that a broadcast station license may be granted to any applicant if the public interest, convenience and necessity will be served thereby, subject to certain limitations. In making licensing determinations, the FCC considers an applicant's legal, technical, financial and other qualifications. The FCC grants radio broadcast station licenses for specific periods of time, and, upon application, may renew them for additional terms. Under the Communications Act, radio broadcast station licenses may be granted for a maximum term of eight years.

Generally, the FCC renews radio broadcast licenses without a hearing upon a finding that: (i) the radio station has served the public interest, convenience and necessity, (ii) there have been no serious violations by the licensee of the Communications Act or FCC rules and regulations, and (iii) there have been no other violations of the Communications Act or FCC rules and regulations which, taken together, indicate a pattern of abuse. After considering these factors, the FCC may grant the license renewal application with or without conditions, including renewal for a lesser term, or hold an evidentiary hearing. In addition, the Communications Act authorizes the filing of petitions to deny a license renewal during specific periods of time after a renewal application has been filed. Interested parties, including members of the public, may use such petitions to raise issues concerning a renewal applicant's qualifications. If a substantial and material question of fact concerning a renewal or other application is raised by the FCC or other interested parties, or if for any reason the FCC cannot determine that grant of the renewal application would serve the public interest, convenience and necessity, the FCC will hold an evidentiary hearing on the application. If as a result of an evidentiary hearing the FCC determines that the licensee has failed to meet the requirements specified above and that no mitigating factors justify the imposition of a lesser sanction, then the FCC may deny a license renewal application. Only after a license renewal application is denied will the FCC accept and consider competing applications for the vacated frequency. Also, during certain periods when a renewal application is pending, the transferability of the applicant's license may be restricted. Historically, the Company's licenses have been renewed without any conditions or sanctions imposed. However, there can be no assurance that the licenses of each station owned by the Company will be renewed.

The FCC classifies each AM and FM radio station. An AM radio station operates on either a clear channel, regional channel or local channel. A clear channel is one on which AM radio stations are assigned to serve wide areas, particularly at night. Clear channel AM radio stations are classified as either: (i) Class A radio stations, which operate unlimited time and are designed to render primary and secondary service over an extended area, or (ii) Class B radio stations, which operate unlimited time and are designed to render service only over a primary service area. Class D radio stations, which operate either daytime, or unlimited time with low nighttime power, may operate on the same frequencies as clear channel radio stations. A regional channel is one on which Class B and Class D AM radio stations may operate and serve primarily a principal center of population and the rural areas contiguous to it. A local channel is one on which AM radio stations operate unlimited time and serve primarily a community and the suburban and rural areas immediately contiguous to it. A Class C AM radio station operates on a local channel and is designed to render service only over a primary service area that may be reduced as a consequence of interference.

The minimum and maximum facilities requirements for an FM radio station are determined by its class. Possible FM class designations depend upon the geographic zone in which the transmitter of the FM radio station is located. In general, commercial FM radio stations are classified as follows, in order of increasing power and antenna height: Class A, B1, C3, B, C2, C1 or C radio stations.

The following table sets forth with respect to each of the Company's radio stations: (i) the market, (ii) the radio station call letters, (iii) the year of acquisition, (iv) the class of FCC license, (v) the effective radiated power ("ERP"), if an FM radio station, or the power, if an AM radio station, (vi) the antenna height above average terrain ("HAAT"), if an FM radio station, or the above insulator measurement ("AI"), if an AM radio station, (vii) the operating frequency and (viii) the date on which the radio station's FCC license expires.

MARKET(a)	STATION CALL LETTERS	YEAR OF ACQUISITION	FCC CLASS	ERP (FM) POWER (AM) IN WATTS(b)	HAAT (FM) AI (AM) IN METERS(c)	FREQUENCY	EXPIRATION DATE OF LICENSE
Washington, D.C.	WOL-AM	1980	C	1,000	52.1	1450 kHz	10/1/2003
	WMMJ-FM	1987	A	2,900(d)	146.0	102.3 MHz	10/1/2003
	WKYS-FM	1995	B	24,000(e)	215.0	93.9 MHz	10/1/2003
	WYCB-AM	(f)	C	1,000	50.9	1340 kHz	10/1/2003
Baltimore	WWIN-AM	1992	C	1,000	61.0	1400 kHz	10/1/2003
	WWIN-FM	1992	A	3,000	91.0	95.9 MHz	10/1/2003
	WOLB-AM	1993	D	1,000	85.4	1010 kHz	10/1/2003
	WERQ-FM	1993	B	37,000(e)	174.0	92.3 MHz	10/1/2003
Philadelphia	WPHI-FM	1997	A	340(g)	305.0	103.9 MHz	8/1/1998

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(a) A broadcast station's market may be different from its community of license.
(b) The coverage of an AM radio station is chiefly a function of the power of the radio station's transmitter, less dissipative power losses and any directional antenna adjustments. For FM radio stations, signal coverage area is chiefly a function of the ERP of the radio station's transmitter and the HAAT of the radio station's antenna.
(c) The height of an AM radio station's antenna is measured by reference to AI and the height of an FM radio station's antenna is measured by reference to HAAT.
(d) WMMJ-FM uses a directional antenna and it operates at a power equivalent to 6,000 watts at 100 meters.
(e) WKYS-FM and WERQ-FM operate at powers equivalent to 50,000 watts at 150 meters. WERQ-FM uses a directional antenna.
(f) Radio One acquired this radio station through an Unrestricted Subsidiary in the first quarter of 1998.
g) WPHI-FM operates at a power equivalent to 3,000 watts at 100 meters.

Ownership Matters. The Communications Act requires prior approval of the FCC for the assignment of a broadcast license or the transfer of control of a corporation or other entity holding a license. In determining whether to approve an assignment of a radio broadcast license or a transfer of control of a broadcast licensee, the FCC considers, among other things, the financial and legal qualifications of the prospective assignee or transferee, including compliance with FCC restrictions on non-U.S. citizen or entity ownership and control, compliance with FCC rules limiting the common ownership of certain "attributable" interests in broadcast and newspaper properties, the history of compliance with FCC operating rules, and the "character" qualifications of the transferee or assignee and the individuals or entities holding "attributable" interests in them. Applications to the FCC for assignments and transfers are subject to petitions to deny by interested parties.

To obtain the FCC's prior consent to assign or transfer a broadcast license, appropriate applications must be filed with the FCC. If the application involves the assignment of the license or a "substantial change" in ownership or control (i.e., the transfer of more than 50% of the voting stock), the application must be placed on public notice for a period of 30 days during which petitions to deny the application may be filed by interested parties, including members of the public. If an assignment application does not involve new parties, or if a transfer of control application does not involve a "substantial change" in ownership or control, it is a "pro forma" application. The "pro forma" application is nevertheless subject to informal objections filed against it. If the FCC grants an assignment or transfer application, interested parties have 30 days from public notice of the grant to seek reconsideration of that grant. The FCC usually has an additional 10 days to set aside such grant on its own motion. When ruling on an assignment or transfer application, the FCC is prohibited from considering whether the public interest might be served by an assignment or transfer to any party other than the assignee or transferee specified in the application.

Under the Communications Act, a broadcast license may not be granted to or held by any corporation that has more than one-fifth of its capital stock owned or voted by non-U.S. citizens or entities or their representatives, by foreign governments or their representatives, or by non-U.S. corporations. Furthermore, the Communications Act provides that no FCC broadcast license may be granted to any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of its capital stock is owned of record or voted by non-U.S. citizens if the FCC finds the public interest will be served by the refusal of such license. These restrictions apply in modified form to other forms of business organizations, including partnerships, and limited liability companies.

The FCC generally applies its other broadcast ownership limits to "attributable" interests held by an individual, corporation, partnership or other association or entity, including limited liability companies. In the case of a corporation holding broadcast licenses, the interests of officers, directors and those who, directly or indirectly have the right to vote five percent or more of the stock of a licensee corporation are generally deemed attributable interests, as are positions as an officer or director of a corporate parent of a broadcast licensee. The FCC treats all partnership interests as attributable, except for those limited partnership interests that under FCC policies are considered "insulated" from "material involvement" in the media-related activities of the partnership. The FCC currently treats limited liability companies like limited partnerships for purposes of attribution. Stock interests held by insurance companies, mutual funds, bank trust departments and certain other passive investors that hold stock for investment purposes only become attributable with the ownership of ten percent or more of the voting stock of the corporation holding broadcast licenses. To assess whether a voting stock interest in a direct or an indirect parent corporation of a broadcast licensee is attributable, the FCC uses a "multiplier" analysis in which non-controlling voting stock interests are deemed proportionally reduced at each non-controlling link in a multi-corporation ownership chain. A time brokerage agreement with another radio station in the same market creates an attributable interest in the brokered radio station as well for purposes of the FCC's local radio station ownership rules, if the agreement affects more than 15% of the brokered radio station's weekly broadcast hours. See "Local Marketing Agreements."

Debt instruments, non-voting stock, options and warrants for voting stock that have not yet been exercised, insulated limited partnership interests where the limited partner is not "materially involved" in the media-related activities of the partnership, and minority voting stock interests in corporations where there is a single holder of more than 50% of the outstanding voting stock whose vote is sufficient to affirmatively direct the affairs of the corporation, generally do not subject their holders to attribution. The FCC's rules also specify other exceptions to these general principles for attribution. The FCC is currently evaluating whether to: (i) raise the benchmark for voting stock from five to ten percent, (ii) raise the benchmark for passive investors holding voting stock from ten to twenty percent, (iii) continue the single 50% stockholder exception, and/or (iv) attribute non-voting stock or perhaps non-voting stock interests when combined with other rights such as voting shares or contractual relationships. More recently, the FCC has solicited comment on proposed rules that would (i) treat an otherwise nonattributable ownership equity or debt interest in a licensee as an attributable interest where the interest holder is a program supplier or the owner of a broadcast station in the same market and the equity and/or debt holding is greater than a specified benchmark and (ii) in certain circumstances, treat the licensee of a broadcast station that sells advertising time on another station in the same market pursuant to a joint sales agreement as having an attributable interest in the station whose advertising is being sold.

The Communications Act and FCC rules generally restrict ownership operation or control of, or the common holding of attributable interests in, (i) radio broadcast stations above certain limits servicing the same local market, (ii) a radio broadcast station and a television broadcast station servicing the same local market, and (iii) a radio broadcast station and a daily newspaper serving the same local market. These rules include specific signal contour overlap standards to determine compliance. Under these "cross-ownership" rules, the Company, absent waivers, would not be permitted to own a radio broadcast station and acquire an attributable interest in any daily newspaper or television broadcast station (other than a low-powered television station) in the same market where it then owned any radio broadcast station, and the Company's stockholders, officers or directors, absent a waiver, could not hold an attributable interest in a daily newspaper or television broadcast station. The FCC is currently reviewing the ban on common ownership of a radio station and a daily newspaper in the same geographic area. The FCC's rules provide for the liberal grant of a waiver of the rule prohibiting common ownership of radio and television stations in the same geographic market in the top 25 television markets if certain conditions are satisfied, and the FCC will consider waivers in other markets under more restrictive standards. The FCC is reviewing its ban on the common ownership of a radio station and a television station or newspaper including extending the policy of liberal waivers of common ownership of radio and television stations to the top 50 television markets.

Although current FCC nationwide radio broadcast ownership rules allow one entity to own, control or hold attributable interests in an unlimited number of FM radio stations and AM radio stations nationwide, the FCC's rules limit the number of radio broadcast stations in local markets in which a single entity may own an attributable interest as follows:

- In a radio market with 45 or more commercial radio stations, a party may own, operate, or control up to 8 commercial radio stations, not more than 5 of which are in the same service (AM or FM).

- In a radio market with between 30 and 44 (inclusive) commercial radio stations, a party may own, operate, or control up to 7 commercial radio stations, not more than 4 of which are in the same service (AM or FM).

- In a radio market with between 15 and 29 (inclusive) commercial radio stations, a party may own, operate, or control up to 6 commercial radio stations, not more than 4 of which are in the same service (AM or FM).

- In a radio market with 14 or fewer commercial radio stations, a party may own, operate, or control up to 5 commercial radio stations, not more than 3 of which are in the same service (AM or FM), except that a party may not own, operate, or control more than 50 percent of the radio stations in such market.

The FCC is currently reviewing the effect of local market ownership limitations on competition in the broadcast industry to determine if a recommendation to repeal or modify the rules should be made to Congress.

Because of these multiple and cross-ownership rules, if a stockholder of Radio One holds an "attributable" interest in Radio One, such stockholder, officer or director may violate the FCC's rules if such person or entity also holds or acquires an attributable interest in other television or radio stations, or in daily newspapers, depending on the number and location of those radio stations and the location of those television broadcast stations or daily newspapers. If an attributable stockholder, officer or director of Radio One violates any of these ownership rules, the Company may be unable to obtain from the FCC one or more authorizations needed to conduct its radio station business and may be unable to obtain FCC consents for certain future acquisitions. As long as one person or entity holds more than 50% of the voting power of the Common Stock of the Company where the vote of such person or entity is sufficient to affirmatively direct the affairs of the Company, another stockholder, unless serving as an officer and/or director, generally would not hold an attributable interest in Radio One. As of December 31, 1997, Ms. Hughes owned approximately 54.2% of the total voting power of the Common Stock of the Company. However, if the Warrants (as defined) are exercised, Ms. Hughes ownership would be approximately 26.3% and no one person or entity would hold sufficient voting power to direct the affairs of the Company.

Under its "cross-interest" policy, the FCC considers "meaningful" relationships among competing media outlets in the same market, even if the ownership rules do not specifically prohibit the realtionship. Under this policy, the FCC may consider significant nonattributable equity interests (including non-voting stock, voting stock, limited partnership and limited liability company interests) combined with an attributable interest in a media outlet in the same market, joint ventures or common key employees among competitors. The cross-interest policy does not necessarily prohibit all of these interests, but requires that the FCC consider whether, in a particular market, the "meaningful" relationships between competitors could have a significant adverse effect upon economic competition and program diversity. In a rule making proceeding concerning the attribution rules, the FCC has sought comment on, among other things, (i) whether the cross-interest policy should be applied only in smaller markets, and (ii) whether non-equity financial relationships such as debt, when combined with multiple business relationships, such as local marketing agreements, raise concerns under the cross-interest policy. The FCC has proposed treating joint sales arrangements, and debt or equity interests as attributable interests in certain circumstances without regard to the cross-interest policy.

Programming and Operation. The Communications Act requires broadcasters to serve the "public interest." Since the late 1980's, the FCC gradually has relaxed or eliminated many of the more formalized procedures it developed to promote the broadcast of certain types of programming responsive to the needs of a radio station's community. Nevertheless, a broadcast licensee continues to be required to present programming in response to community problems, needs and interests and to maintain certain records demonstrating its responsiveness. The FCC will consider complaints from listeners about a broadcast station's programming when it evaluates the licensee's renewal application, but listeners' complaints also may be filed and considered at any time. Stations also must pay regulatory and application fees, and follow various FCC rules that regulate, among other things, political advertising, the broadcast of obscene or indecent programming, sponsorship identification, the

broadcast of contests and lotteries and technical operation (including limits on human exposure to radio frequency radiation). From time to time, complaints may be filed against the Company's radio stations alleging violations of these or other rules.

In addition, licensees must develop and implement programs designed to promote equal employment opportunities and must submit reports to the FCC on these matters annually and in connection with each license renewal application. The FCC rules also prohibit a broadcast licensee from simulcasting more than 25% of its programming on another radio station in the same broadcast service (that is, AM/AM or FM/FM). The simulcasting restriction applies if the licensee owns both radio broadcast stations or owns one and programs the other through a local marketing agreement, provided that the contours of the radio stations overlap in a certain manner. Failure to observe these or other rules and policies can result in the imposition of various sanctions, including fines or conditions, the grant of "short" (less than the maximum eight year) renewal terms or, for particularly egregious violations, the denial of a license renewal application or the revocation of a license.

Local Marketing Agreements. Often radio stations enter into LMAs or time brokerage agreements. These agreements take various forms. Separately owned and licensed radio stations may agree to function cooperatively in programming, advertising sales and other matters, subject to compliance with the antitrust laws and the FCC's rules and policies, including the requirement that the licensee of each radio station maintain independent control over the programming and other operations of its own radio station. One type of time brokerage agreement is a programming agreement between two separately owned radio stations that serve a common service area whereby the licensee of one radio station programs substantial portions of the broadcast day of the other licensee's radio station (subject to ultimate editorial and other controls being exercised by the radio station licensee) and sells advertising time during these program segments. The FCC has held that such agreements do not violate the Communications Act as long as the licensee of the radio broadcast station that is being substantially programmed by another entity (i) remains ultimately responsible for, and maintains control over, the operation of its radio station, and (ii) otherwise ensures the radio station's compliance with applicable FCC rules and policies.

A radio broadcast station that brokers time on another radio broadcast station or engages in a time brokerage agreement with a radio broadcast station in the same market will be considered to have an attributable ownership interest in the brokered radio station for purposes of the FCC's local ownership rules, if the time brokerage arrangement covers more than 15% of the brokered weekly broadcast hours. As a result, a radio broadcast station may not enter into a time brokerage agreement that allows it to program more than 15% of the broadcast time, on a weekly basis, of another local radio broadcast station that it could not own under the FCC's local multiple ownership rules. The FCC is considering whether it should treat as attributable multiple business arrangements among local radio stations such as joint sales accompanied by debt financing. Also, as described above, FCC rules prohibit a radio broadcast licensee from simulcasting more than 25% of its programming on another radio broadcast station in the same broadcast service (that is, AM/AM or FM/FM) where the two radio stations serve substantially the same geographic area, whether the licensee owns both radio stations or owns one radio station and programs the other through a time brokerage agreement. Thus far, the FCC has not considered what relevance, if any, a time brokerage agreement may have upon its evaluation of a licensee's performance at renewal time. On February 8, 1997, the Company entered into an LMA with the then-owner of WPHI-FM in Philadelphia. The LMA allowed the Company to program WPHI-FM 24 hours a day, seven days a week, and continued in effect until the consummation of the Philadelphia Acquisition on May 19, 1997. Radio One may enter into additional LMAs in the future.

RF Radiation. In 1985, the FCC adopted rules regarding human exposure to levels of radio frequency ("RF") radiation. These rules require applicants for renewal of broadcast licenses or modification of existing licenses to inform the FCC at the time of filing such applications whether an existing broadcast facility would expose people to RF radiation in excess of certain guidelines. The FCC has since adopted more restrictive radiation limits which became effective October 15, 1997.

Digital Audio Broadcasting. The FCC allocated spectrum to a new technology, digital audio broadcasting, to deliver satellite-based audio programming to a national or regional audience and issued regulations for a DAB service on March 3, 1997. DAB may provide a medium for the delivery by satellite or terrestrial means of multiple new audio programming formats with compact disc quality sound to local and national audiences. It is not known at

this time whether this technology also may be used in the future by existing radio broadcast stations either on existing or alternate broadcasting frequencies. In addition, applicants who applied to the FCC for authority to offer multiple channels of digital, satellite-delivered S-Band aural services that could compete with conventional terrestrial radio broadcasting participated in an auction of the spectrum reserved for DAB held in April 1997. Two licenses were awarded through the auction pursuant to which the licensees will be permitted to sell advertising and lease channels. The FCC's rules require that the service begin by 2001 and be fully operational by 2003. These satellite radio services use technology that may permit higher sound quality than is possible with conventional AM and FM terrestrial radio broadcasting.

Recently, the FCC established a new Wireless Communications Service ("WCS") in the 2305-2320 and 2345-2360 MHZ bands (the "WCS Spectrum"). The FCC awarded licenses for the WCS Spectrum by competitive bidding using multiple round electronic auction procedures. Licensees are permitted to provide any fixed, mobile, radio location services, or digital satellite radio service using the WCS Spectrum. Implementation of DAB would provide an additional audio programming service that could compete with the Company's radio stations for listeners, but the effect upon the Company cannot be predicted.

Low Power Radio. The FCC recently requested comments on a proposal to establish a low power radio service that would be limited to a maximum of one watt and would cover one to several square miles. The nationwide service would target "niche markets" and be supported by advertising revenue. Each low power station would be licensed to operate in a specific location referred to as a "cell". Only one AM and one FM low power station would be licensed to each cell. An entity would be able to own either the AM or the FM license in each cell although one entity could own up to five licenses nationwide. The licenses would be awarded randomly (if more than one were filed) rather than by auction. Implementation of a low power radio service would provide an additional audio programming service that could compete with the Company's radio stations for listeners, but the effect upon the Company cannot be predicted.

SUBSIDIARIES AND RELATED ENTITIES

The FCC licenses for eight of the radio stations operated by Radio One are held by Radio One Licenses, Inc., a Delaware corporation and a wholly-owned Restricted Subsidiary of Radio One ("License Company"). License Company holds no other material assets. Radio One formed WYCB Acquisition Corporation, a Delaware corporation and a wholly-owned Unrestricted Subsidiary, to consummate the DC Acquisition, which occurred effective as of March 16, 1998. As a result of this acquisition, WYCB Acquisition Corporation acquired all of the outstanding capital stock of BHI. BHI is also an Unrestricted Subsidiary of the Company and holds the FCC license for WYCB-AM. BHI also holds the assets used in the operation of WYCB-AM. The Company may have other subsidiaries in the future. The terms "Restricted Subsidiary" and "Unrestricted Subsidiary" are defined in Radio One's Indenture.

INDUSTRY SEGMENTS

The Company considers radio broadcasting to be its only business segment.

EMPLOYEES

As of December 31, 1997, the Company employed 249 people, approximately 90 of whom are part-time employees. The Company's employees are not unionized. The Company has not experienced any work stoppages and believes its relations with its employees are satisfactory.

Each radio station has its own on-air personalities and clerical staff. However, in an effort to control broadcast and corporate expenses, the Company centralizes certain radio station functions by market location. For example, the Company employs one General Manager for each of its markets who is responsible for all of the Company's radio stations located in such markets and Radio One's Vice President of Programming oversees programming for all of the Company's radio stations.

ITEM 2. PROPERTIES

PROPERTY ADDRESS	TYPE OF FACILITY AND USE	OWNED OR LEASED (EXPIRATION DATE)	TENANT	APPROXIMATE SIZE (SQUARE FEET)
5900 Princess Garden Parkway, 8th Floor Lanham, Maryland	Corporate Office, WKYS-FM, WOL-AM WMMJ-FM, Office/Studio	Leased (expires 12/31/2011)	Radio One, Inc.	17,175
4001 Nebraska Avenue, N.W. Washington, D.C.	WKYS-FM Transmitter/Tower	Leased (expires 11/30/2001)	Radio One, Inc.	Tower and transmitter space
62 Pierce Street, N.E. Washington, D.C.	WOL-AM, Tower	Leased (expires 3/31/2001)	Radio One, Inc.	Tower and transmitter space
4400 Massachusetts Avenue, N.W. Washington, D.C.	WMMJ-FM, Tower	Leased (expires 5/1/99)	Radio One, Inc.	Tower space (+) 200
100 St. Paul Street Baltimore, Maryland	WWIN-AM/FM, WERQ-FM, WOLB-AM Office/Studio	Leased (expires 10/31/2003)	Radio One, Inc.	8,000
Greenmount Avenue and 29th Street Baltimore, Maryland (Waverly Towers)	WWIN-AM, Tower	Leased (expires 8/31/2001)	Radio One, Inc.	225
1315 W. Hamburg Street Baltimore, Maryland	WOLB-AM Tower	Leased (expires 12/31/2000)	Radio One, Inc.	Tower and transmitter space
7 St. Paul Street Baltimore, Maryland	Satellite Dish Space	Leased (expires 4/22/99)	Radio One, Inc.	200
Baltimore, Maryland	Underground Duct Space	Leased (automatic six month renewals)	Radio One, Inc.	N/A
*100 Old York Road Jenkintown, PA	WPHI-FM Office/Studio	Leased (expired 10/97)	Radio One, Inc.	4,485
**Domino Lane and Fowler Street Philadelphia, PA	WPHI-FM Transmitter/Tower	Leased (expired 7/96)	Radio One, Inc.	Tower and transmitter space
2501 Hawkins Point Road Baltimore City, Maryland	WWIN-FM, Tower	Owned	Radio One, Inc.	16,800
2709 Boarman Avenue (4334-4338 Park Heights Ave.) Baltimore, Maryland	WERQ-FM, Tower	Owned	Radio One, Inc.	24,920
1025 Vermont Avenue Washington, D.C.	WYCB-AM Office/Studio	Leased (expires 7/98)	BHI	3,100
Walker Mill Road District Heights, MD	WYCB-AM Tower	Leased (expires 11/99)	BHI	Tower and transmitter space

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*Radio One leases office space from Old York Road, L.L.C. on a month to month basis as the lease expired October 1997. Radio One is currently negotiating with the landlord for a new lease with a five-year term.

**The City of Philadelphia leases the transmitter site to Fox Television Stations, Inc. under a Master Lease. Fox in turn subleases space on its tower to Radio One. Both the underlying Master Lease and the sublease expired in 1996. Fox timely notified the City of Philadelphia of its intent to renew and Fox was timely notified of the renewal of the sublease. The City of Philadelphia and Fox are currently negotiating a new Master Lease, including the amount of the monthly rental. Therefore, Radio One has not been able to enter into a new sublease with Fox.

The real property owned or leased by Radio One is the subject of a security interest held pursuant to the terms of the Amended and Restated Credit Agreement (as defined).

The Company owns substantially all of its other equipment, consisting principally of studio equipment and office equipment. The towers, antennae and other transmission equipment used by the Company's radio stations are generally in good condition, although opportunities to upgrade facilities are periodically reviewed.

The Company believes that its facilities for its radio stations and office space in Washington, D.C., Baltimore, and Philadelphia, are generally suitable and of adequate size for its current and intended purposes other than for routine modifications and expansions which may be required from time to time but would not be expected to have a material adverse effect on the Company or the Company's financial position or performance.

ITEM 3. LEGAL PROCEEDINGS

There are no legal proceedings pending or threatened to which the Company is a party or to which any of its properties are subject, other than routine litigation incidental to its business which either is covered by insurance or, in the opinion of management of the Company, is not expected to have a material adverse effect on the Company.

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

No matters were submitted to a vote of the Company's stockholders during the fourth quarter of 1997.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

There is no established public trading market for the Class A Common Stock or Class B Common Stock of Radio One. There are 138.45 outstanding shares of Class A Common Stock of which there are three holders of record as of December 31, 1997, and there are no outstanding shares of Radio One's Class B Common Stock. 147.04 shares of Class B Common Stock are issuable upon exercise of the Amended and Restated Warrants dated May 19, 1997, issued by the Radio One (the "Warrants").

DIVIDENDS

Radio One did not declare any dividends on its Common Stock during 1996 and 1997. Holders of shares of Common Stock are entitled to receive such dividends as may be declared by Radio One's board of directors out of funds available for such purpose to the extent not restricted by the terms of the Indenture, the Preferred Stockholders' Agreement (as defined), and the Amended and Restated Credit Agreement (as defined). The payment of dividends is currently restricted by the Amended and Restated Credit Agreement, the Indenture, and the Preferred Stockholders' Agreement dated May 14, 1997 (the "Preferred Stockholders' Agreement"), among Catherine L. Hughes, Alfred C. Liggins, III, Jerry A. Moore III, Alta Subordinated Debt Partners III, L.P. ("Alta"), BancBoston Investments, Inc. ("BancBoston"), Syncom Capital Corporation ("Syncom"), Alliance Enterprise Corporation ("Alliance"), Greater Philadelphia Venture Capital Corporation, Inc. (whose interest was subsequently purchased by Mr. Liggins) ("Greater Philadelphia"), Opportunity Capital Corporation ("Opportunity"), Capital Dimensions Venture Fund, Inc. ("Capital"), TSG Ventures L.P. ("TSG"), and Fulcrum Venture Capital Corporation ("Fulcrum"), and Grant Wilson ("Wilson") (collectively, such persons other than Ms. Hughes and Messrs. Liggins and Moore, are referenced to as the "Stockholders").

RECENT SALES OF UNREGISTERED SECURITIES

The Company has issued the following securities pursuant to offerings exempt from registration under Section 4(2) of the Securities Act:

On June 6, 1995, Radio One issued subordinated promissory notes due in the year 2003 in the principal amount of $17.0 million (the "2003 Notes") to the Stockholders. In connection with the issuance of the 2003 Notes, Radio One also issued (a) warrants to purchase an aggregate of 50.93 shares of Radio One's Common Stock for an exercise price of $100 per share to Alta, BancBoston and Wilson. Concurrently with this transaction, the Stockholders (other than Alta, BancBoston and Wilson) exchanged all of their warrants to acquire shares of Radio One's Common Stock for cash and a note in the aggregate amount of approximately $6.6 million and new warrants to acquire up to 96.11 shares of Common Stock of Radio One for an exercise price per share of $100. All of these warrants were exchanged on May 19, 1997 for the Warrants.

On May 19, 1997, Radio One issued an aggregate amount of 84,843.03 shares of Series A 15% Senior Cumulative Exchangeable Redeemable Preferred Stock (the "Series A Preferred Stock") to Syncom, Alliance, Greater Philadelphia, Opportunity, Capital, TSG and Fulcrum in exchange for all of their 2003 Notes.

On May 19, 1997, Radio One issued an aggregate amount of 124,467.10 shares of Series B 15% Senior Cumulative Exchangeable Redeemable Preferred Stock (the "Series B Preferred Stock") to Alta, BancBoston and Wilson in exchange for all of their 2003 Notes.

On May 19, 1997, Radio One issued approximately $85.5 million aggregate principal amount of 12% Senior Subordinated Notes due 2004 to certain "qualified institutional buyers" as defined by Rule 144A under the Securities Act.

On June 6, 1995 Alfred C. Liggins, III exercised an option to purchase 57.45 shares of Radio One Common Stock pursuant to a stock option granted to Mr. Liggins.

ITEM 6. SELECTED FINANCIAL DATA

The following table contains selected historical consolidated information with respect to the Company. The selected historical consolidated financial data for the fiscal years ended December 26, 1993, December 25, 1994, and December 31, 1995, 1996 and 1997 have been derived from the Company's audited Consolidated Financial Statements (dollars in thousands). The Consolidated Financial Statements for the years ended December 31, 1995, 1996 and 1997 are included elsewhere in this Form 10-K.

The information below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements included elsewhere in this Form 10-K.

	Fiscal Years Ended		Fiscal Years Ended December 31,		
	December 26, 1993	December 25, 1994	1995	1996	1997
Net broadcast revenues	$ 11,638	$ 15,541	$ 21,455	$ 23,702	$ 32,367
Operating Expenses:					
Station operating expenses	6,972	8,506	11,736	13,927	18,848
Corporate expenses	683	1,128	1,995	1,793	2,155
Depreciation and amortization	1,756	2,027	3,912	4,262	5,828
Total operating expenses	9,411	11,661	17,643	19,982	26,831
Broadcast operating income	2,227	3,880	3,812	3,720	5,536
Interest expense, including amortization of deferred financing costs and debt discount expense	1,983	2,665	5,289	7,252	8,910
Other income (expense)	--	38	89	(77)	415
Income (loss) before provision for income taxes and extraordinary item	244	1,253	(1,388)	(3,609)	(2,959)
Provision for income taxes	92	30	--	--	--
Income (loss) before extraordinary item	152	1,223	(1,388)	(3,609)	(2,959)
Extraordinary item (loss on early retirement of debt)	138	--	468	--	1,985
Net income (loss)	$ 14	$ 1,223	$ (1,856)	$ (3,609)	$ (4,944)
OTHER DATA:					
Broadcast cash flow (a)	$ 4,666	$ 7,035	$ 9,719	$ 9,775	$ 13,519
Broadcast cash flow margin	40.1%	45.3%	45.3%	41.2%	41.8%
EBITDA (b)	$ 3,983	$ 5,907	$ 7,724	$ 7,982	$ 11,364
EBITDA margin	34.2%	38.0%	36.0%	33.7%	35.1%
Capital expenditures	$ 212	$ 639	$ 224	$ 251	$ 2,053
BALANCE SHEET DATA:					
Cash and cash equivalents	$ 1,110	$ 1,417	$ 2,703	$ 1,708	$ 8,500
Total assets	20,660	20,566	55,894	51,777	79,225
Total debt	24,709	23,049	64,585	64,939	74,954
Senior Cumulative Redeemable Preferred Stock	--	--	--	--	22,968
Total stockholders' equity (deficit)	$ (5,498)	$ (4,367)	$(11,394)	$(15,003)	$(21,984)

(a) "Broadcast cash flow" is defined as broadcast operating income plus corporate expenses and depreciation and amortization of both tangible and intangible assets. The Company has presented broadcast cash flow data, which the Company believes is comparable to the data provided by other companies in the radio broadcasting industry, and is commonly used as a measure of performance for broadcast companies. Broadcast cash flow does not purport to represent cash provided by operating activities as reflected in the Company's consolidated statements of cash flow, is not a measure of financial performance under generally accepted accounting principles and should not be considered in isolation or as a substitute for operating income, cash flows from operating activities or any other measure for determining the Company's financial performance or liquidity which is calculated in accordance with generally accepted accounting principles.

(b) "EBITDA" is defined as operating income before depreciation and amortization.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with "Selected Financial Data" and the Financial Statements and the notes thereto included elsewhere in this Form 10-K.

INTRODUCTION

The Company currently owns and operates nine radio stations in three major markets within the United States. During 1997, WYCB Acquisition Corporation, an Unrestricted Subsidiary of Radio One, entered into a definitive agreement to acquire all of the outstanding capital stock of BHI, owner of WYCB-AM in Washington, D.C., for approximately $3.75 million. This transaction was consummated effective as of March 16, 1998. Also during 1997, Radio One entered into a definitive agreement to acquire all of the outstanding capital stock of Bell Broadcasting Company, owner and operator of two radio stations in the Detroit, Michigan market and one radio station elsewhere in the state of Michigan, for approximately $34.2 million in cash plus the cost of certain improvements to the radio stations. Radio One expects to consummate this transaction before the end of the third quarter of 1998 which may require the purchase of up to four one month extensions, each extension to cost $150,000.

The operating revenues of the Company are derived from local and national advertisers and, to a much lesser extent, ticket revenue related to special events sponsored by the Company throughout the year as well as a management fee earned for providing corporate services to Radio One of Atlanta, Inc., an affiliate of the Company. The Company's primary operating expenses involved in owning, operating and programming its radio stations are commissions on revenues, employee salaries, and advertising and promotions expenses. Amortization and depreciation of costs associated with the acquisition of the stations and interest carrying charges are significant factors in determining the Company's overall profitability.

The primary source of the Company's revenue is the sale of broadcasting time on its radio stations for advertising. The Company's significant broadcast expenses are employee salaries and commissions, programming expenses, advertising and promotion expenses, rental of premises for studios and rental of transmission tower space and music license royalty fees. The Company strives to control these expenses by centralizing certain functions such as finance and accounting, and the overall programming management function as well as using its multiple stations, market presence and purchasing power to negotiate favorable rates with certain vendors and national representative selling agencies.

The Company's revenues are affected primarily by the advertising rates the Company's radio stations are able to charge as well as the overall demand for radio advertising time in a market. Advertising rates are based primarily on (i) a radio station's audience share in the demographic groups targeted by advertisers, as measured principally by quarterly reports (and to a lesser extent, by monthly reports) by Arbitron, (ii) the number of radio stations in the market competing for the same demographic groups and (iii) the supply of and demand for radio advertising time. Advertising rates are generally highest during morning and afternoon commuting hours. Most of the Company's revenues are generated from local advertising, which is sold by each radio station's sales staff.

The performance of an individual radio station or group of radio stations in a particular market is customarily measured by its ability to generate net revenues and broadcast cash flow (i.e., net revenue less station operating expenses), although broadcast cash flow is not a measure utilized under generally accepted accounting principles. Broadcast cash flow should not be considered in isolation from, nor as a substitute for, operating income, net income, cash flow, or other consolidated income or cash flow statement data computed in accordance with generally accepted accounting principles, nor as a measure of the Company's profitability or liquidity. Despite its limitations, broadcast cash flow is widely used in the broadcasting industry as a measure of a company's operating performance because it provides a meaningful measure of comparative radio station performance, without regard to items such as depreciation and amortization (which can vary depending upon accounting methods and the book value of assets, particularly in the case of acquisitions) and corporate expenses.

Radio One's operating results in any period may be affected by advertising and promotion expenses that do not produce commensurate revenues in the period in which such expenses are incurred. The Company generally incurs advertising and promotion expenses in order to increase listenership and Arbitron ratings. Increased advertising revenue may wholly or partially lag behind the incurrence of such advertising and promotion expenses because Arbitron only reports complete ratings information on a quarterly basis.

From 1993 to the present, Radio One acquired three radio stations. Most recently, Radio One acquired WPHI-FM, a radio station in Philadelphia, Pennsylvania on May 19, 1997 for approximately $20.0 million, and, effective March 16, 1998, acquired WYCB-AM, a radio station located in Washington, D.C., for approximately $3.75 million. During the most recent five fiscal years, other than the acquisition of WPHI-FM and WYCB-AM, Radio One completed one acquisition, which was its acquisition in June 1995 of WKYS-FM, a radio station located in Washington, D.C., for total consideration of approximately $34.4 million. The results of operations for WPHI-FM for approximately 11 months of fiscal year 1997 and for WKYS-FM for the second half of fiscal year 1995 and for fiscal years 1996 and 1997 are included in the Consolidated Financial Statements of the Company included elsewhere in this Form 10-K. The discussion below concerning results of operations reflects the operations of radio stations owned and/or operated by the Company during the periods presented and therefore does not include the pro forma results related to WYCB-AM or any other acquisitions. As a result of the acquisition of WKYS-FM in June 1995, and WPHI-FM in May 1997 (with the LMA for this station beginning in February 1997) the Company's historical financial data prior to such times are not directly comparable to the Company's historical financial data subsequent thereto.

RADIO ONE, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS

The following table sets forth certain operating data of the Company for the fiscal years ended December 31, 1995, 1996 and 1997 (dollars in thousands):

STATEMENT OF OPERATIONS DATA:
(dollars in 000s)

	1995	1996	1997
Net broadcast revenues	$ 21,455	$ 23,702	$ 32,367
Operating expenses excluding depreciation and amortization	13,731	15,720	21,003
Depreciation and amortization	3,912	4,262	5,828
Broadcast operating income	3,812	3,720	5,536
Interest expense, including amortization of deferred financing costs and debt discount expense	5,289	7,252	8,910
Other income (expense), net	89	(77)	415
Income (loss) before provision for income taxes	(1,388)	(3,609)	(2,959)
Provision for income taxes	--	--	--
Income (loss) before extraordinary item	(1,388)	(3,609)	(2,959)
Extraordinary item	468	--	1,985
Net loss	$ (1,856)	$ (3,609)	$ (4,944)
Broadcast cash flow	$ 9,719	$ 9,775	$ 13,519
Broadcast cash flow margin	45.3%	41.2%	41.8%
EBITDA	$ 7,724	$ 7,982	$ 11,364
EBITDA margin	36.0%	33.7%	35.1%
Corporate expenses	$ 1,995	$ 1,793	$ 2,155

FISCAL YEAR ENDED DECEMBER 31, 1997 COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 1996

Net broadcast revenues increased to approximately $32.4 million for the fiscal year ended December 31, 1997 from approximately $23.7 million for the fiscal year ended December 31, 1996 or 36.7%. This increase in net broadcast revenues was primarily the result of significant broadcast revenue growth in the Company's Washington, D.C. and Baltimore, markets as the Company benefited from ratings increases at its larger radio stations as well as market industry growth. Additional revenue gains were derived from the LMA of and, subsequently, the Company's acquisition of, radio station WPHI-FM in Philadelphia in early 1997.

Operating expenses excluding depreciation and amortization increased to approximately $21.0 million for the fiscal year ended December 31, 1997 from approximately $15.7 million for the fiscal year ended December 31, 1996 or 33.8%. This increase in expenses was due to higher sales, programming and administrative costs associated with the significant revenue growth and ratings gains experienced by the Company's radio stations and increased overhead expenses related to the overall growth experienced by the Company in the last year. Additionally, disproportionately higher expenses relative to revenues at the Philadelphia radio station acquired in 1997 caused the operating expenses of the Company to be higher in 1997 relative to 1996's level.

Broadcast cash flow increased to approximately $13.5 million for the fiscal year ended December 31, 1997 from approximately $9.8 million for the fiscal year ended December 31, 1996 or 37.8%. This increase was attributable to the increases in broadcast revenues partially offset by higher operating expenses. The broadcast cash flow margin increased to 41.8% from 41.2% due to the Company's growth in revenues relative to expenses.

Corporate expenses increased to approximately $2.2 million for the fiscal year ended December 31, 1997 from approximately $1.8 million for the fiscal year ended December 31, 1996 or 22.2%. This increase was due primarily to growth in the corporate staff in conjunction with the Company's overall expansion as well as higher costs associated with the Company's 1997 high yield bond offering and the costs associated with the Company's public reporting requirements.

Broadcast operating income increased to approximately $5.5 million for the fiscal year ended December 31, 1997 from approximately $3.7 million for the fiscal year ended December 31, 1996 or 48.6%. This increase was attributable to the increases in broadcast revenues partially offset by higher operating expenses and higher depreciation and amortization expenses as well as start-up losses earlier in 1997 related to the acquisition of WPHI-FM.

Interest expense increased to approximately $8.9 million for the fiscal year ended December 31, 1997 from approximately $7.3 million for the fiscal year ended December 31, 1996 or 21.9%. This increase related primarily to the May 19, 1997 issuance of the Company's $85.5 million in 12% Senior Subordinated Notes Due 2004 and the associated retirement of the Company's $45.6 million bank credit facility at that time.

Other income increased to approximately $415,000 for the fiscal year ended December 31, 1997 from approximately ($77,000) for the fiscal year ended December 31, 1996. This increase was primarily attributable to higher interest income due to higher cash balances associated with the Company's cash flow growth and capital raised in the Company's high yield debt offering.

Loss before provision for income taxes and extraordinary item decreased to approximately $3.0 million for the fiscal year ended December 31, 1997 from approximately $3.6 million for the fiscal year ended December 31, 1996 or 16.7%. The decrease was due to higher operating and other income partially offset by higher interest expense associated with the Company's high yield debt offering.

Net loss increased to approximately $4.9 million for the fiscal year ended December 31, 1997 from approximately $3.6 million for the fiscal year ended December 31, 1996 or 36.1%. This increase was due to an approximately $2.0 million loss on the early retirement of the indebtedness under the Company's bank credit facility with the proceeds from the Company's high yield debt offering as well as the conversion of the Company's then outstanding subordinated debt into Series A Preferred Stock and Series B Preferred Stock.

FISCAL YEAR ENDED DECEMBER 31, 1996 COMPARED TO FISCAL YEAR ENDED DECEMBER 31, 1995

Net broadcast revenues increased to approximately $23.7 million for the fiscal year ended December 31, 1996 from approximately $21.5 million for the fiscal year ended December 31, 1995 or 10.2%. This increase was primarily attributable to gains in both the Company's Washington, D.C. and Baltimore operations. Net broadcast revenues in Washington, D.C. increased to $14.3 million from $12.7 million or 12.1%, due to the impact of a full year of advertising revenue for WKYS-FM which was acquired in June 1995, offset by an 8.2% revenue decline to approximately $8.2 million from approximately $8.9 million for the WMMJ-FM/WOL-AM combination. Subsequent to the acquisition of WKYS-FM in 1995 and for most of 1996, high turnover among the sales staff relating to the integration of the existing and acquired sales staffs and a flat Washington, D.C. radio market led to lower than expected advertising revenues. However, by July 1996, Radio One hired three highly experienced sales managers who contributed to the improvement in the Company's performance, as reflected in the Company's improving revenues in the fourth quarter of 1996. In Baltimore, net broadcast revenue increased to approximately $9.4 million from approximately $8.8 million or 6.8%. This increase was due primarily to a 4.9% increase to approximately $4.3 million from approximately $4.1 million at the Company's WWIN-FM/WWIN-AM combination and an 11.9% increase to approximately $4.8 million from approximately $4.3 million at the Company's WOLB-AM/WERQ-FM combination, as both radio station combinations benefited from increasing ratings through much of the year.

Operating expenses excluding depreciation and amortization increased to approximately $13.9 million for the fiscal year ended December 31, 1996 from approximately $11.7 million for the fiscal year ended December 31, 1995 or 18.8%. This increase resulted from greater operating expenses due to the acquisition and integration of WKYS-FM, and higher marketing and promotion expenses for all three of the Company's radio stations in the market. Additionally, in conjunction with the reorganization of the Company's Washington, D.C. operations following the acquisition of WKYS-FM, the Company hired three highly experienced sales managers in Washington, D.C. as well as a prominent on-air personality for its morning program on WKYS-FM which positively impacted the Company's revenues and ratings beginning late in the fourth quarter of 1996. In the Company's Baltimore operations, station operating expenses increased as a result of the addition of a new high-profile on-air personality for one of the Baltimore radio station's morning shows offset by effective expense management. The relatively smaller increase in station operating expenses in Baltimore helped mitigate the overall impact of higher station operating expenses in Washington, D.C.

Broadcast cash flow increased to approximately $9.8 million for the fiscal year ended December 31, 1996 from approximately $9.7 million for the fiscal year ended December 31, 1995 or 1.0% due to higher revenues offset by higher operating expenses as outlined above. The broadcast cash flow margin decreased to 41.2% from 45.3% due to the factors noted above.

Corporate expenses decreased to approximately $1.8 million for the fiscal year ended December 31, 1996 from approximately $2.0 million for the fiscal year ended December 31, 1995 or 10.0%. This decrease was due to a $778,000 non-cash compensation expense incurred during the fiscal year ended December 31, 1995 related to the grant of a stock option to Mr. Liggins to purchase 63.16 shares of the Company's Common Stock, 57.45 shares of which vested in fiscal 1995. This decrease was partially offset by higher legal and professional expenses during the fiscal year ended December 31, 1996, as well as expenses associated with the potential acquisition of various radio stations.

Broadcast operating income decreased to approximately $3.7 million of the Company for the fiscal year ended December 31, 1996 from approximately $3.8 million for the fiscal year ended December 31, 1995 or 2.6% as a result of the factors noted above as well as an increase in depreciation and amortization expense associated with the inclusion of WKYS-FM in Company's financial statements for the full year.

Interest expense increased to approximately $7.3 million for the fiscal year ended December 31, 1996 from approximately $5.3 million for the fiscal year ended December 31, 1995 or 37.7%, as the higher debt levels associated with the acquisition of WKYS-FM impacted the Company's financial statements for a full year.

Other expenses increased to approximately $77,000 for the fiscal year ended December 31, 1996 from approximately ($89,000) for the fiscal year ended December 31, 1995 due to higher interest income associated with higher cash flow and higher average cash balances more than offset by a loss on the disposal of leasehold improvements associated with the Company's move to its new facilities in Lanham, Maryland in 1997 as well as the payment of various corporate back taxes.

Net loss increased to approximately $3.6 million for the fiscal year ended December 31, 1996 from approximately $1.9 million for the fiscal year ended December 31, 1995 or 89.5% due to lower operating income and higher interest expense.

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 1997, the capital structure of the Company consists of the Company's outstanding long-term debt and stockholders' equity. The stockholders' equity consists of common stock, additional paid-in capital and accumulated deficit. The Company's balance of cash and cash equivalents was approximately $8.5 million at December 31, 1997. The Company's increase in cash to approximately $8.5 million at December 31, 1997 from approximately $1.7 million at December 31, 1996 resulted primarily from excess proceeds from the Company's high yield debt offering in 1997 as well as cash from operations. In addition, the Company has placed $2.0 million in a non-refundable escrow account to be utilized in the consummation of the Bell Acquisition expected to occur before the end of the third fiscal quarter of 1998. The balance of the expected payment required to complete this acquisition will come from the Company's free cash balances as well as proceeds from a debt or equity offering to be completed prior to the consummation of the acquisition. As of December 31, 1997 approximately $7.5 million was available under the Company's $7.5 million bank credit facility (the "Amended and Restated Credit Agreement").

In general, the Company's primary source of liquidity is cash provided by operations and, to the extent necessary, on undrawn commitments available under the Amended and Restated Credit Agreement. The Company's ability to borrow in excess of the commitments set forth in the Amended and Restated Credit Agreement is limited by the terms of the Indenture and the Preferred Stockholders' Agreement. Additionally, such terms place restrictions on the Company with respect to the sale of assets, liens, investments, dividends, debt repayments, capital expenditures, transactions with affiliates, consolidation and mergers, and the issuance of equity interests among other things.

Net cash provided by the Company's operating activities increased to approximately $4.9 million for the fiscal year ended December 31, 1997 from approximately $2.6 million for the fiscal year ended December 31, 1996 or 88.5%. This increase was due to higher non-cash charges in excess of an increase in the net loss. In addition, the Company experienced higher working capital requirements associated with the Company's growth during the year.

Net cash used in the Company's investing activities increased to approximately $23.2 million for the fiscal year ended December 31, 1997 from approximately $1.3 million for the fiscal year ended December 31, 1996 or 1,685%. This increase was due primarily to the acquisition of WPHI-FM on May 19, 1997 as well as the expenditures associated with building new studios for the Company's Washington, D.C.-based radio stations and new corporate offices in the same location.

Cash provided by the Company's financing activities increased to approximately $25.1 million for the fiscal year ended December 31, 1997 from approximately ($2.4) million for the fiscal year ended December 31, 1996. The increase was due primarily to the high yield bond financing completed by the Company on May 19, 1997, partially offset by the retirement of debt under the Company's commercial bank loan facility with the proceeds from the high yield offering. During fiscal year ended December 31, 1996, the Company made principal payments on its commercial bank loan facility of approximately $2.4 million, leading to the negative cash provided by the Company's financing activities for the fiscal year ended December 31, 1996.

The Company continuously reviews, and is currently reviewing, opportunities to acquire additional radio stations, primarily in the top-30 African-American markets. As of the date hereof, other than the Bell Acquisition,

the Company has no written or oral understandings, letters of intent or contracts to acquire radio stations. The Company anticipates that any future radio station acquisitions would be financed through funds generated from operations, equity financings, permitted debt financings, debt financings through unrestricted subsidiaries or a combination thereof. However, there can be no assurance that any such financing, if available, will be available on favorable terms.

In connection with the consummation of the Radio One's high yield debt offering on May 19, 1997, the S Corporation status of Radio One was terminated. Generally, a corporation operating as a C corporation may carry forward for fifteen years (this period of time would include any years during which Radio One was an S corporation) an accumulated net operating loss ("NOL") incurred in any taxable year during which it was a C corporation to offset taxable income in a future year or years. There can be no assurance that Radio One will be able to use its accumulated NOLs in future tax years. After giving effect to the termination of the S Corporation status of the Company, Radio One had an NOL carryforward for U.S. Federal income tax purposes of approximately $5.1 million, as of December 31, 1997.

Management believes that, based on current levels of operations and anticipated internal growth, cash flow from operations together with other available sources of funds will be adequate for the foreseeable future to make required payments of interest on the Company's indebtedness, to fund anticipated capital expenditures and working capital requirements and to enable the Company to comply with the terms of its debt agreements. The ability of the Company to meet its debt service obligations and reduce its total debt, and the Company's ability to refinance the Notes, at or prior to their scheduled maturity date in 2004, and redeem the Series A Preferred Stock and Series B Preferred Stock on or before their maturity date of 2005, will depend upon the future performance of the Company which, in turn, will be subject to general economic conditions and to financial, business and other factors, including factors beyond the Company's control.

YEAR 2000 COMPLIANCE

The Company is currently in the process of evaluating its information technology infrastructure for the Year 2000 compliance. The Company does not expect that the cost to modify its information technology infrastructure to be Year 2000 compliant will be material to its financial condition or results of operations. The Company does not anticipate any material disruption to its operations as a result of any failure by the Company to be in compliance. The Company has evaluated the Year 2000 compliance status of its major suppliers of technology-based systems and determined that there is no indication that the Company will experience any material disruption to its operations as a result of any failure by the Company's suppliers to be in Year 2000 compliance. In the event that any of these suppliers prove to have not successfully and timely achieved Year 2000 compliance, the Company does not expect its financial condition or results of operations to be adversely effected in any material way.

SEASONALITY

The Company's results usually are subject to seasonal fluctuations, which result in third and fourth fiscal quarter broadcast operating income usually being greater than first and second fiscal quarter broadcast operating income with the first fiscal quarter having the lowest level of broadcast operating income than any of the other three fiscal quarters.

CERTAIN RELEVANT FACTORS

Under the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, forward looking statements, such as earnings projections, are protected from liability as long as they are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from projected results. The Company wishes to caution readers that the following important factors, among others, in some cases have affected, and in the future could affect, the Company's actual results and could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by, or

on behalf of, the Company whether contained herein, in other documents subsequently filed by the Company with the SEC, or in oral statements:

- Changes in national and regional economies;
- Successful integration of acquired radio stations;
- Pricing fluctuations in local and national advertising;
- Volatility in programming costs;
- Significant leverage and debt service;
- Dependence on key personnel;
- Increased competition;
- Increased regulation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE CLOSURE ABOUT MARKET RISK

The Company has no quantitative or qualitative market risk to report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated financial statements of Radio One meeting the requirements of Regulation S-X are filed on Pages F-1 to F-17. Supplementary financial data are filed on pages S-1 to and in Exhibit 12.

ITEM 9. CHANGES IN AND DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

NONE

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The current executive officers and directors of Radio One, as well as additional information with respect to those persons, are set forth in the table below. All directors serve for the term for which they are elected or until their successors are duly elected and qualified or until death, retirement, resignation or removal. Radio One has chosen not to enter into employment agreements with any of the named executive officers of Radio One at this time. As of March 1, 1998, the executive officers and directors of Radio One are:

NAME	AGE	POSITION
Catherine L. Hughes(a)	50	Chairperson of the Board and Director
Alfred C. Liggins, III(a)	33	Chief Executive Officer, President and Director
Scott R. Royster	33	Executive Vice President and Chief Financial Officer
Terry L. Jones(b)	51	Director
Brian W. McNeill(b)	42	Director
P. Richard Zitelman(b)	42	Director

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(a) Mr. Alfred C. Liggins, III is the son of Ms. Catherine L. Hughes.
(b) Member of the Audit and Compensation Committees.

Ms. Hughes has been Chairperson of the Board, Secretary and a Director of Radio One since 1980, and was Chief Executive Officer of Radio One from 1980 to 1997. She was one of the founders of Radio One's predecessor in 1980. Since 1980, Ms. Hughes has worked in various capacities for Radio One including President, General Manager, General Sales Manager and talk show host. She began her career in radio as the General Sales Manager of WHUR-FM, the Howard University-owned, urban-contemporary radio station located in Washington, D.C.

Mr. Liggins has been Chief Executive Officer since 1997, and President, Treasurer and a Director of Radio One since 1989. Mr. Liggins joined the Company in 1985 as an Account Manager at WOL-AM. In 1987 he was promoted to General Sales Manager and promoted again in 1988 to General Manager overseeing the Company's Washington, D.C. operations. In 1989, Mr. Liggins became President of Radio One and engineered the Company's expansion into other markets. Mr. Liggins is a 1995 graduate of the Wharton School of Business/Executive M.B.A. Program.

Mr. Royster has been Executive Vice President of Radio One since 1997 and Chief Financial Officer of Radio One since 1996. Prior to joining Radio One, he served as an independent consultant to Radio One. From 1995 to 1996, Mr. Royster was a principal at TSG Capital Group, LLC, a private equity investment firm located in Stamford, Connecticut, which has been an investor in Radio One since 1987. Mr. Royster has also served as an associate and later a principal at Capital Resource Partners from 1992 to 1995, a private capital investment firm in Boston, Massachusetts, and as an analyst at Chemical Banking Corporation (now Chase Banking Corporation) and a Senior Analyst at Chemical Venture Partners (now Chase Venture Partners) from 1987 to 1990. Mr. Royster is a 1987 graduate of Duke University and a 1992 graduate of Harvard Business School.

Mr. Jones has been a director of Radio One since 1995. Since 1990, Mr. Jones has been President of Syndicated Communications, Inc. ("Syncom I"), a communications venture capital investment company, and its wholly owned subsidiary, Syncom. He joined Syncom I in 1978 as a Vice President. Mr. Jones serves in various capacities, including director, president, general partner and vice president, for various other entities affiliated with Syncom I. He also serves on the board of directors of the National Association of Investment Companies, Delta Capital Corporation, Sun Delta Capital Access Center and the Southern African Enterprise Development Fund. Mr. Jones earned a B.S. degree from Trinity College, an M.S. from George Washington University and an M.B.A. from Harvard Business School.

Mr. McNeill has been a director of Radio One since 1995. Since 1986, Mr. McNeill has been a General Partner of Burr, Egan, Deleage & Co., a private equity firm which specializes in investments in the communications

and technology industries. He has served as a director in many radio and television broadcasting companies such as Tichenor Media Systems, OmniAmerica Group, Panache Broadcasting and Shockley Communications. From 1979 to 1986, he worked at the Bank of Boston where he started and managed that institution's broadcast lending group. Mr. McNeill is a graduate of Holy Cross College and has earned an M.B.A. from the Amos Tuck School at Dartmouth College.

Mr. Zitelman has been a director of Radio One since 1995. Since 1985, Mr. Zitelman has been the President and sole principal of the Zitelman Group, Inc., a consulting firm. Since 1984, Mr. Zitelman has been involved in the ownership and financial oversight of various radio stations. Mr. Zitelman is currently a principal of Spring Broadcasting, L.L.C. which owns and operates nine radio stations in four markets. From 1985 to 1994, Mr. Zitelman was a principal of Media Capital, Inc., which invested in, operated and later sold various radio stations. Mr. Zitelman is a Certified Public Accountant and earned a B.S. from the Wharton School of Business at the University of Pennsylvania.

COMMITTEES OF THE BOARD OF DIRECTORS

Radio One has formed an Audit Committee and a Compensation Committee of the board of directors of Radio One, and all of the directors serving on such Audit Committee and Compensation Committee are directors who are not employees of Radio One.

ITEM 11. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

COMPENSATION OF DIRECTORS

Non-officer directors of Radio One are reimbursed for all out-of-pocket expenses related to meetings attended. Non-officer directors receive no additional compensation for their services as directors of Radio One, except for Mr. Zitelman, whose consulting firm bills Radio One for the time he spends attending board meetings at his standard hourly consulting rate. Mr. Zitelman, through his consulting firm, received a fee for consulting services rendered in connection with the acquisition of station WPHI-FM. Officers of Radio One who serve as directors do not receive compensation for their services as directors other than the compensation they receive as officers of Radio One.

EXECUTIVE COMPENSATION

The following information relates to compensation of Radio One's Chief Executive Officer and each of its other executive officers of Radio One as to whom the total annual salary and bonus exceeded $100,000 (the "Named Executives") during the fiscal years ended December 31, 1997, 1996 and 1995 (as applicable):

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITIONS	ANNUAL COMPENSATION			
	YEAR	SALARY	BONUS	ALL OTHER COMPENSATION
Catherine L. Hughes, Chairperson of the Board and Secretary....	1997	$193,269	$50,000	$ 3,050
	1996	150,000	31,477	2,161
	1995	150,000	--	2,604
Alfred C. Liggins, III, Chief Executive Officer, President and Treasurer................................	1997	$193,269	$50,000	$ 3,125
	1996	150,000	--	3,091
	1995	150,000	--	3,124
Scott R. Royster, Executive Vice President and Chief Financial Officer..................	1997	$148,077	$25,000	--
	1996	55,577(a)	--	--

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(a) Mr. Royster provided consulting services to Radio One in July 1996 and joined Radio One as a full-time employee in August 1996. Disclosed compensation represents consulting fees received by Mr. Royster and the portion of his $125,000 annual salary paid during 1996.

Ms. Catherine L. Hughes is Radio One's Chairperson of the Board. Effective May 26, 1997 for the remainder of the fiscal year ended December 31, 1997, Radio One paid Ms. Hughes an annual salary of $225,000 and reimbursed her in the aggregate amount of $3,050 for various expenses incurred by Ms. Hughes, which represents additional compensation. Additionally, during 1997, a performance bonus of $50,000 (which is scheduled to be paid during the first half of 1998) was earned by Ms. Hughes. In 1998, Radio One anticipates Ms. Hughes continuing to serve as Radio One's Chairperson of the Board with an annual base compensation of $225,000, subject to an annual increase and an annual bonus at the discretion of Radio One's board of directors.

Mr. Alfred C. Liggins, III is Radio One's Chief Executive Officer and President. Effective May 26, 1997 for the remainder of the fiscal year ended December 31, 1997, Radio One paid Mr. Liggins an annual salary of $225,000 and reimbursed him in the aggregate amount of $3,125 for various expenses incurred by Mr. Liggins which represents additional compensation. Additionally, during 1997, a performance bonus of $50,000 (which is scheduled to be paid during the first half of 1998) was earned by Mr. Liggins. In 1998, Radio One anticipates Mr. Liggins continuing to serve as Radio One's Chief Executive Officer and President with an annual base compensation of $225,000, subject to an annual increase and an annual bonus at the discretion of Radio One's board of directors.

Mr. Scott R. Royster is Radio One's Executive Vice President and Chief Financial Officer. Effective May 26, 1997 for the remainder of the fiscal year ended December 31, 1997, Radio One paid Mr. Royster an annual salary of $165,000. Additionally, during 1997, a performance bonus of $25,000 (which was paid during the first quarter of 1998) was earned by Mr. Royster. In 1998, Radio One anticipates Mr. Royster continuing to serve as Radio One's Executive Vice President and Chief Financial Officer with an annual base compensation of $165,000, subject to an annual increase and an annual bonus at the discretion of management.

Ms. Mary Catherine Sneed joined Radio One effective January 1, 1998, as Chief Operating Officer of Radio One. Ms. Sneed's annual base compensation is $200,000 subject to an annual increase and an annual bonus payable at the discretion of management.

Ms. Linda J. Eckard joined Radio One effective January 21, 1998, as its General Counsel. Ms. Eckard's annual base compensation is $150,000 subject to an annual increase and an annual bonus payable at the discretion of management.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of March 10, 1998, Radio One's authorized capital stock consists of (i) 2,000 authorized shares of Common Stock, $.01 par value (the "Common Stock"), which consists of (a) 1,000 shares of Class A Common Stock (the "Class A Common Stock"), of which 138.45 shares are issued and outstanding, and (b) 1,000 shares of Class B Common Stock the ("Class B Common Stock"), of which no shares are issued and outstanding and (ii) 250,000 authorized shares of Senior Preferred Stock, which consists of (a) 140,000 shares of Series A 15% Cumulative Exchangeable Redeemable Preferred Stock, $.01 par value, of which 84,843.03 shares are issued and outstanding, and (b) 150,000 shares of Series B 15% Cumulative Exchangeable Redeemable Preferred Stock, $.01 par value (Series B Preferred Stock and together with the Series A Preferred Stock, the "Senior Preferred Stock"), of which 124,467.10 shares are issued and outstanding. There is no established trading market for the Common Stock or the Senior Preferred Stock.

The following table sets forth as of the date hereof information regarding Radio One's capital stock, including the beneficial ownership of the Common Stock and Senior Preferred Stock by (i) each person beneficially owning more than 5% of the outstanding shares of Common Stock or the Senior Preferred Stock, (ii) each of Radio One's directors, (iii) each of the Named Executives in the table under "Compensation of Directors and Executive Officers-Summary Compensation Table," and (iv) all of Radio One's directors and executive officers as a group.

	SHARES OF COMMON STOCK BENEFICIALLY OWNED, WITHOUT GIVING EFFECT TO EXERCISE OF THE WARRANTS(A)		SHARES OF COMMON STOCK BENEFICIALLY OWNED AFTER GIVING EFFECT TO EXERCISE OF THE WARRANTS(A)		SHARES OF SENIOR PREFERRED STOCK BENEFICIALLY OWNED	
	NUMBER SHARES(B)	PERCENT OF OF SHARES OUTSTANDING	NUMBER OF SHARES(B)	PERCENT OF SHARES OUTSTANDING	NUMBER OF SHARES	PERCENT OF SHARES OUTSTANDING
Catherine L. Hughes(c)(d)	75.00	54.2%	75.00	26.3%	--	--
Alfred C. Liggins, III(c)(d)(h)(p)	62.45	45.1%	63.42	22.2%	2,359.67(q)	1.1%
Terry L. Jones(e)(f)	--	--	36.12	12.7%	13,595.69(q)	6.5%
Brian W. McNeill (f)(g)	--	--	29.52	10.3%	72,139.57(r)	34.5%
ALTA Subordinated Debt Partners III, L.P(h)(i)	--	--	29.52	10.3%	72,139.57(r)	34.5%
Alliance Enterprise Corporation(h)(j)	--	--	18.70	6.6%	9,126.55(q)	4.4%
BancBoston Investments Inc.(h)(k)	--	--	20.15	7.1%	49,249.44(r)	23.5%
Capital Dimensions Venture Fund, Inc.(h)(l)	--	--	15.24	5.3%	37,258.14(q)	17.8%
Fulcrum Venture Capital Corporation(h)(m)	--	--	15.61	5.5%	9,650.09(q)	4.6%
Syncom Capital Corporation(h)(n)	--	--	36.12	12.7%	13,595.69(q)	6.5%
All Directors and Executive Officers of Radio One as a group(o)	137.45	99.3%	138.42	48.5%	--	--

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(a) The "Warrants" refer to the amended and restated warrants to purchase 147.04 shares of Common Stock issued by Radio One on May 19, 1997. The information as to beneficial ownership is based on statements furnished to Radio One by the beneficial owners. As used in this table, "beneficial ownership" means the sole or shared power to vote or direct the voting of a security, or the sole or shared investment power with respect to a security (i.e., the power to dispose of, or direct the disposition of, a security). Other than with respect to the Warrants, a person is deemed as of any date to have "beneficial ownership" of any security that such person has the right to acquire within 60 days of such date. For purposes of computing the percentage of outstanding shares held by each person named above, other than with respect to the Warrants, any security that such person has the right to acquire within 60 days of the date of the calculation is deemed to be outstanding, but is not deemed to be outstanding for purposes of computing the percentage ownership of any other person.

(b) The shares of Common Stock are subject to a voting agreement with respect to the election of Radio One's directors (which is included in the Warrantholders' Agreement).

(c) The business address for such persons is c/o Radio One, 5900 Princess Garden Parkway, 8th Floor, Lanham, Maryland 20706.

(d) Ms. Hughes and Mr. Liggins may be deemed to share beneficial ownership of shares of capital stock owned by each other by virtue of the fact that Ms. Hughes is Mr. Liggins' mother. Each of Ms. Hughes and Mr. Liggins disclaims such beneficial ownership.

(e) Represents immediately exercisable Warrants to purchase 36.12 shares of Common Stock held by Syncom. Mr. Jones is the President of Syncom and his address is c/o Syncom Capital Corporation, 8401 Colesville Road, Suite 300, Silver Spring, MD 20910. Mr. Jones may be deemed to share beneficial ownership of shares of Common Stock issuable to Syncom upon exercise of the Warrants by virtue of his affiliation with Syncom. Mr. Jones disclaims

beneficial ownership in such shares.

(f) Mr. Jones may be deemed to share beneficial ownership of shares of Senior Preferred Stock to be owned of record by Syncom by virtue of his affiliation with Syncom. Mr. Jones disclaims any beneficial ownership of such shares of Senior Preferred Stock. Mr. McNeill

may be deemed to share beneficial ownership of Senior Preferred Stock to be owned of record by Alta by virtue of his affiliation with Alta. Mr. McNeill disclaims any beneficial ownership of such shares.

(g) Represents immediately exercisable Warrants to purchase 29.52 shares of Common Stock held by Alta Subordinated Debt Partners III, L.P. ("Alta"). Mr. McNeill is a general partner of Alta Subordinated Debt Partners III, L.P. and his address is c/o Alta Subordinated Debt Partners III, L.P., c/o Burr, Egan, Deleage & Co., One Post Office Square, Boston, MA 02109. Mr. McNeill may be deemed to share beneficial ownership of shares of Common Stock issuable to Alta upon exercise of the Warrants by virtue of his affiliation with Alta. Mr. McNeill disclaims any beneficial ownership of such shares.

(h) The Warrants are subject to the terms of a Standstill Agreement dated as of May 19, 1997 among Radio One, the subsidiaries of Radio One, NationsBank of Texas, N.A., the Trustee, and the other parties named therein (the "Standstill Agreement") which provides, among other things, that for so long as the Amended and Restated Credit Agreement, if any, or the Notes are outstanding, the Warrants are collectively only exercisable for up to (but not including) 50% of the Common Stock. Although the Warrants are currently exercisable, the holders of a majority of the outstanding shares of Senior Preferred Stock must exercise their Warrants if any are to be exercised prior to the eighth anniversary of the Issue Date.

(i) Represents immediately exercisable Warrants to acquire 29.52 shares of Common Stock. The principal address of Alta is c/o Burr, Egan, Deleage & Co., One Post Office Square, Boston, MA 02109.

(j) Represents immediately exercisable Warrants to acquire 18.70 shares of Common Stock. The principal address of Alliance Enterprise Corporation is 12655 N. Central Expressway, Suite 700, Dallas, TX 75243.

(k) Represents immediately exercisable Warrants to acquire 20.15 shares of Common Stock. The principal address of BancBoston Investments, Inc. is 100 Federal Street, 32nd Floor, Boston, MA 02110.

(l) Represents immediately exercisable Warrants to acquire 15.24 shares of Common Stock. The principal address of Capital Dimensions Venture Fund, Inc. is 2 Appletree Square, Suite 335-T, Minneapolis, MN 55425.

(m) Represents immediately exercisable Warrants to acquire 15.61 shares of Common Stock. The principal address of Fulcrum Venture Capital Corporation is 300 Corporate Point, Suite 380, Culver City, CA 90230.

(n) Represents immediately exercisable Warrants to acquire 36.12 shares of Common Stock. The principal address of Syncom Capital Corporation is 8401 Colesville Road, Suite 300, Silver Spring, MD 20910.

(o) The shares of Common Stock set forth on this line do not include any shares of Common Stock or Senior Preferred Stock which Mr. Jones and Mr. McNeill may be deemed to beneficially own. See footnotes (e), (f) and (g), above.

(p) Represents shares of Common Stock held plus immediately exercisable Warrants to acquire .97 shares of Common Stock.

(q) Represents Series A Preferred Stock.

(r) Represents Series B Preferred Stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

RADIO ONE OF ATLANTA, INC.

Mr. Liggins, who is the Chief Executive Officer and President of Radio One, is also the President of Radio One of Atlanta, Inc. ("ROA"), which owns and operates one radio station in Atlanta and operates a second station through an LMA with Dogwood Communications, Inc. ("Dogwood") in which ROA holds a minority interest. Dogwood is the owner of radio station WAMJ-FM, located in the Atlanta market. Mr. Liggins has voting control of ROA, subject to certain conditions, and owns approximately 47% of the outstanding capital stock of ROA. Ms. Hughes, who is Chairperson of the Board of Radio One, is a director and the Secretary of ROA. Ms. Sneed, who is the Chief Operating Officer of Radio One, is also the General Manager of ROA and receives performance-based bonus compensation and stock options from ROA as General Manager. Mr. Royster, who is Chief Financial Officer and Executive Vice President of Radio One, holds those same positions with ROA. Ms. Eckard, who is General Counsel of Radio One, holds that same position with ROA. Mr. Jones and Mr. McNeill, who are directors of Radio One, are also directors of ROA. In addition, Syncom and Burr Egan, companies with which Mr. Jones and Mr. McNeill, respectively, are associated, are creditors and shareholders of ROA.

Radio One has entered into a management agreement with ROA whereby Radio One, through some of its officers and employees, provides accounting, financial and strategic planning, other general management services and general programming support services to ROA and Dogwood. In exchange for such corporate services, Radio One is paid an annual retainer of approximately $100,000 and is reimbursed for all of its out-of-pocket expenses incurred in connection with the performance of such corporate services. Radio One expects to receive approval from the investors in ROA to increase the annual management fee to $300,000 per annum for fiscal year 1998 and beyond. Radio One believes that the compensation paid to Radio One under such management agreement and the other material terms thereof are not materially different than if the agreement were with an unaffiliated third party.

In addition, Mr. Liggins received a lump sum fee of $50,000 from ROA in April 1997 as compensation for services he personally provided to ROA. Mr. Liggins had not previously received any compensation from ROA or Dogwood. During 1997, Radio One's Vice President of Programming, Steve Hegwood, was also employed by ROA and was paid a salary for programming ROA's radio station in addition to the salary he received from Radio One. During 1997, Mr. Hegwood utilized certain resources and the services of certain employees of Radio One in performing services for ROA.

OFFICE LEASES

Lanham, Maryland

Radio One's principal executive offices and studios for its Washington, D.C. radio stations ("Lanham Offices") are located in the office building located at 5900 Princess Garden Parkway, Lanham, Maryland ("Lanham Building"). Radio One leases these offices from National Life Insurance Company, a Vermont corporation (the "Landlord"). The Landlord has granted Radio One, and Radio One has exercised, an option to purchase the Lanham Building for $3.75 million, less a credit of up to $288,000 (related to the tenant improvements Radio One is making to the Lanham Offices, and the rent payments Radio One is making for the Lanham Offices) and subject to an increase attributable to Radio One's pro rata share of the costs paid by the Landlord in connection with entering into each lease of a portion of the Lanham Building. Closing of Radio One's purchase of the Lanham Building was to occur on September 30, 1997, if the average monthly building rents for the Lanham Building for July and August 1997 equaled or exceeded a stated minimum gross rent amount. The minimum gross rent amount was not met for such period. Therefore, pursuant to the option, Radio One may waive the minimum gross rent condition and proceed to close the purchase of the Lanham Building or elect to postpone the closing, on a month-to-month basis, until average monthly building rents for a two-month period equal or exceed the minimum gross rent amount. If the minimum gross rent condition has not been met and therefore the closing has not occurred on or prior to July 31, 1998, or if, prior to receipt of notice that the gross rent condition has been met, Radio One

delivers written notice that it shall not proceed to closing on or before such date, Radio One shall have no further obligation to purchase the Lanham Building and the Landlord shall pay to Radio One an amount, not to exceed $240,000, equal to Radio One's expenditures for tenant improvements to the Lanham Building. Even upon termination of the option, Radio One will have the right of first refusal to match an offer for the Lanham Building, provided that Radio One is not in default under the lease. Radio One expects to assign its right to purchase the Lanham Building to Mr. Liggins in order to preserve Radio One's borrowing capacity. The holders of the Senior Preferred Stock will be provided with an opportunity to purchase an interest in the Lanham Building at the closing, if any, of the purchase of the Lanham Building. Mr. Liggins will be assigned the lease for the Lanham Offices by the Landlord at the closing, if any, of the purchase of the Lanham Building and Radio One shall continue to make lease payments to Mr. Liggins (or such assignee). In addition, if the closing of the purchase of the Lanham Building occurs, Mr. Liggins (or his assignee) will be required to pay Radio One consideration, in some form, in an amount equal to an aggregate of $288,000. Such consideration could take the form of a reduction in Radio One's lease payment obligations in respect of the Lanham Offices, the transfer of an interest in the Lanham Building to Radio One or some other form. Radio One's management believes that the terms of the Lanham Lease, should Mr. Liggins or his assignee acquire the Lanham Building, are not materially different than if the agreement were with an unaffiliated third party with no option to purchase the underlying property.

Baltimore, Maryland

Radio One leases office space located at 100 St. Paul Street, Baltimore, Maryland from Chalrep Limited Partnership, a limited partnership controlled by Ms. Hughes and Mr. Liggins. Radio One's management believes that the terms of this lease are not materially different than if the agreement were with an unaffiliated third party.

OTHER AFFILIATED TRANSACTIONS

The Zitelman Group, Inc. received a fee of $50,000 for consulting services rendered in connection with the May 19, 1997 acquisition of WPHI-FM in Philadelphia, Pennsylvania. The Zitelman Group, Inc. is owned by Mr. Zitelman, who serves as a member of Radio One's board of directors and is a member of Radio One's Compensation and Audit Committees. The Zitelman Group, Inc. also receives consulting fees for the time Mr. Zitelman spends attending Radio One's board meetings and providing other consulting services to Radio One, at his standard hourly consulting rate.

RADIO ONE OF SAN FRANCISCO, INC.

Mr. Liggins, who is the Chief Executive Officer and President of the Company, and Mr. Royster, who is the Chief Financial Officer and Executive Vice President of Radio One, are also President and Executive Vice President, respectively, of Radio One of San Francisco, Inc., which entered into asset purchase agreements in December 1997 to acquire two FM stations in the San Francisco market. In consideration for an opportunity to acquire a financial interest in Radio One of San Francisco, Inc., Radio One agreed to be responsible for certain expenses if successful. It is anticipated that these expenses will not exceed $100,000. Radio One of San Francisco, Inc., subsequently decided not to consummate the acquisition of the stations.

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Index to Financial Statements

The financial statements required by this item are submitted in a separate section beginning on page F-1 of this report.

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(b) Exhibits

3.1 Amended and Restated Certificate of Incorporation of Radio One, Inc.
3.2 Amended and Restated By-laws of Radio One, Inc.*
3.3 Amended and Restated Certificate of Incorporation of Radio One Licenses, Inc.
3.4 Amended and Restated By-laws of Radio One Licenses, Inc.
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. *
4.2 Purchase Agreement dated as of May 14, 1997 among Radio One, Inc., Radio One Licenses, Inc., Credit Suisse First Boston Corporation and NationsBanc Capital Markets, Inc.*
4.3 Registration Rights Agreement dated as of May 14, 1997 among Radio One, Inc., Radio One Licenses, Inc., Credit Suisse First Boston Corporation and NationsBanc Capital Markets, Inc.*
4.4 Standstill Agreement dated as of May 19, 1997 among Radio One, Inc., Radio One Licenses, Inc., NationsBank of Texas, N.A., United States Trust Company of New York and the other parties thereto.*
5.1 Form of Opinion and consent of Kirkland & Ellis.*
8.1 Form of Opinion and consent of Kirkland & Ellis.*
10.1 Office Lease dated February 3, 1997 between National Life Insurance Company and Radio One, Inc. for premises located at 5900 Princess Garden Parkway, Lanham, Maryland, as amended on February 24, 1997.*
10.2 Purchase Option Agreement dated February 3, 1997 between National Life Insurance Company and Radio One, Inc. for the premises located at 5900 Princess Garden Parkway, Lanham, Maryland.*
10.3 Asset Purchase Agreement dated December 6, 1996 by and between Jarad Broadcasting Company of Pennsylvania, Inc. and Radio One, Inc.*
10.4 Office Lease commencing November 1, 1993 between Chalrep Limited Partnership and Radio One, Inc., with respect to the property located at 100 St. Paul Street, Baltimore, Maryland.*
10.5 Preferred Stockholders' Agreement dated as of May 14, 1997 among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.*

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* Previously filed

10.6 Warrantholders' Agreement dated as of June 6, 1995, as amended by the First Amendment to Warrantholders' Agreement dated as of May 19, 1997, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.*

10.7 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Syncom Capital Corporation.*

10.8 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Alliance Enterprise Corporation.*

10.9 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Greater Philadelphia Venture Capital Corporation, Inc.*

10.10 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Opportunity Capital Corporation.*

10.11 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Capital Dimensions Venture Fund, Inc.*

10.12 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to TSG Ventures Inc.*

10.13 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Fulcrum Venture Capital Corporation.*

10.14 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Alta Subordinated Debt Partners III, L.P.*

10.15 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to BancBoston Investments, Inc.*

10.16 Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Grant M. Wilson.*

10.17 Management Agreement dated as of August 1, 1996 by and between Radio One, Inc. and Radio One of Atlanta, Inc.*

10.18 Letter of Intent dated March 12, 1997 by and between Radio One, Inc. and Allied Capital Financial Corporation, as amended by that certain First Amendment dated as of May 6, 1997, that certain Second Amendment dated as of May 30, 1997, that certain Third Amendment dated as of June 5, 1997 and that certain Letter Agreement dated as of July 1, 1997.*

10.19 Fifth Amendment dated as of July 31, 1997 to that certain Letter of Intent dated March 12, 1997 by and between Radio One, Inc. and Allied Capital Financial Corporation, as amended.*

10.20 Sixth Amendment dated as of September 8, 1997 to that certain Letter of Intent dated March 12, 1997 by and between Radio One, Inc. and Allied Capital Financial Corporation, as amended.*

10.21 Time Management and Services Agreement dated March 17, 1998, among WYCB Acquisition Corporation, Broadcast Holdings, Inc., and Radio One, Inc.

10.22 Stock Purchase Agreement dated December 23, 1997, between the shareholders of Bell Broadcasting Company and Radio One, Inc.

10.23 Option and Stock Purchase Agreement dated November 19, 1997, among Allied Capital Financial Corporation, G. Cabell Williams III, Broadcast Holdings, Inc. and WYCB Acquisition Corporation.

10.24 Amended and Restated Warrant of Radio One, Inc., dated January 9, 1998, issued to TSG Ventures L.P.

10.25 Stock Purchase Warrant of Radio One, Inc., dated March 16, 1998 issued to Allied Capital Financial Corporation.

10.26 Amended and Restated Credit Agreement dated May 19, 1997 among several lenders, NationsBank of Texas, N.A. and Radio One, Inc.

10.27 First Amendment to Credit Agreement dated December 31, 1997 among several lenders, NationsBank of Texas, N.A. and Radio One, Inc.

10.28 Amendment to Preferred Stockholders' Agreement dated as of December 31, 1997 among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.

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* Previously filed

10.29	Assignment and Assumption Agreement dated October 23, 1997, between Greater Philadelphia Venture Capital Corporation, Inc. and Alfred C. Liggins, III.
10.30	Agreement dated February 20, 1998 between WUSQ License Limited Partnership and Radio One, Inc.
12.1	Statement of Computation of Ratios.
21.1	Subsidiaries of Radio One, Inc.
23.1	Consent of Arthur Andersen, L.L.P.
23.2	Consent of Coopers & Lybrand, L.L.P.*
23.3	Consent of Kirkland & Ellis (included in Exhibit 5.1).*
23.4	Consent of Kirkland & Ellis (included in Exhibit 8.1)*
24.1	Powers of Attorney.*
25.1	Statement of Eligibility of Trustee on Form T-1.*
27.1	Financial Data Schedule.*
99.1	Form of Letter of Transmittal.*
99.2	Form of Notice of Guaranteed Delivery.*

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* Previously filed

(c) Reports on Form 8-K

There were no reports on Form 8-K filed by the Registrant during the fourth quarter of the fiscal year ended December 31, 1997.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ Scott R. Royster
Scott R. Royster
Executive Vice President and Chief Financial Officer
Principal Accounting Officer

Date: 3/30/98

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

SIGNATURE	TITLE
/s/ Catherine L. Hughes Catherine L. Hughes Date: 3/30/98	Chairperson, Director and Secretary
/s/ Alfred C. Liggins, III Alfred C. Liggins, III Date: 3/30/98	Chief Executive Officer, President and Director
/s/ Terry L. Jones Terry L. Jones Date: 3/30/98	Director
/s/ Brian W. McNeill Brian W. McNeill Date: 3/30/98	Director
/s/ P. Richard Zitelman P. Richard Zitelman Date: 3/30/98	Director

RADIO ONE, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Radio One, Inc.:

We have audited the accompanying consolidated balance sheets of Radio One, Inc. (a Delaware corporation) and subsidiaries (the Company) as of December 31, 1996 and 1997, and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for each of the years in the three-year period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Radio One, Inc. and subsidiaries as of December 31, 1996 and 1997 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1997, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Baltimore, Maryland,
February 19, 1998

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 1996 AND 1997

ASSETS	1996	1997
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,708,000	$ 8,500,000
Trade accounts receivable, net of allowance for doubtful accounts of $765,000 and $904,000, respectively	6,420,000	8,722,000
Prepaid expenses and other	117,000	315,000
Total current assets	8,245,000	17,537,000
PROPERTY AND EQUIPMENT, net	3,007,000	4,432,000
INTANGIBLE ASSETS, net	39,358,000	54,942,000
OTHER ASSETS	1,167,000	2,314,000
Total assets	$ 51,777,000	$ 79,225,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 389,000	$ 258,000
Accrued expenses	1,453,000	3,029,000
Current portion of long-term debt	5,633,000	-
Total current liabilities	7,475,000	3,287,000
LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion	59,305,000	74,954,000
Total liabilities	66,780,000	78,241,000
COMMITMENTS AND CONTINGENCIES		
SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:		
Series A, $.01 par value, 100,000 shares authorized, 84,843shares issued and outstanding;		9,310,000
Series B, $.01 par value, 150,000 shares authorized, 124,467 shares issued and outstanding	--	13,658,000
STOCKHOLDERS' DEFICIT:		
Common stock - Class A, $.01 par value, 1,000 shares authorized, 138.45 shares issued and outstanding	--	--
Common stock - Class B, $.01 par value, 1,000 shares authorized, no shares issued and outstanding	--	--
Additional paid-in capital	1,205,000	--
Accumulated deficit	(16,208,000)	(21,984,000)
Total stockholders' deficit	(15,003,000)	(21,984,000)
Total liabilities and stockholders' deficit	$ 51,777,000	$ 79,225,000

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

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1996 AND 1997

	1995	1996	1997
REVENUES:			
Broadcast revenues, including barter revenues of $921,000, $1,122,000 and $1,010,000, respectively	$ 24,626,000	$ 27,027,000	$ 36,955,000
Less: Agency commissions	3,171,000	3,325,000	4,588,000
Net broadcast revenues	21,455,000	23,702,000	32,367,000
OPERATING EXPENSES:			
Program and technical	3,642,000	4,157,000	5,934,000
Selling, general and administrative	8,094,000	9,770,000	12,914,000
Corporate expenses	1,995,000	1,793,000	2,155,000
Depreciation and amortization	3,912,000	4,262,000	5,828,000
Total operating expenses	17,643,000	19,982,000	26,831,000
Broadcast operating income	3,812,000	3,720,000	5,536,000
INTEREST EXPENSE, including amortization of deferred financing costs	5,289,000	7,252,000	8,910,000
OTHER (INCOME) EXPENSE, net	(89,000)	77,000	(415,000)
Loss before provision for income taxes and extraordinary item	(1,388,000)	(3,609,000)	(2,959,000)
PROVISION FOR INCOME TAXES	--	--	--
Loss before extraordinary item	(1,388,000)	(3,609,000)	(2,959,000)
EXTRAORDINARY ITEM:			
Loss on early retirement of debt	468,000	--	1,985,000
Net loss	$ (1,856,000)	$ (3,609,000)	$ (4,944,000)

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

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 1995, 1996 AND 1997

	Preferred Stock	Common Stock Class A	Common Stock Class B	Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Total Stockholders' Deficit
BALANCE, as of December 25, 1994	$ 1,000	$ 1,000	$ --	$ --	$ (4,104,000)	$ (265,000)	$ (4,367,000)
Net loss	--	--	--	--	(1,856,000)	--	(1,856,000)
Purchase of stock warrants	--	--	--	--	(6,639,000)	--	(6,639,000)
Issuance of stock options	--	--	--	778,000	--	--	778,000
Allocation of detachable stock warrants	--	--	--	690,000	--	--	690,000
Cancallation and issuance of stock	(1,000)	(1,000)	--	(263,000)	--	265,000	--
BALANCE, as of December 31, 1995	--	--	--	1,205,000	(12,599,000)	--	(11,394,000)
Net loss	--	--	--	--	(3,609,000)	--	(3,609,000)
BALANCE, as of December 31, 1996	--	--	--	1,205,000	(16,208,000)	--	(15,003,000)
Net loss	--	--	--	--	(4,944,000)	--	(4,944,000)
Effect of conversion to C corporation	--	--	--	(1,205,000)	1,205,000	--	--
Preferred stock dividends	--	--	--	--	(2,037,000)	--	(2,037,000)
BALANCE, as of December 31, 1997	$ --	$ --	$ --	$ --	$ (21,984,000)	$ --	$ (21,984,000)

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

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1996 AND 1997

	1995	1996	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (1,856,000)	$ (3,609,000)	$ (4,944,000)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation and amortization	3,912,000	4,262,000	5,828,000
Amortization of debt financing costs and unamortized discount	208,000	366,000	2,166,000
Compensation expense from stock options granted	778,000	--	--
Loss on disposals	--	153,000	--
Loss on extinguishment of debt	--	--	1,985,000
Deferred interest	235,000	2,639,000	1,104,000
Effect of change in operating assets and liabilities-			
Trade accounts receivable	(2,065,000)	(656,000)	(2,302,000)
Prepaid expenses and other	(85,000)	114,000	(198,000)
Other assets	(24,000)	(71,000)	(147,000)
Accounts payable	605,000	(818,000)	(131,000)
Accrued expenses	214,000	234,000	1,576,000
Net cash flows from operating activities	1,922,000	2,614,000	4,937,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(225,000)	(252,000)	(2,035,000)
Proceeds from disposal of property and equipment	62,000	--	--
Deposits and payments for station purchases	(33,770,000)	(1,000,000)	(21,164,000)
Net cash flows from investing activities	(33,933,000)	(1,252,000)	(23,199,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of debt	(23,049,000)	(2,408,000)	(45,599,000)
Proceeds from new debt	65,000,000	51,000	72,750,000
Deferred debt financing cost	(2,015,000)	--	(2,148,000)
Financed equipment purchases	--	--	51,000
Purchase of stock and stock warrants	(6,639,000)	--	--
Net cash flows from financing activities	33,297,000	(2,357,000)	25,054,000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,286,000	(995,000)	6,792,000
CASH AND CASH EQUIVALENTS, beginning of year	1,417,000	2,703,000	1,708,000
CASH AND CASH EQUIVALENTS, end of year	$ 2,703,000	$ 1,708,000	$ 8,500,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for			
Interest	$ 5,103,000	$ 4,815,000	$ 4,413,000
Income taxes	$ 35,000	$ 50,000	$ --

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One, Inc. (a Delaware corporation referred to as Radio One) and its subsidiaries, Radio One Licenses, Inc. (successor by merger to Radio One License LLC) and WYCB Acquisition Corporation (Delaware corporations) (collectively referred to as the Company) were organized to acquire, operate and maintain radio broadcasting stations. The Company owns and operates three radio stations in Washington, D.C.; WOL-AM, WMMJ-FM and WKYS-FM, four radio stations in Baltimore, Maryland; WWIN-AM, WWIN-FM, WOLB-AM and WERQ-FM and one radio station in Philadelphia, Pennsylvania; WPHI-FM. The Company is highly leveraged, which requires substantial semi-annual interest payments and may impair the Company's ability to obtain additional working capital financing. The Company's operating results are significantly affected by its market share in the markets that it has stations.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Radio One, Inc. and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While actual results could differ from those estimates, management believes that actual results will not be materially different from amounts provided in the accompanying consolidated financial statements.

Reporting Periods

Prior to the year ended December 31, 1996, the Company's financial reporting period was based on a fifty-two/fifty-three week period ending on the last Sunday of the calendar year. During 1996, the Company elected to end its year on December 31 of each year. The effect of this change was not material.

Acquisition of WPHI-FM

On May 19, 1997, Radio One acquired the broadcast assets of WDRE-FM licensed to Jenkintown, Pennsylvania, for approximately $16,000,000. In connection with the purchase, Radio One entered into a three-year noncompete agreement totaling $4,000,000 with the former owners. Radio One financed this purchase with a portion of the proceeds from the issuance of approximately $85,500,000 of 12% Senior Subordinated Notes due 2004. Radio One assumed operational responsibility of WDRE-FM on February 8, 1997, under a local marketing agreement with the former owners of the station. Following this acquisition, Radio One converted the call letters of the radio station from WDRE-FM to WPHI-FM.

The unaudited pro forma summary consolidated results of operations for the years ended December 31, 1996 and 1997, assuming the acquisition of WPHI-FM had occurred in the beginning of each fiscal year, are as follows:

	1996	1997
Net broadcast revenues	$ 26,558,000	$ 32,642,000
Operating expenses, excluding depreciation and amortization	18,071,000	21,285,000
Depreciation and amortization	7,347,000	6,872,000
Interest expense	8,692,000	8,910,000
Other expense (income), net	77,000	(415,000)
Provision for income taxes	--	--
Extraordinary loss	--	1,985,000
Net loss	$(7,629,000)	$(5,995,000)

Acquisition of WKYS-FM

On June 6, 1995, Radio One purchased WKYS-FM for approximately $34,410,000. Radio One accounted for the acquisition by allocating the purchase price paid to the assets acquired based upon the appraised value of the assets. The excess purchase price over the appraised value of assets acquired of approximately $3,846,000 was allocated to goodwill. The financial activities of WKYS-FM for the periods prior to June 6, 1995, are not included in the accompanying consolidated statements of operations.

The unaudited pro forma summary consolidated results of operations for the year ended December 31, 1995, assuming the acquisition of WKYS-FM had occurred in the beginning of the fiscal year, is as follows:

	1995
Net broadcast revenues	$ 23,926,000
Operating expenses, excluding depreciation and amortization	15,524,000
Depreciation and amortization	5,107,000
Interest expense	6,724,000
Other (income) expense, net	(89,000)
Provision for income taxes	--
Extraordinary loss	468,000
Net loss	$ (3,808,000)

Proposed Acquisitions

On November 19, 1997, WYCB Acquisition Corporation entered into an Option and Stock Purchase Agreement to acquire all of the outstanding stock of Broadcast Holdings, Inc., owner of radio station WYCB-AM, located in Washington, D.C., for a total consideration, which will consist of a note, of $3,750,000. WYCB Acquisition Corporation expects to complete this purchase in early 1998.

During December 1997, Radio One signed an agreement to purchase all of the outstanding stock of a company which owns three radio stations for approximately $34,200,000. Radio One expects to finalize the purchase during 1998. Radio One made a $2,000,000 nonrefundable deposit towards the purchase price. This deposit is included in other assets in the accompanying consolidated balance sheet as of December 31, 1997.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and money market accounts at various commercial banks. All cash equivalents have original maturities of 90 days or less. For cash and cash equivalents, cost approximates market value.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated on a straight-line basis over various periods. The components of the Company's property and equipment as of December 31, 1996 and 1997, are as follows:

	1996	1997	Period of Depreciation
PROPERTY AND EQUIPMENT:			
Land	$ 117,000	$ 117,000	--
Building and improvements	148,000	148,000	31 years
Transmitter towers	2,142,000	2,146,000	7 or 15 years
Equipment	2,615,000	3,651,000	5 to 7 years
Leasehold improvements	626,000	1,757,000	Life of Lease
	5,648,000	7,819,000	
Less - Accumulated depreciation	(2,641,000)	(3,387,000)	
Property and equipment, net	$ 3,007,000	$ 4,432,000	

Depreciation expenses for the fiscal years ended December 31, 1995, 1996 and 1997, were $742,000, $706,000 and $746,000, respectively.

Revenue Recognition

In accordance with industry practice, revenue for broadcast advertising is recognized when the commercial is broadcast.

Barter Arrangements

Certain program contracts provide for the exchange of advertising air time in lieu of cash payments for the rights to such programming. These contracts are recorded as the programs are aired at the estimated fair value of the advertising air time given in exchange for the program rights.

The Company broadcasts certain customers' advertising in exchange for equipment, merchandise and services. The estimated fair value of the equipment, merchandise or services received is recorded as deferred barter costs and the corresponding obligation to broadcast advertising is recorded as deferred barter revenues. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenues are recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1996 and 1997, consist of cash and cash equivalents, trade accounts receivables, accounts payable, accrued expenses and long-term debt, all of which the carrying amounts approximate fair value.

Stock Warrants

During 1995, Radio One purchased outstanding stock warrants to acquire Common Stock of Radio One for approximately $6,639,000. The cost of these warrants purchased increased the accumulated deficit. Also during 1995, Radio One issued detachable stock warrants that had an allocated value of $690,000 with certain subordinated notes (Note 3).

New Accounting Standards

During 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income." The Company has not analyzed the impact of this new pronouncement on the financial statements; however, management does not expect this pronouncement to have a significant impact on the financial statements. Also during 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." The Company is still reviewing the effects of adoption of this pronouncement and has not determined the effect on its financial statement presentation. Once management has analyzed these pronouncements, they will be implemented within the required time frame.

2. INTANGIBLE ASSETS:

Intangible assets are being amortized on a straight-line basis over various periods. The intangible asset balances and periods of amortization as of December 31, 1996 and 1997, are as follows:

	1996	1997	Period of Amortization
FCC broadcast license	$ 40,207,000	$ 56,179,000	7-15 Years
Goodwill	7,553,000	7,609,000	15 Years
Debt financing	2,015,000	2,147,000	Life of Debt
Favorable transmitter site and other intangibles	1,922,000	1,922,000	6-17 Years
Noncompete agreement	900,000	4,900,000	3 Years
Total	52,597,000	72,757,000	
Less: Accumulated amortization	(13,239,000)	(17,815,000)	
Net intangible assets	$ 39,358,000	$ 54,942,000	

Amortization expense for the fiscal years ended December 31, 1995, 1996 and 1997, was $3,170,000, $3,556,000 and $5,082,000, respectively. The amortization of the deferred financing cost was charged to interest expense.

3. DEBT AND SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:

As of December 31, 1996 and 1997, the Company's outstanding debt is as follows:

	1996	1997
Senior subordinated notes (net of $10,640,000 unamortized discount)	$ --	$ 74,838,000
NationsBank Credit Agreement	45,597,000	--
Subordinated Notes (net of $579,000 unamortized discount allocated to detachable stock warrants)	16,421,000	--
Deferred interest on subordinated notes	2,874,000	--
Notes payable	46,000	35,000
Capital lease obligations	--	81,000
Total	64,938,000	74,954,000
Less: Current portion	(5,633,000)	--
Total	$ 59,305,000	$ 74,954,000

To finance the WPHI-FM acquisition (as discussed in Note 1) and to refinance certain other debt, Radio One issued approximately $85,500,000 of 12% Senior Subordinated Notes due 2004. The notes were sold at a discount, with the net proceeds to Radio One of approximately $72,750,000. The notes pay cash interest at 7% per annum through May 15, 2000, and at 12% thereafter. In connection with this debt offering, Radio One retired approximately $45,600,000 of debt outstanding with the proceeds from the offering. Radio One also exchanged approximately $20,900,000 of 15% Senior Cumulative Redeemable Preferred Stock which must be redeemed by May 24, 2005, for an equal amount of Radio One's then outstanding subordinated notes and accrued interest. In connection with these refinancings, Radio One recognized an extraordinary loss of $1,985,000 during the year ended December 31, 1997.

NationsBank Credit Agreement

During 1995, through a revolving credit agreement (the NationsBank Credit Agreement) with NationsBank of Texas, N.A. and the other lenders who are parties, Radio One borrowed $53,000,000 which was to mature on March 31, 2002. The NationsBank Credit Agreement was refinanced on May 19, 1997, as part of the Senior Subordianted Notes discussed above. The NationsBank Credit Agreement bore interest at the LIBOR 30-day rate, plus an applicable margin. The average interest rate for the years ending December 31, 1995, 1996 and 1997, was 8.53%, 8.25% and 9.28%, respectively. The credit agreement was secured by all property of the Company (other than Unrestricted Subsidiaries) and interest and proceeds of real estate and Key Man life insurance policies.

Senior Cumulative Redeemable Preferred Stock

On May 19, 1997, concurrent with the debt issuance, all of the holders of Radio One's Subordinated Promissory Notes converted all of their existing subordinated notes consisting of approximately $17,000,000, together with all accrued interest thereon of approximately $3,900,000 and outstanding warrants, for shares of Senior Cumulative Redeemable Preferred Stock, which must be redeemed on May 29, 2005, and stock warrants to purchase 147.04 shares of Common Stock. The Senior Cumulative Redeemable Preferred Stock can be redeemed at 100% of its liquidation value. The dividends on each share accrues on a daily basis at a rate of 15% per annum (the Dividend Rate) on the sum of the liquidation value basis thereof, plus all unpaid accumulated dividends thereon. Preferred stock dividends of approximately $2,037,000 was accrued as of December 31, 1997. If Radio One does not redeem all of the issued and outstanding preferred shares on the mandatory redemption date or upon the occurrence of an event of noncompliance, the holders may elect to have the Dividend Rate increase to 18% per annum. In the event Radio One does not meet any required performance target relating exclusively to the operation of WPHI-FM, the Dividend Rate for each preferred share shall be increased to 17% per annum.

The Subordinated Promissory Notes bore interest at 15%. Outstanding principal and interest was due on the maturity date, December 31, 2003. These notes were subordinate to the NationsBank Credit Agreement.

During 1995, Radio One retired certain subordinated debt with outstanding detachable warrants. Radio One purchased the outstanding detachable warrants, which allowed the subordinated debt holders to acquire 52.46% of the outstanding common stock, for $6,639,000. Radio One issued new debt with detachable warrants that allow these same subordinated debt holders to acquire 33.66% of outstanding common stock. The acquisition of the warrants was accounted for by charging the $6,639,000 to accumulated deficit, and valued the new detachable warrants at the same value per share as the old warrants acquired. As part of the subordinated debt acquired in 1995, $10,109,000 was acquired from new lenders which received detachable warrants to acquire 17.84% of the outstanding common stock of Radio One. Radio One allocated the proceeds between debt and additional paid-in capital, based on the pro-rata value of the debt and detachable warrants issued. As such, $9,419,000 was assigned to debt and $690,000 was assigned to the value of the warrants. The value assigned to the warrants was recorded as an increase in additional paid-in capital. The value assigned to debt was discounted and was to be amortized over the life of the related debt using the effective interest method.

Notes Payable

During 1996, Radio One entered into two notes totaling $51,000 with NationsBank to purchase vehicles. These notes bear interest at 8.74% and 8.49%, require monthly principal and interest payments of $789 and $471 and mature on April 30, 2000, and December 2, 2000.

Refinancing of Debt

During 1995, Radio One retired $22,988,000 of outstanding debt with a portion of the proceeds from the NationsBank Credit Agreement and the proceeds from the $17,000,000 in subordinated debt issued in 1995.

Associated with the retirement of the debt, Radio One incurred certain early prepayment penalties and legal fees, and had to write-off certain deferred financing costs associated with the debt retired. These costs amounted to $468,000 and were recorded as an extraordinary item in the accompanying statements of operations.

During 1997, Radio One retired $45,600,000 of outstanding debt. Associated with the retirement of the debt, the Radio One incurred certain early prepayment penalties and legal fees, and had to write-off certain deferred financing costs associated with the debt retired. These costs amounted to $1,985,000 and were recorded as an extraordinary item in the accompanying statements of operations.

4. COMMITMENTS AND CONTINGENCIES:

Leases

Radio One has an operating lease for Baltimore office space with a partnership in which two of the partners are stockholders of Radio One (Note 7). This lease expires October 31, 2003. Radio One entered into an operating lease in Lanham, Maryland, for office and studio space. This lease expires December 31, 2011. The operating lease for office and studio space in Philadelphia, Pennsylvania, expired October 31, 1997, and Radio One is currently on a month-to-month basis and negotiating to renew this lease.

The Company leases, under operating lease agreements, a broadcast tower and transmitter facilities in Maryland, Washington, D.C. and Pennsylvania. The leases for the Maryland facilities expire during the period from December 2000 to August 2001. The leases for the Washington, D.C., broadcast tower and transmitter facilities expire during the period May 1999 to November 2001. In addition, the Company leases equipment under various leases, which expire over the next five years.

The following is a schedule of the future minimum rental payments required under the operating leases that have an initial or remaining noncancelable lease term in excess of one year as of December 31, 1997.

For the Year Ending December 31,	Total
1998	$ 521,000
1999	553,000
2000	591,000
2001	590,000
2002	391,000
Thereafter	3,086,000
Total	$ 5,732,000

Total rent expense for the years ended December 31, 1995, 1996 and 1997, was $570,000, $777,000 and $809,000, respectively.

FCC Broadcast Licenses

Each of the Company's radio stations operates pursuant to one or more licenses issued by the Federal Communications Commission (FCC) that have a maximum term of eight years prior to renewal. The Company's radio operating licenses expire at various times from August 1, 1998 to October 1, 2003. Although the Company may apply to renew its FCC licenses, third parties may challenge the Company's renewal applications. The Company is not aware of any facts or circumstances that would prevent the Company from having its current licenses renewed.

Litigation

Radio One has been named as a defendant in several legal actions occurring in the ordinary course of business. It is management's opinion, after consultation with its legal counsel, that the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

Line of Credit

As of December 31, 1997, Radio One had a $7,500,000 outstanding line of credit which will expire October 31, 2000. If this line of credit is drawn on, the interest rate will include the NationsBank base rate plus 1.375%. Radio One's collateral for this line of credit consists of liens and security interest in all common and voting securities convertible or exchangeable into common stock of the Company and substantially all of its assets (other than WYCB Acquisition Corporation and other than common stock of Radio One issued in connection with a public equity offering). This line of credit was not drawn on as of December 31, 1997.

5. STOCK OPTION PLAN:

Radio One had an Incentive Stock Option Plan (the Plan) which provided for the issuance of qualified and nonqualified stock options to all full-time key employees. The Plan allowed the issuance of up to 25% of the authorized common stock provided certain performance benchmarks are achieved by the Company. Radio One terminated the Plan on May 12, 1997.

During 1995, options were granted to acquire 63.16 shares of common stock at $1 per share. Of the options granted in 1995, options to acquire 57.45 shares vested and were exercised during 1995. As the options were granted significantly below their market value, the Company recognized compensation expense of $778,000 related to the options granted. During June 1997, the remaining option of 5.71 shares of common stock expired.

6. INCOME TAXES:

Effective January 1, 1996, Radio One converted from a C Corporation to an S Corporation under Subchapter S of the Internal Revenue Code. As an S Corporation, the stockholders separately account for their pro-rata share of Radio One's income, deductions, losses and credits. Effective May 19, 1997, Radio One converted back to a C Corporation.

In connection with the conversion to a C corporation, in accordance with SEC Staff Accounting Bulletin 4.B, Radio One transferred the amount of the undistributed losses up to the amount of additional paid in capital at the date of conversion to additional paid-in capital.

Prior to January 1, 1996, and subsequent to May 19, 1997, the Company accounted for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). Under SFAS 109, deferred income taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for tax purposes. Deferred taxes are based on tax laws as currently enacted.

A reconciliation of the statutory federal income taxes to the recorded income tax provision for the years ended December 31, 1995, 1996 and 1997, is as follows:

	1995	1996	1997
Statutory tax (@ 34% rate)	$ (630,000)	$ (1,227,000)	$ (1,681,000)
Effect of state taxes, net of federal	(111,000)	(217,000)	(245,000)
Effect of stock option compensation expense	275,000	--	--
Establishment of S corporation loss to its stockholders	--	1,444,000	935,000
Effect of net deferred tax asset in conversion to C corporation	--	--	(1,067,000)
Valuation reserve	466,000	--	2,058,000
Provision for income taxes	$ --	$ --	$ --

The components of the provision for income taxes for the years ended December 31, 1995 and 1997, are as follows:

	1995	1997
Current	$ --	$ --
Deferred	(466,000)	(991,000)
Establishment of net deferred tax asset in conversion to C corporation	--	(1,067,000)
Valuation reserve	466,000	2,058,000
Provision for income taxes	$ --	$ --

Deferred income taxes reflect the net tax effect of temporary differences between the financial statement and tax basis of assets and liabilities. The significant components of the Company's deferred tax assets and liabilities as of December 31, 1997, are as follows:

	1997
Deferred tax assets-	
FCC and other intangibles amortization	$ 180,000
Reserve for bad debts	353,000
Goodwill	66,000
NOL carryforward	1,746,000
Other	2,000
Total deferred tax assets	2,347,000
Deferred tax liabilities-	
Depreciation	
Other	
Total deferred tax liabilities	(279,000)
	(10,000)
Net deferred tax asset	(289,000)
Less: Valuation reserve	2,058,000
Deferred taxes included in the accompanying consolidated balance sheets	$(2,058,000)

A 100% valuation reserve has been applied against the net deferred tax asset as its realization was not more likely than not to be realized.

As of December 31, 1997, there was an approximate $5,100,000 of available net operating loss carryforwards.

7. RELATED PARTY TRANSACTIONS:

In September 1990, Radio One purchased a building in the name of the majority stockholder for $73,000. All rental income generated from the office building was received and used by Radio One. The building was sold during fiscal year 1995. This transaction resulted in no gain or loss to the Company. In addition, Radio One leases office space for $8,000 per month from a partnership in which two of the partners are stockholders of Radio One (Note 4). Total rent paid to the stockholders for fiscal years 1995, 1996 and 1997, was $134,000, $96,000 and $96,000, respectively. Radio One also has a net receivable as of December 31, 1996 and 1997, of approximately $78,000 and $68,000, respectively, due from Radio One of Atlanta, Inc. (ROA), of which an executive officer and stockholder of Radio One holds voting control of the capital stock in ROA. Radio One also charges ROA a management fee of approximately $100,000 per year.

8. PROFIT SHARING:

Radio One has a 401(k) profit sharing plan for its employees. Radio One can contribute to the plan at the discretion of its Board of Directors. Radio One made no contribution to the plan during fiscal year 1995, 1996 or 1997.

RADIO ONE, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Stockholders of
Radio One, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated balance sheets and statements of operations, changes in stockholders' deficit and cash flows of Radio One, Inc. and subsidiaries (the Company) included in this Form 10-K registration statement and have issued our report thereon dated February 19, 1998. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the accompanying index is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Baltimore, Maryland,
February 19, 1998

RADIO ONE, INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1996 AND 1997
(IN THOUSANDS)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO EXPENSE	DEDUCTIONS	BALANCE AT END OF YEAR
ALLOWANCE FOR DOUBTFUL ACCOUNTS:				
1995	$ 468	$ 298	$ 97	$ 669
1996	669	628	532	765
1997	765	894	755	904
TAX VALUATION RESERVE:				
1995	739	328	--	1,067
1996	1,067	--	1,067	--
1997	--	2,058	--	2,058

CERTIFICATE OF AMENDED AND

RESTATED CERTIFICATE OF INCORPORATION

OF

RADIO ONE, INC.

The undersigned, being the duly elected President and Chief Executive Officer of Radio One, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware ("DGCL"), hereby declares and certifies the following:

1. That the Corporation filed its original Certificate of Incorporation with the Secretary of State of the State of Delaware on July 15, 1996 (the "Certificate of Incorporation").

2. That the present name of the Corporation is Radio One, Inc.

3. That the Board of Directors of the Corporation, pursuant to Sections 141, 242 and 245 of the DGCL, adopted resolutions authorizing the Corporation to amend, integrate and restate the Certificate of Incorporation of the Corporation in its entirety to read as set forth in Exhibit A attached hereto and made a part hereof (the "Amended and Restated Certificate").

4. That the stockholders of the Corporation approved and adopted the Amended and Restated Certificate in accordance with Sections 228, 242 and 245 of the DGCL.

IN WITNESS WHEREOF, the undersigned has executed this certificate in the name and on behalf of the Corporation as of this th day of March, 1998.

By:

Name: Alfred C. Liggins
Title: President and Chief Executive Officer

CERTIFICATE OF AMENDED AND

RESTATED CERTIFICATE OF INCORPORATION

OF

RADIO ONE LICENSES, INC.

The undersigned, being the duly elected President and Chief Executive Officer of Radio One Licenses, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware ("DGCL"), hereby declares and certifies the following:

1. That the Corporation filed its original Certificate of Incorporation with the Secretary of State of the State of Delaware on March 27, 1997(the "Certificate of Incorporation").

2. That the present name of the Corporation is Radio One, Inc.

3. That the Board of Directors of the Corporation, pursuant to Sections 141, 242 and 245 of the DGCL, adopted resolutions authorizing the Corporation to amend, integrate and restate the Certificate of Incorporation of the Corporation in its entirety to read as set forth in Exhibit A attached hereto and made a part hereof (the "Amended and Restated Certificate").

4. That the stockholders of the Corporation approved and adopted the Amended and Restated Certificate in accordance with Sections 228, 242 and 245 of the DGCL.

IN WITNESS WHEREOF, the undersigned has executed this certificate in the name and on behalf of the Corporation as of this 19th day of May, 1997.

By:

Name: Alfred C. Liggins
Title: President and Chief Executive Officer

AMENDED AND RESTATED

BYLAWS

OF

RADIO ONE LICENSES, INC.

(AS OF MAY 19, 1997)

ARTICLE I - OFFICES

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

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

ARTICLE II - MEETINGS OF STOCKHOLDERS

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

Section 2. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice of every annual or special meeting of the stockholders, stating the place, date, time, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than l0 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 l0 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 l0 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 holders of a majority of the outstanding shares of capital stock entitled to vote thereat, whether present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, 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 the holders of a majority of the shares of capital stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter 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.

Section 8. Action by Written Consent. Any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted, and shall be delivered to the corporation by delivery to its

registered office in the State of Delaware or the corporation's principal place of business or an officer or agent of the corporation having custody of the books in which proceedings of meetings are recorded. All consents delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest date on which any consent is delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof.

ARTICLE III - DIRECTORS

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

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 holders of a majority of the shares of stock of the corporation then entitled to vote at an election of directors, except as otherwise provided by statute. Any director may resign at any time upon written notice to the corporation.

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

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

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

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

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

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

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

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

ARTICLE IV - OFFICERS

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

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

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

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

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

TIME MANAGEMENT AND SERVICES AGREEMENT

Time Management and Services Agreement ("Agreement") effective as of 12:01 P.M. March 17, 1998 (the "Effective Date"), by and among Broadcast Holdings, Inc., licensee of Radio Station WYCB(AM), Washington, D.C. ("Station"), WYCB Acquisition Corporation ("Owner"), which is the parent company of Broadcast Holdings, Inc., and Radio One, Inc. ("Manager").

WHEREAS, Manager is in the business of operating radio stations and producing and transmitting news, sports, informational, public service and entertainment programming and associated advertising on radio stations;

WHEREAS, Owner as parent company of the licensee is responsible for selecting programs and managing the Station;

WHEREAS, Manager desires to provide programming to be transmitted on the Station pursuant to the provisions hereof and pursuant to applicable regulations of the Federal Communications Commission ("FCC") and to provide services to Owner in the operation of the Station; and

WHEREAS, Owner desires to transmit programming supplied by Manager on the Station and to contract for the services offered by Manager.

NOW, THEREFORE, in consideration of these premises and the mutual promises, undertakings, covenants and agreements contained in this Agreement, the parties hereto do hereby agree as follows:

WITNESSETH:

1. Facilities. Owner agrees to broadcast on the Station, or cause to be broadcast, for up to twenty-four (24) hours per day, seven (7) days per week, Manager's programs and advertisements ("Programs").

2. Programs. Manager shall furnish or cause to be furnished the artistic personnel and material for the Programs as provided by this Agreement and all Programs shall be in good taste and in accordance with Federal Communications Commission ("FCC") requirements. All advertising spots and promotional material or announcements shall comply with all applicable federal, state and local regulations.

3. Sale of Advertising Time. Manager is permitted to sell all advertising for Programs and may sell such advertising in combination with the sale of advertising on other stations owned by Manager. Manager will retain all revenues from the sale of such advertising.

4. Management Services. Manager will provide all services necessary to the operation and management of a radio station in a top 10 market.

5. Payments. Manager hereby agrees to pay to Owner the sum of $45,000 per month, such sum to be paid on or before the 1st day of the month as full compensation to Owner for the right to broadcast the Programs on the Station. The monthly payments may be increased on an annual basis.

6. Handling of Public Comments. Manager shall be advised promptly by Owner of any public or FCC complaint or inquiry concerning programs provided by Manager.

7. Programming Standards. Manager agrees to abide by rules and regulations regarding contests and lotteries, elections, sponsorship identification, and obscenity and indecency with regard to the Programs provided to Owner.

8. Operation of Station. Notwithstanding anything to the contrary in this Agreement, Owner shall have full authority and power over the operation of the Station during the period of this Agreement. Owner shall retain the right to decide whether to accept or reject any programming or advertisements, the right to preempt or delay or delete any programs which Owner reasonably believes to be unsatisfactory, unsuitable or contrary to the public interest or in order to broadcast a program deemed to be by Owner to be of greater national, regional, or local interest, and the right to take any other actions necessary for compliance with the rules, regulations, and policies of the FCC.

9. Personnel. Manager shall employ and be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of its programming and for the personnel used in the sale of advertising time.

10. Force Majeure. Any failure or impairment of facilities or any delay or interruption in broadcasting Programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or force majeure or due to causes beyond the control of Owner, shall not constitute a breach of this Agreement and Owner will not be liable to Manager.

11. Right to Use the Programs. The right to use the Programs provided by Manager and to authorize their use in any manner and in any media whatsoever, shall be and remain vested in Manager.

12. Payola. Manager agrees that Manager will not accept any compensation of any kind or gift or gratuity of any kind whatsoever, regardless of its value or

form, including, but not limited to, a commission, discount, bonus, materials, supplies or other merchandise, services or labor, whether or not pursuant to written contracts or agreements between Manager and merchants or advertisers,

unless the payer is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements.

13. Compliance with Laws. Manager agrees that throughout the term of this Agreement Manager will comply in all material respects with all laws and regulations applicable in the conduct of Owner's business. Owner will comply in all material respects with all applicable FCC rules, regulations and policies, including, but not limited to, political advertisements, sponsorship identification, lottery and contest rules, and other local, state and federal laws, rules, and regulations.

14. Events of Default. Manager's failure to pay on a timely basis the consideration provided for in Paragraph 2 above shall constitute an Event of Default only after Owner has provided Manager with written notice of the failure to pay and Manager has failed to pay the amount(s) owed within fifteen (15) business days of the date of the written notice.

15. Termination. Owner may terminate this Agreement if Manager has caused an Event of Default to occur. In the event of termination, each party shall pay to the other any fees due but unpaid as of the date of termination and Owner shall cooperate with Manager to enable Manager to fulfill advertising or other programming contracts then outstanding, in which event Owner shall receive as compensation for the carriage of such advertising or programming that which otherwise would have been paid to Manager thereunder.

16. Music Licenses. Owner and Manager represent that, as of the date that this Agreement, they will each secure any music licenses from performers' rights organizations including, but not limited to, ASCAP, BMI, and SESAC, that are necessary for the legal operation of the Station as contemplated by this Agreement and that both Owner and Manager will maintain their respective licenses in good standing.

17. Modification and Waiver. No modification or waiver of any provision of this Agreement shall in any event be effected unless the same shall be in writing and signed by the party adversely affected by the waiver or modification, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

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

19. Construction. This Agreement shall be construed in accordance with the laws of the State of Maryland, applicable to agreements entered into and wholly to be performed therein, without regard to principles of conflicts of laws. The rights and obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and the

regulations of the FCC and all other governmental bodies or authorities presently or hereafter to be constituted.

20. Successors and Assigns. Neither party may assign this Agreement without the other party's express prior written consent, provided, however, Manager may assign its rights and obligations pursuant to this Agreement without Owner's consent to an entity which is a subsidiary or parent of Manager or to an entity owned or controlled by Manager or its principals. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

21. Entire Agreement. This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Agreement shall be valid unless by like written instrument.

22. Savings Clause. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable, and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. This Agreement shall then be construed and enforced as so modified.

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

BROADCAST HOLDINGS, INC.

By: ____________________________
Alfred C. Liggins, III
President

WYCB ACQUISITION CORPORATION

By: ____________________________
Alfred C. Liggins, III
President

RADIO ONE, INC.

By: ____________________________
Alfred C. Liggins, III
President

- --

STOCK PURCHASE AGREEMENT

- --

by and among

THE SHAREHOLDERS OF BELL BROADCASTING COMPANY

and

RADIO ONE, INC.

Dated as of December 23, 1997

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT is entered into as of this 23rd day of December, 1997, by and among E. Harold Munn, Jr., NBD Bank, N.A., Janice L. Hall, Arthur Middlebrooks all as Trustees of the Mary L. Bell Trust Agreement; Janice L. Hall; Dr. Wendell F. Cox; Estate of Iris Bell Cox; Wendell H. Cox; William E. Fisher, Trustee for Mariel Cox; William E. Fisher, Trustee for Benjamin Cox; William E. Fisher, Trustee for Sonam Bass; William E. Fisher, Trustee for Julian Bass; Eric Bell Bass; Treva Bell Bass; Robert Bell Bass; Mary L. Bell, Trust; Wendell T. Arnold; William E. Fisher, Trustee for Brianna Bass (hereinafter referred to as the "Sellers" or the "Shareholders"); and Radio One, Inc., a Delaware corporation (the "Buyer").

RECITALS

WHEREAS, Sellers are all of the shareholders of Bell Broadcasting Company, a Michigan Corporation ("Company").

WHEREAS, Company is the licensee of Station WCHB(AM), Taylor, Michigan operating on a frequency of 1200 kHz, Station WCHB-FM, Detroit, Michigan operating on a frequency of 105.9 MHz and Station WJZZ(AM), Frankenmuth, Michigan, which is licensed to operate on the frequency 1210 kHz but is presently silent and for which the Commission has issued a construction permit to change station location from Frankenmuth to Kingsley, Michigan, which construction permit also contemplates operation on the frequency 1210 kHz (the "Stations").

WHEREAS, Buyer desires to obtain, and the Sellers desire to sell to Buyer all of the issued and outstanding shares of the capital stock of the Company.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and, intending to be legally bound hereby, the parties agree as follows:

1. RULES OF CONSTRUCTION.

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

"ACCOUNTS RECEIVABLE" means the cash accounts receivable of Company arising from Company's operation of the Stations prior to Closing.

"ACCOUNTS PAYABLE" means the liabilities of the Company for services received or goods acquired arising from the Company?s operation of the Stations in the normal course of business prior to Closing for which the Company has received a bill, which is not yet thirty (30) days past due. For purposes of this definition, a bill becomes due when it is actually received by the Company.

"ADMINISTRATIVE VIOLATION" means those violations described in Section 8.5 hereof.

"BUSINESS" means the business of Company consisting primarily of the operation of the Stations.

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

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

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

"CLOSING DATE" means the date on which the Closing takes place, as determined pursuant to Section 2.2.

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

"COMMISSION" means the Federal Communications Commission.

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

"COMPANY" means Bell Broadcasting Company, a Michigan corporation.

"COMPANY DOCUMENTS" means those documents, agreements and instruments to be executed and delivered by Company in connection with this Agreement as described in Section 5.2.

"COMPANY REAL PROPERTY" means that certain real property owned or leased by the Company and used in the operation of the Stations as described in Section 5.10.

"DEED" means the deed(s) delivered by the Company or Dr. Wendell F. Cox and the Estate of Mary L. Bell or Dr. Wendell F. Cox and Eric Bass to Buyer at the Closing which shall be sufficient to transfer to Buyer title to the Shareholder Real Property and Improvements thereon, and used in the operations of the Stations.

"ENCUMBRANCE" means any claim, charge, easement, encumbrance, security interest, lien, option or pledge imposed by agreement or law, except for any restrictions on transfer generally arising under any applicable federal or state securities law.

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

"ERISA" means the Employee Retirement Income Security Act of 1974 as amended.

"EXCESS TRADE BALANCE" means that amount which exceeds a $30,000 negative Trade Balance.

"FCC LICENSES" means all licenses, pending applications, permits and other authorizations issued by the Commission for the operation of the Stations listed on Schedule 5.4.

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

"FINANCIAL STATEMENTS" means Company's audited and unaudited financial statements, income statements, and balance sheets as described in Section 5.7.

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

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

"IMPROVEMENTS" means all buildings, structures, fixtures, and other improvements now or hereafter actually or constructively attached to the Company Real Property and the Shareholder Real Property, and all modifications, additions, restorations, or replacements of the whole or any part thereof.

"INDEBTEDNESS" means any debt or indebtedness, whether evidenced by a note or otherwise, whether secured or unsecured, in each case for borrowed money.

"INDEMNIFICATION BASKET" means the amount described in Section 10.6.

"INITIAL ESCROW AGENT" means the Wilmington Trust Company.

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

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

"KNOWLEDGE OF BUYER" means the actual knowledge, after reasonable inquiry of Buyer's President.

"KNOWLEDGE OF COMPANY" means the actual knowledge, after reasonable inquiry of the President of the Company, and the actual knowledge without inquiry of the Shareholders.

"LAW" means any constitutional provision, statute or other law, rule, regulation, or interpretation thereof by any Governmental Authority and any order, including any order of any Governmental Authority.

"LOSS" means any action, cost, damage, disbursement, expense, liability, loss, deficiency, diminution in value, obligation, penalty or settlement of any kind or nature, whether foreseeable or unforeseeable, including but not limited to, interest or other carrying costs, penalties, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement, that may be imposed on or otherwise incurred or suffered by the specified person.

"MATERIAL CONTRACTS" means those leases, contracts and agreements specifically described in Schedule 5.5 as being "Material Contracts," which are material to the operation of the Station in the manner in which it is currently operating.

"PERMITTED ENCUMBRANCES" means those liens or encumbrances of Company set forth on Schedule 5.26, which Buyer has agreed to assume.

"PERMITTED INDEBTEDNESS" means those obligations shown on Schedule 5.26, which Buyer has agreed to assume.

"POST CLOSING ESCROW ACCOUNT" shall mean the account specified in Section 4.3 created pursuant to the Post Closing Escrow Agreement.

"POST CLOSING ESCROW AGENT" means Wilmington Trust Company.

"POST CLOSING ESCROW AGREEMENT" shall mean the agreement specified in Section 4.3 by and among Shareholders, Buyer and the Post Closing Escrow Agent, dated as of the Closing Date, substantially in the form of Exhibit 2 hereto.

"POST CLOSING ESCROW FUND" shall mean $1,500,000, which will be deposited in the Post Closing Escrow Account by Buyer from the Purchase Price in accordance with the Post Closing Escrow Agreement and the terms hereof.

"POST CLOSING ESCROW TERMINATION DATE" shall have the meaning specified in Section 4.3.

"PURCHASE PRICE" shall mean the total consideration for the Shares, as described in Section 4.1.

"SALES AGREEMENTS" means agreements entered into by Company for the sale of time on the Stations for cash, as described in Section 5.16.

"SHAREHOLDERS" means these individuals named in the preamble to this Agreement and also referred to herein as Sellers.

"SHAREHOLDER REAL PROPERTY" means that certain real property owned by Dr. Wendell F. Cox and the Estate of Mary L. Bell or owned by Dr. Wendell F. Cox and Eric Bass as described in Section 5.11.

"SHARES" means all the issued Class A Common and Class B Common shares of capital stock of Company.

"SPECIFIED EVENT" means those broadcast transmission failures described in Section 8.4(b).

"STUDIO SITE" means the real estate located at 2994 East Grand Boulevard, Detroit, Michigan that is currently used as Station WCHB-FM's studio and office facilities.

"TANGIBLE PERSONAL PROPERTY" means all tangible personal property and fixtures owned or leased by the Company and used or useful in the operation of the Business, including the property and assets listed or described in Schedule 5.23(a), together with supplies, inventory, spare parts and replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date.

"TRADE AGREEMENTS" means agreements entered into by Company for the sale of time on the Stations in exchange for merchandise or services.

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

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

"TRANSFER OF CONTROL APPLICATION" means the application on FCC Form 315 that Shareholders, Company and Buyer shall join in and file with the Commission requesting its consent to the transfer of control of Company to Buyer.

"WCHB(AM) TRANSMITTER SITE" means the real estate located at King Road, Huron Township, Michigan, that is currently used as Station WCHB(AM)'s transmitter site.

"WCHB-FM TRANSMITTER SITE" means the real estate located at Greenfield Road, Oak Park, Michigan that is currently used as Station WCHB-FM?s transmitter site.

"WJZZ(AM) TRANSMITTER SITE" means the real estate located in Mayfield Township, Michigan, that is the transmitter site specified in the construction permit held by the Company which authorizes a change in location of Station WJZZ(AM), from Frankenmuth to Kingsley, Michigan.

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

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

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

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

2. FCC APPLICATION AND CLOSING.

2.1. FCC APPLICATION. Within ten (10) business days after execution of this Agreement, Shareholders and Buyer will join in filing the Transfer of Control Application and Shareholders will cause the Company to join such application. Each of the parties diligently shall take or cooperate in the taking of all steps which are reasonably necessary or appropriate to expedite the prosecution and grant of the Application. No party by commission or omission shall put in jeopardy its qualifications as a Commission licensee, or impair the routine processing of the Transfer of Control Application. Shareholders will cause the Company to use its best efforts and otherwise cooperate with Buyer, and Shareholders shall likewise use their best efforts and otherwise cooperate with Buyer in responding to any information requested by the FCC related to the Transfer of Control Application and in defending against any petition, complaint or objection which may be filed against the Transfer of Control Application, provided, however, that neither the Shareholders nor the Company on the one hand or the Buyer on the other hand shall be required to expend on their own behalf a sum of more than One Hundred Thousand Dollars ($100,000) in the aggregate in defending against any such petition, complaint or objection. Notwithstanding the foregoing, Buyer shall be permitted, at its option, to expend such funds on behalf of Shareholders in excess of $100,000 in order to defend a petition, complaint or objection. In the event the Transfer of Control Application as tendered is rejected for any reason, the party liable for the rejection shall take all reasonable steps to cure the basis for rejection and Shareholders and Buyer shall jointly resubmit and Shareholders will cause the Company to resubmit the Transfer of Control Application. Shareholders will cause the Company to share equally with Buyer in the amount of any Commission filing fees.

2.2. FINAL CLOSING DATE. Closing of the purchase of the Shares under this Agreement shall take place at the offices of Davis Wright Tremaine LLP, Washington, D.C. on a mutually agreeable date and time which is no more than thirty (30) days after the FCC's approval of the Transfer of Control Application becomes a

Final Order. Buyer, however at its sole option, may purchase up to four (4) additional thirty (30) day extensions of time in which to close by paying the sum of One Hundred Fifty Thousand Dollars ($150,000) in advance for each such extension, such monies to be deducted from the Initial Escrow Deposit and paid directly to the Company, but not to be credited against the Purchase Price to be paid Shareholders at the Closing.

3. INITIAL ESCROW DEPOSIT. Buyer deposited the sum of Thirty Five Thousand Dollars ($35,000) with Sellers when it executed a letter of intent. Upon execution of this Agreement, Sellers shall return the $35,000 deposit and Buyer shall deposit with Wilmington Trust Company ("Initial Escrow Agent"), a cash deposit of Two Million Dollars ($2,000,000) (the "Initial Escrow Deposit"). The Initial Escrow Deposit shall be held in an interest-bearing account with a federally insured financial institution and disbursed by Initial Escrow Agent pursuant to the terms of an escrow agreement in the form attached hereto as Exhibit 1 (the "Initial Escrow Agreement"), which Initial Escrow Agreement has been entered into by Shareholders, Buyer and Initial Escrow Agent simultaneously herewith. The fees, if any, of the Initial Escrow Agent shall be borne equally between the Shareholders on the one hand, and the Buyer on the other hand, except that in the event of a dispute involving any part or all of the Initial Escrow Deposit the fees of the Initial Escrow Agent and the costs, including reasonable attorney's fees of the prevailing party, shall be borne by the non-prevailing party.

4. PURCHASE PRICE AND METHOD OF PAYMENT.

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

4.2. PAYMENT AT CLOSING. At Closing, in consideration for exchange of the Shares held by the Shareholders which are fully paid for and nonassessable and for which each certificate representing such Shares will be duly endorsed to Buyer by the respective Shareholder holding those shares, Buyer shall pay:

(a) Thirty Two Million Five Hundred Thousand Dollars ($32,500,000) to Shareholders by check or wire transfer of same day funds pursuant to wire transfer instructions which shall be delivered by Shareholders to Buyer at least five (5) business days prior to Closing, of which Two Million Dollars ($2,000,000) shall come from the Initial Escrow Deposit. The Purchase Price shall be distributed to each Shareholder in an amount equal to the

percentage assigned to each Shareholder as set forth on Schedule 4.2., which shall be revised as of the Closing Date to account for any shares issued to Wendell T. Arnold and Janice Hall between now and Closing.

(b) One Million Five Hundred Thousand Dollars ($1,500,000) to the Post Closing Escrow Fund described in Section 4.3.

(c) The parties acknowledge that the Purchase Price has been calculated on the basis of the Company having at Closing (i) bona fide Accounts Receivable on its books in the amount of at least Five Hundred Thousand Dollars ($500,000); and (ii) a cash balance of at least Three Hundred Thousand Dollars ($300,000) in cash in U.S. Dollars. The parties agree to proceed to Closing based on an estimate of Accounts Receivable and cash balance contained in the pre-closing balance sheet prepared by Company and delivered to Buyer pursuant to Section 9.2(h); provided, however, that the parties recognize that no such determination shall constitute a waiver of any rights of Buyer under this Agreement, including without limitation, the representations and warranties set forth in Section 5.7. Within thirty (30) days of Closing, Buyer will deliver a post-closing balance sheet as of the Closing Date. If Shareholders do not contest the calculations contained in the post-closing balance sheet, then the post-closing balance sheet shall be considered final. Shareholders shall notify Buyer in writing within thirty (30) days of receiving the post-closing balance sheet if they contest the calculations contained in the post-closing balance sheet. If Shareholders and Buyer cannot reach an agreement within twenty (20) days of receiving Shareholders? notice, the parties agree to retain the independent accounting firm of Coopers & Lybrand, or its successor, within twenty (20) days thereafter or in the event that Coopers & Lybrand, or its successor, is unavailable to serve as such then to retain the accounting firm of Ernst & Young LLP, or its successor (whichever of such accounting firms is applicable, the ("Accountants")). Buyer and Shareholders shall each assist and cooperate fully in the prompt determination of the correct values and Shareholders shall promptly provide the Accountants and the Buyer with full access to such books and records as Buyer or the Accountants may request to make such determination. All fees of the Accountants under this Agreement shall be paid equally by the Buyer and the Shareholders and any determination of the Accountants provided by this Agreement shall be binding and conclusive on the parties. The Accountants shall make all determinations under this Agreement as promptly as practicable and in any event within 20 days following receipt by the Accountants of all relevant work

papers. The Sellers' obligation is limited to the requirement that there be at least Five Hundred Thousand Dollars ($500,000) in bona fide Accounts Receivable and Three Hundred Thousand Dollars ($300,000) in cash in U.S. Dollars on hand at the Closing. Sellers do not warrant the collectibility of the Accounts Receivable.

4.3. POST CLOSING ESCROW FUND.

(a) At the Closing, Buyer, Shareholders and Post Closing Escrow Agent shall enter into the Post Closing Escrow Agreement in substantially the form of Exhibit 2 into which Buyer shall deposit One Million Five Hundred Thousand Dollars ($1,500,000) of the Purchase Price (the "Post Closing Escrow Fund") in an account (the "Post Closing Escrow Account") constituting a portion of the Purchase Price being reserved to meet certain obligations of Shareholders. The Post Closing Escrow Fund shall be held and invested in accordance with the terms of the Post Closing Escrow Agreement which provides for One Million Dollars ($1,000,000), less any claims which have been paid or are still in dispute, to be released twelve (12) months after Closing and Five Hundred Thousand Dollars ($500,000), less any claims which have been paid or are still in dispute, to be released eighteen (18) months after Closing (the "Post Closing Escrow Termination Date").

(b) Disbursements from the Post Closing Escrow Account may be made from time to time pursuant to the terms of the Post Closing Escrow Agreement with respect to indemnification obligations pursuant to Section 10.1 and amounts due pursuant to Section 4.2 after submission to the Post Closing Escrow Agent by Buyer of a payment notice (the "Buyer's Notice") substantially in the form attached to the Post Closing Escrow Agreement.

(c) All interest earned on the Post Closing Escrow Fund and any principal amount remaining in the Post Closing Escrow Account following the Post Closing Escrow Termination Date shall be paid to Shareholders according to the percentages set forth on Schedule 4.2, as revised in accordance with Section 4.2(a).

(d) The fees, if any, of the Post Closing Escrow Agent shall be borne equally between the Shareholders on the one hand, and the Buyer on the other hand, except that in the event of a dispute involving any part or all of the Post Closing Escrow Deposit the fees of the Post Closing Escrow Agent and the costs, including reasonable attorney's fees of the prevailing party, shall be borne by the non-prevailing party.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SHAREHOLDERS REGARDING THE COMPANY.

The Shareholders hereby jointly and severally make to and for the benefit of Buyer, the following representations, warranties and covenants:

5.1. EXISTENCE, POWER AND IDENTITY. The Company is a corporation duly organized and validly existing under the laws of the State of Michigan with full corporate power and authority (a) to own, lease and use its properties and assets, (b) to conduct the business and operation of the Stations as currently conducted and (c) to execute and deliver this Agreement and each other document, agreement and instrument to be executed and delivered by Company in connection with this Agreement (collectively, the "Company Documents"), and to perform and comply with all of the terms, obligations and covenants to be performed and complied with by Company hereunder and thereunder. True and correct copies of the Company?s Articles of Incorporation and Bylaws are attached to Schedule 5.1. The addresses of Company's operating locations and all of Company's additional places of business, and of all places where any of the tangible personal property of Company is now located, or has been located during the past 180 days, are correctly listed in Schedule 5.1. Except as set forth in Schedule 5.1, during the past five years, Company has not been known by or used, nor, to the best of the Knowledge of Company has any prior owner of the Stations been known by or used, any corporate, partnership, fictitious or other name in the conduct of the Stations' business or in connection with the ownership, use or operation of the Stations.

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

5.3. NO VIOLATION. Except as set forth on Schedule 5.3, none of (i) the execution, delivery and performance by Company of the Company's Documents or; (ii) the consummation of the Transaction will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (a) Company's articles of incorporation or bylaws, (b) any judgment, decree, order, consent, agreement, lease or other instrument (including any Material Contract, Sales Agreement or Trade Agreement) to which Company is a party or by which Company or its Business may be legally bound or affected, or (c) any law, rule, regulation or ordinance of any Governmental Authority applicable to Company or its Business or the operation of the Stations.

5.4. GOVERNMENTAL AUTHORIZATIONS. Except for the FCC Licenses listed on Schedule 5.4, no licenses, permits, or authorizations from any Governmental Authority are required to own, use or operate the Stations or to conduct the Business as currently operated and conducted by Company. The FCC Licenses are all the Commission authorizations held by Company with respect to the Stations, and are all the Commission authorizations used in or necessary for the lawful operation of the Stations as currently operated by Company. The FCC Licenses are in full force and effect, are subject to no conditions or restrictions other than those which appear on their face and are unimpaired by any acts or omissions of Company, Company's officers, employees or agents. Company has delivered true and complete copies of all FCC Licenses to Buyer. There is not pending or, to the Knowledge of Company, threatened, any action by or before the Commission or any other Governmental Authority to revoke, cancel, rescind or modify any of the FCC Licenses (other than proceedings to amend Commission rules of general applicability or otherwise affecting the broadcast industry generally), and there is not now issued, outstanding or pending or, to the Knowledge of Company, threatened, by or before the Commission or any other Governmental Authority, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Company or otherwise with respect to the Stations. The Stations are operating in material compliance with all FCC Licenses, the Communications Act of 1934, as amended (the "Communications Act"), and the current rules, regulations, policies and practices of the Commission. The Commission's most recent renewals of the FCC Licenses were not challenged by any petition to deny or any competing application. To the Knowledge of Company there are no facts relating to it that, under the Communications Act or the current rules, regulations, policies and practices of the Commission may

cause the Commission to deny Commission renewal of the FCC Licenses or deny Commission consent to the Transaction.

5.5. MATERIAL CONTRACTS. Schedule 5.5 lists all Material Contracts on behalf of Company. Shareholders have provided Buyer access to all such Material Contracts. The Material Contracts so furnished to Buyer have not been amended or terminated and are in full force and effect. Except for the Material Contracts listed on Schedule 5.5, as of the date hereof, Company is not a party to nor bound by any Material Contract.

5.6. INSURANCE. Schedule 5.6 lists all insurance policies held by Company with respect to the Business and operation of the Stations. Such insurance policies are in full force and effect, all premiums with respect thereto are currently paid and Company is in compliance with the terms thereof. Company has not received any notice from any issuer of any such policies of its intention to cancel, terminate, or refuse to renew any policy issued by it. Company will maintain the insurance policies listed on Schedule 5.6 in full force and effect through the Closing Date.

5.7 FINANCIAL STATEMENTS.

(a) Shareholders have furnished Buyer with the audited Financial Statements for the calendar years 1993, 1994, 1995 and 1996, copies of which are attached to Schedule 5.7(a). The Financial Statements: (i) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present in all material respects Company's financial position, income, expenses, assets, liabilities, Shareholders' equity and the results of operations of the Company as of the dates and for the periods indicated. Since June 30, 1997, there has been no material adverse change in the business, assets, properties or condition (financial or otherwise) of the Stations since the preparation of the most recent annual Financial Statement. No event has occurred that would make such Financial Statements misleading in any material respect.

(b) Except as reflected in the balance sheets as of June 30, 1997, a copy of which is attached to Schedule 5.7(b), including the notes thereto or otherwise disclosed in this Agreement or the Schedules hereto, and except for the current liabilities and obligations incurred in the ordinary course of business of the Stations (not including for this purpose any tort-like liabilities or breach of contract), and except for attorneys' and other fees and expenses incurred in connection with the negotiation and

consummation of the transactions contemplated hereby, since June 30, 1997, there exist no liabilities or obligations of Company, contingent or absolute, matured or unmatured, known or unknown, other than possible liability for Taxes due. Since June 30, 1997, (i) Company has not made any contract, agreement or commitment or incurred any obligation or liability (contingent or otherwise), except in the ordinary course of business and consistent with past business practices; (ii) there has not been any discharge or satisfaction of any obligation or liability owed by Company, which is not in the ordinary course of business or which is inconsistent with past business practices; (iii) there has not occurred any sale of or loss or material injury to the Business, or any adverse material change in the Business or in the condition (financial or otherwise) of the Stations; and (iv) Company has operated the Business in the ordinary course of business, except (w) as contemplated by the Letter of Intent, including negotiations and actions relative to this Agreement and the Transaction, (x) negotiations relative to certain potential business combinations with Salem Communications and Crawford Broadcasting Company which occurred prior to the execution and delivery of the Letter of Intent, (y) the sale of certain assets relative to WKOX-AM, Frankenmuth, Michigan, and (z) Company Real Property described as Item 3 on Schedule 5.10(a). The monthly balance sheets (i) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Company's financial position, income, expenses, assets, liabilities, Shareholders' equity and the results of operations of the Stations as of the dates and for the periods indicated, subject to year end adjustments which do not materially affect the operations of the Company.

(c) Company maintains only the bank accounts as shown in Schedule 5.7 (c) and no other bank accounts of any kind. Buyer has been provided with bank statements, dated as indicated on Schedule 5.7(c), related to such accounts (the ?Bank Statements?). Except as shown on such Bank Statements or on Schedule 5.7(c), and, with respect to items which have not cleared as of the last Bank Statements, as shown on the Company?s cash receipts and disbursements journal, there have been no material receipts or disbursements, whether by cash or check, by the Company of any kind. Since the date of the last of the Bank Statements furnished to Buyer by the Company, no checks have been issued for any purpose other than in the ordinary course of business.

5.8. EMPLOYEES. Except as otherwise listed in Schedule 5.8, (i) no employee of Company is represented by a union or other

collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and, to the Knowledge of Company, there has been no concerted effort to unionize any of Company's employees; and (ii) Company has no other written or oral employment agreement or arrangement, plan or policy with any Company employee, and no written or oral agreement concerning bonus, sick pay, termination, hospitalization, vacation pay, severance pay, or retiree medical coverage. As of this date there is not and at the time of Closing there will not be any consideration of whatever nature due and owing by Company or the Shareholders to any employee or former employee of the Company, except as otherwise listed in Schedule 5.8 and except for salaries, benefits and other compensation payable in the ordinary course of business consistent with past practices. Included in Schedule 5.8 is a list of all persons currently employed at Company together with an accurate description of the terms and conditions of their respective employment as of the date of this Agreement. Shareholders will cause the Company to promptly advise Buyer of any significant changes that occur prior to Closing with respect to such information.

5.9. EMPLOYEE BENEFIT PLANS.

(a) Except as described in Schedule 5.9, neither Company nor any Affiliates (as defined below) have at any time established, sponsored, maintained, or made any contributions to, or been parties to any contract or other arrangement or been subject to any statute or rule requiring them to establish, maintain, sponsor, or make any contribution to, (i) any "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA")) ("Pension Plan"); (ii) any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) ("Welfare Plan"); or (iii) any deferred compensation, severance pay, fringe benefit, retiree medical, bonus, stock option, stock purchase, or other "employee benefit plan" within the meaning of ERISA Section 3(3), agreement, commitment, policy or arrangement whether oral or written, and whether provided through the purchase of insurance or otherwise ("Other Plan") for the benefit of any present or former officers, employees, agents, directors, or independent contractors of Company. Shareholders have delivered to Buyer true and complete copies of (1) each Pension Plan, Welfare Plan, and Other Plan (or, in the case of unwritten Other Plans, descriptions thereof), (2) the most recent annual report on Form 5500 filed with the Internal Revenue Service with respect to each Pension Plan, Welfare Plan, and Other Plan, including all schedules thereto and financial statements with attached opinions of independent accountants (if

required by applicable law), (3) summary plan descriptions with respect to such plans, (4) each trust agreement and insurance or annuity contract relating to any Pension Plan, Welfare Plan, or Other Plan, (5) the most recent determination letter applicable to any such plan (if applicable). Except as set forth in Schedule 5.9, there are no negotiations, demands, or proposals that are pending or have been made which concern matters now covered, or that would be covered by plans, agreements, or agreements of the type discussed in this Section. Company and the Affiliates have no obligations or liabilities (whether accrued, absolute, contingent, or unliquidated, whether or not known, and whether due or to become due) with respect to any Pension Plan, Welfare Plan or Other Plan that is not listed in Schedule 5.9. There are no actions (other than routine claims for benefits) pending or, to the best of the Knowledge of Company, threatened against such plans or their assets, or arising out of such plans, agreements or arrangements, and to the best of the Knowledge of Company, no facts exist which could give rise to any such actions. There are no investigations or audits by any Governmental Authority (including, but not limited to, the Internal Revenue Service or the Department of Labor) involving any Pension Plan, Benefit Plan, or Other Plan. No employee, officer or director of Company shall be entitled to any additional benefits (under a Pension Plan, Welfare Plan, or Other Plan) or any acceleration of the time of the payment or vesting of any Pension Plan as a result of the transactions contemplated by this Agreement. For purposes of this Section 5.9, the term "Affiliate" shall include all persons under common control with Company within the meaning of Sections 4001(a)(14) or (b)(1) of ERISA or any regulations promulgated thereunder, or Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code").

(b) Each plan or arrangement listed in Schedule 5.9 (and any related trust or insurance contract pursuant to which benefits under such plans or arrangements are funded or paid) has been administered in all respects in compliance with its terms and in both form and operation is in compliance with applicable provisions of ERISA, the Code, the Consolidated Omnibus Budget Reconciliation Act of 1986 and regulations thereunder, and other applicable law. Each Pension Plan listed in Schedule 5.9 intended to be a tax-qualified plan has been determined by the Internal Revenue Service to be qualified under Section 401(a) and Section 501(a) of the Code, and nothing has occurred or been omitted since the date of the last such determination that resulted or could result in the revocation of such determination, and nothing has occurred that resulted or could result in such Pension Plan's being subject to the tax under Section 511 of the Code. Company and the Affiliates

have made all required contributions or payments to or under each plan or arrangement listed in Schedule 5.9 on a timely basis and have made adequate provision for reserves to meet contributions and payments under such plans or arrangements that have not been made because they are not yet due.

(c) The consummation of this Agreement (and the employment by Buyer of former employees of Company or any employees of an Affiliate) will not result in any carryover liability to Buyer for taxes, penalties, interest or any other claims resulting from any employee benefit plan (as defined in Section 3(3) of ERISA) or Other Plan. With respect to any Pension Plan, Welfare Plan, or Other Plan that is a "plan" within the meaning of Section 4975(e)(1) of the Code or an "employee benefit plan" within the meaning of Section 3(3) of ERISA, no "prohibited transaction" (within the meaning of Section 4975(c)(1) of the Code or Section 406 of ERISA) has occurred. In addition, Company and each Affiliate make the following representations as to all of their Pension Plans: (A) neither Company nor any Affiliate has become liable to the PBGC under ERISA under which a lien could attach to the assets of Company or an Affiliate; (B) Company and each Affiliate has not ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA; (C) neither Company nor any Affiliate has made or will make prior to Closing a complete or partial withdrawal from a multiemployer plan (as defined in Section 3(37) of ERISA) so as to incur withdrawal liability as defined in Section 4201, of ERISA, and (D) no Pension Plan of Company constitutes a "multiemployer plan," as defined in Section 3(37) of ERISA, and (E) no Pension Plan is subject to Title IV of ERISA, Section 302 of the ERISA, or Section 412 of the Code. All group health plans maintained by Company and each Affiliate have been operated in compliance with Section 4980B(f) of the Code. As of the Closing, no employee or qualified beneficiary of Company or Affiliate is receiving or is eligible to receive COBRA group health plan coverage under Section 4980B of the Code. Except to the extent required under Section 4980B of the Code and, pursuant to collective bargaining agreements, with respect to employees subject thereto who have retired, Company has no written health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employees of Company. Company has made no written agreements, covenants or commitments to provide retiree medical benefits, other than pursuant to collective bargaining agreement, that cannot be terminated at the discretion of the employer. To the best of the Knowledge of Company, there has been no act or omission by Company that has given rise to or may give rise to fines, penalties, taxes, or related charges under

Section 502(c),(i), or (1) or Section 4071 of ERISA or Chapter 43 of the Code.

5.10. COMPANY REAL PROPERTY.

(a) Company has good, valid and marketable fee simple title to the Company real property as described in Schedule 5.10(a) and all Improvements on the real property free and clear of all mortgages, liens, claims, encumbrances, leases, title exceptions and rights of others, except as set forth in Schedule 5.10(a). Except as listed on Schedule 5.10(a), to the Knowledge of Company all of the Improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such Improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. To the Knowledge of Company, none of the Improvements have any structural defects. No portion of the real property is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and, to the Knowledge of Company, no such proceedings are threatened. Except as set forth in Schedule 5.10(a), the real property is not subject to any covenant or other restriction preventing or limiting the Company?s right to convey the Company?s right, title and interest in the owned real property or to use the real property for any lawful purpose. To the Knowledge of the Company, there are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Company, planned to be instituted, which would materially affect the use and operations of the real property for its intended purpose, and Company has not received notice of any special assessment proceedings materially affecting the real property. To the Knowledge of the Company, the real property has direct and unobstructed access to all public utilities necessary for the uses to which the real property is currently devoted by Company. The boundaries of the building which houses the studio for WCHB(AM) is located on the real property described on Schedule 5.10(a) and to the Knowledge of the Company does not encroach upon any real property not owned by the Company.

(b) Company, as tenant, leases the real property described in Schedule 5.10(b). Except as listed on Schedule 5.10(b), all of the Improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such Improvements, are in good

operating condition and repair, comply in all material respects with applicable zoning laws and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. To the Knowledge of Company, none of the Improvements have any structural defects. To the Knowledge of the Company, no portion of the real property described in Schedule 5.10(b) is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and, to the Knowledge of Company, no such proceedings are threatened. To the Knowledge of the Company, there are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Company, planned to be instituted, which would materially affect the use and operations of the real property for any lawful purpose, and Company has not received notice of any special assessment proceedings materially affecting the real property. To the Knowledge of the Company, the real property has direct and unobstructed access to all public utilities necessary for the uses to which the real property is currently devoted by Company.

5.11. SHAREHOLDER REAL PROPERTY.

(a) Dr. Wendell F. Cox and the Estate of Mary L. Bell (?Cox/Bell?) have good, valid and marketable fee simple title to the real property and all Improvements described in Schedule 5.11(a) free and clear of all mortgages, liens, claims encumbrances, leases, title exceptions and rights of others, except as set forth in Schedule 5.11(a). Except as listed on Schedule 5.11(a), to the Knowledge of Company, all of the Improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such Improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. None of the Improvements have any structural defects. To the Knowledge of the Company, no portion of the real property described in Schedule 5.11(a) is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and, to the Knowledge of Company, no such proceedings are threatened. Except as set forth in Schedule 5.11(a), the real property is not subject to any covenant or other restriction preventing or limiting Cox/Bell right to convey its right, title and interest in the owned real property or to use the real property for any lawful purpose. There are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Company, planned to be instituted, which would materially affect the use and operations of

the real property for its intended purpose, and Company has not received notice of any special assessment proceedings materially affecting the real property. To the Knowledge of the Company, the real property has direct and unobstructed access to all public utilities necessary for the uses to which the real property is currently devoted by Cox/Bell.

(b) Studio Site (i) Dr. Wendell F. Cox and Eric Bass (?Cox/Bass?) have good, valid and marketable fee simple title to the real property and all Improvements described in Schedule 5.11(b), which is used as the Studio Site, free and clear of all mortgages, liens, claims encumbrances, leases, title exceptions and rights of others, except as set forth in Schedule 5.11(b). Except as listed on Schedule 5.11(b), to the Knowledge of Company all of the Improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such Improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. To the Knowledge of Company none of the Improvements have any structural defects. To the Knowledge of the Company, no portion of the real property described in Schedule 5.11(b) is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and, to the Knowledge of Company, no such proceedings are threatened. Except as set forth in Schedule 5.11(b), the real property is not subject to any covenant or other restriction preventing or limiting Cox/Bass right to convey its right, title and interest in the owned real property or to use the real property for any lawful purpose. To the Knowledge of the Company, there are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Company, planned to be instituted, which would materially affect the use and operations of the real property for its intended purpose, and Company has not received notice of any special assessment proceedings materially affecting the real property. To the Knowledge of the Company, the real property has direct and unobstructed access to all public utilities necessary for the uses to which the real property is currently devoted by Cox/Bass.

(ii) Cox/Bass hereby grant an option to Buyer to purchase the real property described in Schedule 5.11 (b) for Two Hundred Thousand Dollars ($200,000). The option is exercisable on or before the Closing Date and the closing on the acquisition of the real property shall occur simultaneously with the closing of the Transaction contemplated by this Agreement. In the event that the

Buyer does not exercise its option to purchase the aforesaid real estate, Cox/Bass will lease the aforesaid real property to the Buyer at a monthly rental of $1,500.00. The lease will be executed at the Closing and will be binding upon the parties thereto for a period of one year. The lease will be a so-called "net, net, net lease", and the tenant will be responsible for taxes, utilities, insurance and maintenance.

5.12. ENVIRONMENTAL PROTECTION. Except as disclosed in Schedule 5.12:

(a) There are no pending or, to the Knowledge of Company, threatened actions, suits, claims, legal proceedings or any other proceedings, arising from Company?s or Shareholders' activities at or operation, occupation or ownership of the Company Real Property or Shareholder Real Property, based on or relating to Hazardous Substances or Environmental Law, or asserting any liabilities under Environmental Law against Company or the Stations.

(b) All of the current operations and activities at the Stations and at or from the Company Real Property and Shareholder Real Property ("Real Property") comply with all applicable Environmental Law, and to the Knowledge of Company, there are no conditions which could reasonably give rise to claims, expenses, losses, liabilities, or governmental action against Buyer in connection with any Hazardous Substances present at or disposed of at or from the Real Property, including without limitation the following conditions arising out of, relating to, resulting from, or attributable to, the assets, business, or operations of Company at the Real Property: (i) the presence of any Hazardous Substances on the Real Property, the release or threatened release of any Hazardous Substances into the environment at or from the Real Property; (ii) the off-site disposal of Hazardous Substances originating on or from the Real Property in connection with the Business or operations of Company; (iii) the release or threatened release of any Hazardous Substances into any storm drain, sewer, septic system or publicly owned treatment works from the Real Property; or (iv) any noncompliance by the Company with federal, state or local requirements governing occupational safety and health, or presence or release in the air and water supply systems of the Real Property of any substances that pose a hazard to human health or an impediment to working conditions.

(c) To the Knowledge of the Company, neither polychlorinated biphenyls nor asbestos-containing material are present on or in the Real Property.

(d) The Real Property (exclusive of the Shareholder Real Property described in Section 5.11(b)) contains no aboveground or underground storage tanks, or aboveground or underground piping associated with tanks.

(e) The Real Property does not contain any Hazardous Substances in, on, over, under or at it at levels that would give rise to liability under Environmental Law as they apply to the present use of the Real Property. The Company is not under any obligation, is not liable for, and, to the Knowledge of Company, has not been threatened with any obligation or liability under Environmental Law for any investigation, corrective action, remediation or monitoring of Hazardous Substances in, on, over under or at the Real Property. None of the Real Property is listed or proposed for listing on the National Priorities List pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (?CERCLA?), 42 U.S.C.?9601 et seq., or any similar inventory of sites requiring investigation or remediation maintained by any state. Company has not received any notice, whether oral or written, from any Governmental Authority or third party of any actual or threatened liabilities under Environmental Law with respect to the Real Property, the Stations, or the conduct of Company?s business.

(f) To the Knowledge of the Company, there are no conditions existing at the Real Property that require remedial or corrective action, removal or closure pursuant to Environmental Law.

(g) Company has all the material permits, authorizations and approvals necessary for the conduct of its Business and for the operations on, in or at the Real Property which are required under applicable Environmental Law and is in compliance in all material respects with the terms and conditions of all such permits, authorizations and approvals, and to the Knowledge of Company, Company is capable of continued operation in compliance with Environmental Law.

(h) Company has provided to Buyer all environmental reports, assessments, audits, studies, investigations, data and other written environmental information in its custody, possession or control concerning the Real Property.

(i) The operation of the Stations does not cause or result in exposure of workers or the general public to levels of

radio frequency radiation in excess of the standards adopted by the FCC in 1996 and explained in OET Bulletin 65, Edition 97-01.

5.13. COMPLIANCE WITH LAW. Except as disclosed in Schedule 5.13 and except for matters pertaining to Environmental Law, which are addressed in Section 5.12, there is no outstanding complaint, citation, or notice issued by any Governmental Authority asserting that Company is in violation of any law, regulation, rule, ordinance, order, decree or other material requirement of any Governmental Authority (including any applicable statutes, ordinances or codes relating to zoning and land use, occupational safety and the use of electric power) affecting the Business or operations of the Stations, and Company is in material compliance with all such laws, regulations, rules, ordinances, decrees, orders and requirements. Without limiting the foregoing:

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

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

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

(d) Company has paid to the Commission the regulatory fees due for the Stations for the years 1994-97.

5.14. LITIGATION. Except for proceedings affecting radio broadcasters generally and except as set forth on Schedule 5.14, there is no litigation, complaint, investigation, suit, claim, action or proceeding pending, or to the Knowledge of Company, threatened before or by the Commission, any other Governmental Authority, or any arbitrator or other person or entity relating to the Business or the operations of the Stations. Except as set forth on Schedule 5.14, there is no other litigation, action, suit, complaint, claim, investigation or proceeding pending, or to the Knowledge of Company, threatened that may give rise to any claim against the Business or Shares or adversely affect Shareholder's ability to consummate the Transaction as provided herein. Company is not aware of any facts that could reasonably result in any such proceedings.

5.15. INSOLVENCY PROCEEDINGS. No insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, are pending or, to the Knowledge of Company, threatened against the Company. Company has not made an assignment for the benefit of creditors.

5.16. SALES AGREEMENTS. Except as set forth in Schedule 5.16, the Sales Agreements in existence on the date hereof have been entered into in the ordinary course of the Business, at rates consistent with Company's usual past practices and each Sales Agreement is for a term no longer than 10 weeks or, if longer, is terminable by the Company upon not more than 15 days notice.

5.17. SUFFICIENCY OF ASSETS. The assets of the Business are and, on the Closing Date will be, sufficient to conduct the operation and business of the Stations in the manner in which they have been conducted and are being conducted as of the date of this Agreement.

5.18. CERTAIN INTERESTS AND RELATED PARTIES. Except as set forth in Schedule 5.18, (i) no Shareholder has any material interest in any assets used in or pertaining to the Business, nor is indebted or otherwise obligated to Company; (ii) Company is not indebted or otherwise obligated to any Shareholder or others except for amounts due under normal arrangements as to salary or reimbursement of ordinary business expenses not unusual in amount or significance; (iii) neither Company nor any Shareholder, officer or director of Company has any interest whatsoever in any corporation, firm, partnership or other business enterprise which has had any business transactions with Company relating to the Business or the Stations; and (iv) no Shareholder of Company has

entered into any transaction with Company relating to the Business or the Stations. The consummation of the transactions contemplated by this Agreement will not (either alone, or with the occurrence of any termination or constructive termination of any arrangement, or with the lapse of time, or both) result in any benefit or payment (severance or other) arising or becoming due from Company to Shareholders.

5.19. TAXES. Except as disclosed on Schedule 5.19, Company is not a party to any pending action or proceeding and, to the Knowledge of Company, there is no action or proceeding threatened by any Governmental Authority against Company for assessment or collection of any Taxes, and no unresolved claim for assessment or collection of any Taxes has been asserted against Company.

5.20. BROKER. There is no broker or finder or other person other than John Pierce of Force Communications, Inc. who would have any valid claim against the Company or the Shareholders for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by Company. Sellers will pay Pierce's fees from the Purchase Price.

5.21. SUBSIDIARIES. The Company does not have any subsidiaries, does not hold title to the stock of any other corporation, is not a party to any joint venture agreement and does not have an interest in any general or limited partnership or any other entity.

5.22. STOCK. The authorized capital stock of Company consists of 800 shares of Class A Common Stock and 24,000 shares of Class B Common Stock. There are 800 shares of issued and outstanding Class A Common Stock and 20,070.55 shares of issued and outstanding Class B Common Stock of the Company, all of which are owned by Shareholders. And, except as described herein, there are no other shares of capital stock of the Company either authorized or issued. Each Shareholder has good and marketable title to and complete ownership of the Shares as set forth in Schedule 4.2, free and clear of any Encumbrance. Except with respect to this Agreement among Company, Shareholders and Buyer and except for certain shares which may be issued to Wendell T. Arnold and certain shares which may be issued to Janice Hall between now and Closing, there are no outstanding stock options or stock appreciation rights granted by Company exercisable now or in the future. The Company has no outstanding subscriptions, warrants, calls, commitments or agreements to issue or to repurchase any shares of its stock or other securities, including any right of conversion or exchange

under any outstanding security or other instrument. There are no unsatisfied preemptive rights in respect of the Shares.

5.23. PROPERTY. Schedule 5.23(a) lists the material tangible personal property of the Company. The Company has and will have at the Closing good, marketable and indefeasible title to all such property, free and clear of all Encumbrances of any nature, whatsoever, except for (i) Encumbrances disclosed on Schedule 5.23(a) which will be discharged on or before the Closing Date, (ii) Permitted Encumbrances, and (iii) those permitted by agreement between the parties. Shareholders make no representations concerning the condition of the property, except that with the exception of normal wear and tear the property will be in as good condition on the Closing Date as of the date of this Agreement. Certain personal items may be withdrawn from the Company by the Shareholders prior to the Closing. These items are fully described in Schedule 5.23(b), attached.

5.24. CORPORATE RECORDS. The corporate records of Company have been made available to Buyer, and so far as such materials are material and relevant to Buyer, accurately represent the status of Company.

5.25. PROMOTIONAL RIGHTS. The Intellectual Property set forth on Schedule 5.25 includes all call signs and trademarks that Company holds title to and that are used to promote or identify the Stations. Except as set forth on Schedule 5.25, to the Knowledge of Company there is no infringement or unlawful or unauthorized use of those promotional rights, including the use of any call sign, slogan or logo by any broadcast or cable stations in the metropolitan Detroit area that may be confusingly similar to those currently used by the Stations. Except as set forth on Schedule 5.25, to the Knowledge of Company, the operations of the Stations do not infringe, and no one has asserted to Company that such operations infringe, any copyright, trademark, trade name, service mark or other similar right of any other party.

5.26. INDEBTEDNESS. Subject to using a portion of the Purchase Price to satisfy Indebtedness of the Company, as of Closing, and except as disclosed in Schedule 5.26, the Company will have no Indebtedness and there will be no Encumbrances on its assets, except for Permitted Encumbrances and except for Encumbrances caused by the Buyer.

5.27. TRADE BALANCE. The Trade Balance, if negative, will not exceed Thirty Thousand Dollars ($30,000), at Closing.

5.28. NO MISLEADING STATEMENTS. No provision of this Agreement (including the Schedules, Exhibits and Company Documents) contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading. All Exhibits and Schedules attached hereto which have been prepared and delivered by the Shareholders are materially accurate and complete as of the date hereof. No person has been authorized by the Shareholders or Company to make any representation or warranty relating to the Shareholders, Company, the Business, the Stations or otherwise in connection with this Agreement or the Transaction except as set forth in this Section 5 and, if made, any such representation or warranty must not be relied upon as having been authorized by the Shareholders or Company. Notwithstanding anything to the contrary contained in this Agreement or in any of the Exhibits, or Schedules, any information disclosed in one Exhibit or Schedule shall be deemed to be disclosed in this Agreement and in all Exhibits and Schedules.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SHAREHOLDERS REGARDING THE SHARES. Shareholders hereby jointly and severally make to and for the benefit of Buyer, the following representations, warranties and covenants:

6.1. BINDING EFFECT. This Agreement has been duly and validly executed and delivered by each Shareholder to Buyer, each Shareholder has the authority to enter into and to execute this Agreement without further action or approval of any party or Governmental Authority and it constitutes a legal, valid and binding obligation of each Shareholder, enforceable against each of them in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors, and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Each trustee and executor representing a Shareholder is duly and lawfully appointed to act on behalf of the Shareholder and to execute and perform this Agreement.

6.2. NO VIOLATION. None of (i) the execution, delivery and performance by any Shareholder of this Agreement or any of Company Documents; (ii) the consummation of the Transaction; or (iii) Shareholder's compliance with the terms or conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (a) organizational documents governing

any Shareholder, (b) any judgment, decree, order, consent, agreement, lease or other instrument to which any Shareholder is a party or by which any Shareholder may be legally bound or affected, or (c) any law, rule, regulation or ordinance of any Governmental Authority applicable to any Shareholder.

6.3. OWNERSHIP OF STOCK. Shareholders hold title to 800 shares of Class A Common Stock and 20,070.55 shares of Class B Common Stock as set forth on Schedule 4.2. Such Shares, which represent all issued and outstanding shares, are owned free and clear of any Encumbrances. The Shares are validly issued, fully paid and nonassessable. There are no outstanding stock options or stock appreciation rights granted by any Shareholder to any person or entity exercisable now or in the future except for certain shares which may be issued to Wendell T. Arnold and certain shares which may be issued to Janice Hall between now and Closing. All shares owned by Shareholders, including those to be issued to Wendell T. Arnold and Janice Hall, shall be delivered to Buyer at Closing duly endorsed in blank. No Shareholder has any outstanding subscriptions, warrants, calls, commitments or agreements to issue or to repurchase any shares of his stock or other securities, including any right of conversion or exchange under any outstanding security or other instrument. There are no unsatisfied preemptive rights to which any Shareholder is entitled and any preemptive rights accorded any Shareholder pursuant to the Articles of Incorporation or any other corporate document is hereby forever waived by Shareholders for purposes of this Agreement.

6.4. COOPERATION. Shareholders acknowledge that this Agreement requires that the Company take or refrain from taking certain actions. Shareholders agree to take those steps which are necessary to cause the Company to take or refrain from taking those actions.

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

7.1. EXISTENCE AND POWER. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority (a) to own, lease and use its properties and assets, (b) to conduct its business and operations as currently conducted, and (c) to execute and deliver this Agreement and each other document, agreement and instrument to be executed and delivered by Buyer in connection with this Agreement (collectively, the "Buyer Documents"), and to perform and comply with all of the terms and obligations hereunder

and thereunder. There is no pending or, to the Knowledge of Buyer, threatened proceeding for the dissolution, liquidation, insolvency of Buyer.

7.2. BINDING EFFECT. The execution, delivery and performance by Buyer of this Agreement, and each other document, agreement and instrument to be executed and delivered by Buyer in connection with this Agreement (collectively, the "Buyer Documents") has been or will be duly authorized by all necessary corporate action, and copies of those authorizing resolutions, certified by Buyer's Secretary shall be delivered to Shareholders at Closing and no other corporate action by Buyer is required for Buyer's execution, delivery and performance of this Agreement or any of the Buyer Documents. This Agreement has been, and each of the Buyer Documents will be, duly and validly executed and delivered by Buyer to Shareholders and constitute a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

7.3. NO VIOLATION. None of (i) the execution, delivery and performance by Buyer of this Agreement or any of the Buyer Documents; (ii) the consummation of the Transaction; or (iii) Buyer's compliance with the terms and conditions hereof or of the Buyer Documents will, (a) contravene any provision of the Certificate or Articles of Incorporation or Bylaws of Buyer, (b) violate or conflict with any law, statute, ordinance, rule, regulation, decree, writ, injunction, judgment, ruling or order of any Governmental Authority or of any arbitration award which is either applicable to, binding upon, or enforceable against Buyer, (c) conflict with, result in any breach of, or constitute a default (or an event which would, with the passage of time or the giving of notice or both, constitute a default) under, or give rise to a right to terminate, amend, modify, abandon or accelerate, any material contract which is applicable to, binding upon or enforceable against Buyer, or (d) to the Knowledge of Buyer require consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other person, except pursuant to the Communications Act and the Hart-Scott-Rodino Act.

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

ability to consummate the Transaction as provided herein. Buyer is not aware of any facts that could reasonably result in any such proceedings.

7.5. LICENSEE QUALIFICATIONS. To the Knowledge of Buyer there is no fact that would, under the rules and regulations of the Commission, disqualify Buyer from being the transferee of the Shares or the owner and operator of the Stations. Should Buyer become aware of any such fact, it will so inform Company, and Buyer will use commercially reasonable efforts to remove any such disqualification. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification.

7.6. HART-SCOTT-RODINO FILING. Buyer is solely responsible for all costs of any kind, whatsoever, related to any filing which may be required under the Hart-Scott-Rodino Act.

7.7. SUFFICIENT INFORMATION. Buyer has received sufficient information to assess the merits and risks of the Transaction. However, no such receipt of information or assessment shall relieve Shareholders of any obligation with respect to any representation, warranty or covenant in this Agreement or waive any condition to Buyer's obligations under this Agreement.

7.8. SECTION 338 ELECTION. Buyer agrees that on and after the Closing Date it shall not make any election under Section 338 of the Code with respect to the transactions contemplated hereby.

7.9 NO COMMISSIONS. Buyer has not incurred any obligation for any finder's or broker's or agent's fees or commissions or similar compensation in connection with the Transaction contemplated hereby for which Company or the Shareholders may have any liability or obligation.

7.10 FINANCIAL INFORMATION. Buyer has delivered to Sellers the financial statements of Buyer as of and for the periods ended December 31, 1996 and September 30, 1997 (collectively, the "Buyer's Financial Statements"). The Buyer's Financial Statements fairly present in all material respects the financial position of Buyer at each of the balance sheet dates and the results of operations for the periods covered thereby, and have been prepared in accordance with GAAP (except, as noted therein) consistently applied throughout the periods indicated (subject, in the case of unaudited statements, to normal audit adjustments and lack of footnotes and other presentation items).

7.11 NO MISLEADING STATEMENTS. No provision of this Agreement relating to Buyer or Buyer Documents contains or will contain any

untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading.

8. COVENANTS WITH RESPECT TO CONDUCT OF THE COMPANY AND SHAREHOLDERS.

8.1. ACCESS. Between the date hereof and the Closing Date, Company shall give Buyer and representatives of Buyer reasonable access to the Business, the Stations, the employees of Company and the books and records of Company relating to the Business and the operation of the Stations. It is expressly understood that, pursuant to this Section, Buyer, at its expense, shall be entitled to conduct such engineering inspections of the Stations, surveys of the Studio Site and the WCHB(AM), WCHB-FM and WJZZ(AM) Transmitter Sites and such reviews of Company's financial records as Buyer may desire, so long as the same do not unreasonably interfere with Company's operation of the Business. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Shareholders' representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants. Notwithstanding anything in the foregoing which may appear to the contrary, no inspection shall take place, except with the prior consent of the President of the Company and on the reasonable terms and conditions set by the President of the Company.

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

(a) Shareholders or Company shall promptly notify Buyer of any event of which they obtain knowledge which has caused or is likely to cause a material adverse change to the Business.

(b) Shareholders or Company shall furnish to Buyer (i) within 30 days of the end of each month, such income statements and balance sheets routinely prepared for Company each month; and (ii) such other reports that may be prepared for and relating to the Company as Buyer may reasonably request. Each of the financial statements delivered pursuant to this Section 8.2(b) shall be prepared in accordance with GAAP consistently applied during the periods covered (except as disclosed therein).

(c) Shareholders or Company shall promptly furnish to Buyer all Tax Returns or excerpts thereof filed with any Governmental Authority relating to Company.

8.3. CONDUCT OF BUSINESS. Between the date that this Agreement is executed and the Closing Date, Shareholders and Company covenant and agree that neither Company nor Shareholders shall without the prior written consent of Buyer, such consent not to be unreasonably withheld:

(a) conduct the Business in any manner except in the ordinary course consistent with past practices;

(b) issue, sell, assign, deliver, transfer, split, reclassify, combine or otherwise adjust, or pledge any stock, bonds or other securities of which Company is the issuer (whether authorized and unissued or held in treasury), or grant or issue any options, warrants or other rights (including convertible securities) calling for the issue thereof, except for (i) those shares to be issued to Wendell T. Arnold and Janice Hall between now and the Closing, or (ii) shares to be assigned or transferred by Dr. Wendell F. Cox solely for estate planning purposes or for the purpose of making charitable gifts provided that: (w) such assignment or transfer does not cause any tax liability to Buyer and (x) such assignment or transfer does not impair Buyer's right pursuant to the terms of this Agreement to acquire 100% of the outstanding and issued Shares of the Company free and clear of all Encumbrances at Closing for the Purchase Price and (y) no such assignment or transfer releases Dr. Cox of responsibility for the representations, warranties and covenants contained in this Agreement and (z) contemporaneous with such assignment or transfer the assignee or transferee executes an agreement making representations contained in Sections 6.1, 6.3 and 6.4 of this Agreement and agreeing to be bound by this Agreement as a Shareholder (hereinafter a "Joinder Agreement").

(c) borrow any funds or incur, assume or become subject to, whether directly or by way of guarantee or otherwise, any obligation or liability (absolute or contingent), except with respect to trade payables arising in the ordinary course of business and consistent with past amounts and practice and to amounts permitted by the construction described in Sections 8.10(b) and (c) as further described in Schedule 5.26 and to Indebtedness incurred in the ordinary course of business and paid in full at Closing pursuant to Section 9.2(c);

(d) except for Permitted Encumbrances mortgage or pledge any of Company?s assets, tangible or intangible unless such mortgage or pledge is discharged in full at Closing pursuant to Section 9.2(c);

(e) except in the ordinary course of business, sell, lease, exchange or otherwise transfer, or agree to sell, lease, exchange or otherwise transfer, any of Company?s assets, property or rights or cancel any debts or claims;

(f) grant any right of first refusal, option or similar contract to purchase any of the assets, property or rights used in the Business or held by Company;

(g) except in the ordinary course of business or as required by Law, make or agree to any material amendment to or termination of any FCC License relating to the Business or to which Company is a party;

(h) except as required by Law, adopt any profit-sharing, bonus, deferred compensation, insurance, pension, retirement, severance or other employee benefit plan, payment or arrangement or enter into any employment, consulting or management contract inconsistent with Section 8.3(p)(iii);

(i) grant any increase in salary, compensation or bonuses to any employees of the Stations other than (a) salary, compensation, payments or bonuses to Wendell T. Arnold and/or Janice Hall under the Arnold Employment Agreement and the Arnold and Hall Incentive Stock Agreements previously disclosed to Buyer or (b) salary, bonuses or other compensation which are payable on or prior to the Closing Date and which do not include any contractual obligations of the Company after the Closing Date (except as otherwise disclosed in Schedule 5.8 with respect to existing employment agreements).

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

(k) make any tax election inconsistent with past practice or Buyer's interests, or except as required by Law or GAAP, make any material alteration in the manner of keeping its books, accounts or records, or in the accounting practices therein reflected;

(l) solicit, either directly or indirectly, initiate, encourage or accept any offer for the purchase or acquisition of the Business, Company or any of their respective assets by any party other than Buyer;

(m) set aside or pay any dividend which would impair the Seller's obligation to have at least Three Hundred Thousand Dollars ($300,000) in cash in the Company's accounts on the day of Closing or purchase or otherwise acquire any of Company?s capital stock or otherwise acquire any rights or options to acquire the capital stock;

(n) amend or alter the Certificate of Incorporation or Bylaws or other charter documents of Company;

(o) enter into, extend (except as required by the terms thereof) or amend any Material Contract, other than with respect to contracts for the purchase, production, distribution or licensing of programming in the ordinary course of business and consistent with prior practice;

(p) enter into any other transactions involving liabilities or obligations of more than $17,500.00 on the part of Company other than obligations arising in connection with: (i) construction of Station WJZZ (AM) at Kingsley or (ii) construction of the improvements at WCHB (AM) consistent with budgets reviewed and approved by Buyer or (iii) the employment of an employee whose annual salary does not exceed $50,000, except that the Company shall be permitted to enter into a transaction involving employment of an employee whose annual salary exceeds $50,000 if the Shareholders agree to be responsible for all amounts due the employee after the Closing Date.

(q) terminate without comparable replacement or fail to renew any insurance coverage applicable to the assets or properties of Company where such failure could have a material adverse effect on the Business;

(r) compromise or settle any claims or rights for or having a value, in excess of $50,000.00 without the written consent of Buyer, such consent not to be unreasonably withheld;

(s) take any action or fail to take any action that would cause the Shareholders to breach the representations, warranties and covenants contained in this Agreement;

(t) disburse in any manner any of the proceeds of the sale of the Company's assets including, but not limited to, the sale of real property at Inkster, Michigan or the sale of Station WJZZ (AM), or count any of the proceeds of the sale of the Company's assets toward the $300,000 in cash that the Company's accounts must contain at Closing pursuant to Section 9.2(h);

(u) with respect to WJZZ (AM): (i) enter into an agreement with any party for the sale of the station without the written consent of Buyer, such consent not to be unreasonably withheld or (ii) commence construction of the modified facility of the station at Kingsley in a manner inconsistent with Section 8.10(c);

(v) create any Accounts Receivable that are not bona fide or settle or compromise any Accounts Receivable except in the ordinary course of business and consistent with past practice;

(w) enter into any transaction which would constitute an Accounts Payable except in the ordinary course of business and consistent with past practice; or

(x) dismiss or modify in a material adverse manner the construction permit for Station WCHB(AM) which authorizes nighttime facilities operating at 15 kw.

8.4. DAMAGE.

(a) RISK OF LOSS. The risk of loss or damage, confiscation or condemnation of the Business, the Stations and all associated assets shall be borne by Shareholders at all times prior to Closing. In the event of material loss or damage, Shareholders shall promptly notify Buyer thereof and Shareholders will cause the Company to use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing or restoring any lost or damaged property is Ten Thousand Dollars ($10,000) or less, and Company has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former condition. If the cost to repair, replace, or restore the lost or damaged property exceeds Ten Thousand Dollars ($10,000), and Company has not repaired, replaced or restored such property prior to the Closing Date to the reasonable satisfaction of Buyer, Buyer may, at its option:

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

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

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

(b) FAILURE OF BROADCAST TRANSMISSIONS. Shareholders shall give prompt written notice to Buyer if any of the following (a "Specified Event") shall occur and continue for a period of more than eight (8) hours: (i) the transmission of the regular broadcast programming of any Station other than WJZZ (AM) in the normal and usual manner is interrupted or discontinued; or (ii) any Station is operated at less than its licensed antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power. If, prior to Closing, any Station has not operated at its licensed power and or height (other than pursuant to variances allowed by the FCC's rules, authorizations for use of auxiliary transmitting facilities and/or authorizations connected with the construction of WJZZ (AM) and the improvements at WCHB (AM)) for more than thirty-six (36) hours (or, in the event of force majeure or utility failure affecting generally the market served by the Station, ninety-six (96) hours), whether or not consecutive, during any period of thirty (30) consecutive days, or if there are three (3) or more Specified Events each lasting more than eight (8) consecutive hours, then Buyer may, at its option: (i) terminate this Agreement; or (ii) proceed in the manner set forth in Section 8.4(a)(1) or 8.4(a)(2). In the event of termination of this Agreement by Buyer pursuant to this Section, the Initial Escrow Deposit together with all interest accrued thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder.

(c) RESOLUTION OF DISAGREEMENTS. If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section, the disagreement shall be referred promptly to a qualified consulting communications engineer mutually acceptable to Shareholders and Buyer, whose decision shall be final, and whose

fees and expenses shall be paid one-half each by Company, or by Shareholders if such resolution is initiated after the Closing, and Buyer.

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

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

8.7. COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. Between the date hereof and the Closing Date, Sellers shall cause the Company, at its own expense, to cause Deloitte & Touche to prepare the audited Financial Statement for 1997. Buyer shall be permitted to disclose the audited Financial Statements for 1994, 1995, 1996 and 1997, including disclosure in any reports filed by the Buyer with any Governmental Authority, but only for the purpose of obtaining financing for this Transaction, receiving approval from the FCC or approval under the Hart-Scott-Rodino Act, or satisfying any reporting requirements to comply with Federal or State securities' laws. Buyer shall use commercially reasonable efforts not to otherwise make public disclosures of the Financial Statements.

8.8. CLOSING OBLIGATIONS. Company, Shareholders and Buyer shall make commercially reasonable efforts to satisfy the conditions precedent to Closing.

8.9. ENVIRONMENTAL ASSESSMENT. Within sixty (60) days after filing the Transfer of Control Application, Buyer may engage, at its expense, an environmental assessment firm to perform a Phase I and Phase II Environmental Assessment of the Company Real Property and Shareholder Real Property. Company and Shareholders agree to cooperate and Company agrees to cooperate with Buyer and

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

8.10. CONSTRUCTION OF NEW FACILITIES.

(a) Company and Shareholders shall cooperate in permitting Buyer, its representatives and agents, access to the facilities being constructed to operate Station WCHB(AM) at 50 kw daytime and 15 kw nighttime, and to operate Station WJZZ(AM) at Kingsley, including but not limited to, information concerning the proposed construction equipment, cost estimates and timetable consistent with Schedule 5.26.

(b) All costs associated with the construction of modified facilities for Station WCHB(AM) will be paid for by Buyer and, to that end, the Company will pay all such costs and the Purchase Price will be increased dollar for dollar to take into account such payments. During the first one hundred thirty five days (135) following the date of this Agreement, Shareholders and Buyer will consult with each other and reach mutual agreement before incurring costs related to the construction of the aforesaid facilities. If, however, the transactions contemplated by this Agreement are not consummated within one hundred thirty five (135) days after the date of this Agreement, the Company shall be free to go forward with construction in a reasonable and prudent manner, using its own best judgment. Buyer and Sellers agree that E. Harold Munn, Jr. & Associates, Inc. (an entity with which Mr. Munn is no longer affiliated), will be the contractor for the construction of the facilities described in this Section.

(c) All costs associated with the construction of the facilities for Station WJZZ(AM) at Kingsley will be paid for by Buyer and, to that end, the Company will pay all such costs and the Purchase Price will be increased dollar for dollar to take into account such payments. During the first one hundred thirty five days (135) following the date of this Agreement, Shareholders and Buyer will consult with each other and reach mutual agreement before incurring costs related to the construction of the aforesaid facilities. If, however, the transactions contemplated by this Agreement are not consummated within one hundred thirty five (135) days after the date of this Agreement, the Company shall be free to go forward with construction in a reasonable and prudent manner, using its own best judgment. Buyer and Sellers agree that E. Harold Munn, Jr. & Associates, Inc. (an entity with which Mr. Munn

is no longer affiliated), will be the contractor for the construction of the facilities described in this Section.

8.11. PIRATE RADIO STATION. Shareholders shall cause Company to use its best commercially reasonable efforts to cause the pirate radio station broadcasting on 106.3 MHz, which is causing interference to Station WCHB-FM, to cease operations or reduce power sufficiently to eliminate the interference.

9. CONDITIONS PRECEDENT.

9.1. MUTUAL CONDITIONS. The respective obligations of Buyer, Shareholders and Company to consummate the Transaction are subject to the satisfaction of each of the following conditions:

(a) APPROVAL OF TRANSFER OF CONTROL APPLICATION. The Commission shall have granted the Transfer of Control Application, and such grant shall be in full force and effect on the Closing Date.

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

9.2. ADDITIONAL CONDITIONS TO BUYER'S OBLIGATION.

In addition to the satisfaction of the mutual conditions contained in Section 9.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction or waiver by Buyer of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. The representations and warranties of Shareholders to Buyer shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made, except to the extent that any representation or warranty is made as of a specified date, in which case, such representation and warranty shall be true in all material respects as of such date; provided that breach of the representation and warranties set forth in Section 5.27 shall not constitute a failure to satisfy the conditions of this Section 9.2, but rather shall result in a reduction of the Purchase Price on a dollar-for-dollar basis as provided for in Section 9.2(w) and provided further that a breach of any representation or warranty

shall not constitute a failure of the condition contained in this Section 9.2(a) if such breach, either alone, or in conjunction with all other breaches, has not had, and would not reasonably be expected to have, a material adverse effect and, to the extent there is no material adverse effect, the Shareholders shall indemnify the Buyer for any such breach pursuant to Section 10.1(a).

(B) COMPLIANCE WITH CONDITIONS. Except for any breach of the obligations regarding cash and Accounts Receivable under Section 4.2(c), which is addressed in Section 9.2(h), all of the material terms, conditions and covenants to be complied with or performed by Shareholders or performed by the Company at the request of the Shareholders on or before the Closing Date under this Agreement and Company Documents shall have been duly complied with and performed in all material respects.

(C) DISCHARGE OF LIENS.

(1) Company shall have obtained and delivered to Buyer, at Company's expense, at least 10 days prior to Closing, a report prepared by C.T. Corporation System (or similar firm reasonably acceptable to Buyer) showing the results of searches of lien, tax, judgment and litigation records in the State of Michigan and Bay, Oakland, Saginaw, Traverse and Wayne Counties, demonstrating that the Company, Real Property, Shares and Business are free and clear of all liens, security interests and encumbrances except for Permitted Encumbrances and except for liens and Indebtedness which shall be discharged at Closing by Shareholders using the proceeds from the Purchase Price and that there are no judgments or pending litigation. The record searches described in the report shall have taken place no more than 15 days prior to the Closing Date.

(2) Subject to using a portion of the Purchase Price for payment of all Indebtedness of the Company, Company shall have no Indebtedness except for the Permitted Encumbrances and Permitted Indebtedness and shall have received a certificate, dated the Closing Date, and signed by the President of Company to the effect that Company has no such Indebtedness. Buyer shall also have received such releases and UCC termination statements as it may reasonably request in connection with the discharge of any such Indebtedness.

(D) THIRD-PARTY CONSENTS. Shareholders shall have obtained any requisite third-party consents and approvals which may be necessary for Shareholders to consummate the Transaction.

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

(F) NO MATERIAL ADVERSE CHANGE. Neither the Stations nor the Business shall have suffered a material adverse change since the date of this Agreement, and there shall have been no changes since the date of this Agreement in the business, operations, condition (financial or otherwise), properties, assets or liabilities of Company, except changes specifically required by this Agreement and changes which are not (either individually or in the aggregate) materially adverse to Company, the Business or the Stations.

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

(H) CASH AND ACCOUNTS RECEIVABLE MINIMUMS. Company shall have delivered to Buyer at least five (5) days prior to Closing, (i) a pre-closing balance sheet as of the date which is five (5) days before the Closing Date and (ii) a good faith estimate calculated in accordance with the Company?s normal and customary practice of the Company?s Accounts Receivable and cash balance as of the Closing Date. In the event that the Company fails to have bona fide Accounts Receivable in the sum of at least Five Hundred Thousand Dollars ($500,000.00) and a cash balance in U.S. Dollars of at least Three Hundred Thousand Dollars ($300,000.00), as required by Section 4.2(c), Buyer shall still be required to close, but the Purchase Price will be reduced dollar for dollar by the amount of the deficiency.

(I) OPINION OF COMPANY'S COUNSEL. At Closing, Shareholders shall deliver to Buyer the written opinion or opinions of Company's FCC and corporate counsel dated the Closing Date, substantially in the form attached hereto as Exhibit 3.

(J) FINAL ORDER. The Commission's action granting the Transfer of Control Application shall have become a Final Order.

(K) CLOSING DOCUMENTS. At the Closing, Company and each Shareholder shall deliver to Buyer (i) such instruments of conveyance as are reasonably necessary pursuant to law to vest in Buyer title to the Shares, all of which documents shall be dated as of the Closing Date, duly executed by Company and/or Shareholders and in form acceptable to Buyer; (ii) such Deeds and other instruments of conveyance as are reasonably necessary pursuant to law to vest in Buyer title to the Shareholder Real Property; (iii) a certificate, dated the Closing Date, executed by Company's President certifying as to those matters set forth in Section 9.2(a).

(L) RESIGNATION OF DIRECTORS AND OFFICERS. All the directors and officers of Company identified in an Incumbency Certificate executed by the President shall have submitted their resignations in writing to Company. Such resignations shall be effective as of the Closing Date.

(M) STOCK CERTIFICATES. Buyer shall receive at Closing duly executed stock certificates duly endorsed in blank documenting transfer of the Shares to Buyer, including stock certificates evidencing the shares to be issued to Wendell T. Arnold and Janice Hall between now and the Closing, free of any Encumbrances.

(N) CORPORATE RECORDS. Buyer shall receive at Closing the original corporate records of Company, original copies of the Stations' Records, and original documents evidencing the security interest held by Company in assets acquired by Frankenmuth Broadcasting and used in the operation of Station WKNX(AM), Bay City, Michigan.

(O) CASH. The Company shall have at Closing the cash received by the Company from the sale of assets, including cash received from the sale of assets described in Section 8.3(t) and cash received by Dr. Wendell F. Cox and the Estate of Mary L. Bell for the sale to Great Lakes Radio, Inc. of portions of the real property described in Section 5.11(a), such cash to be in addition to the $300,000 in cash described in Section 4.2(c).

(P) ENVIRONMENTAL REMEDIATION.Company shall have cured, to Buyer's satisfaction, any deficiency identified in the Environmental Assessment, provided that in no event shall Company or Shareholders be required to affect any cure except to the extent any Hazardous Substances would give rise to liability under Environmental Law as they apply to the present use of the Real Property, and provided further that Shareholders shall not be required to expend more than One Hundred Thousand Dollars ($100,000) to cure such deficiency.

(Q) TITLE INSURANCE. Buyer shall have obtained, at Sellers' expense, ALTA extended form title insurance policies insuring Buyer's fee simple absolute interest in the Company Real Property and Shareholder Real Property, excluding the real property owned by Cox/Bass and described in Schedule 5.11(b), subject only to: (i) those exceptions expressly accepted by Buyer in writing within thirty (30) days of its receipt of a preliminary commitment of title insurance therefor and (ii) the exception disclosed in Schedule 5.26. Subject to the exceptions described in the preceding sentence, such Title Insurance shall not reveal any defects in title or any encroachments upon the real property by any buildings, structures, or Improvements located on adjoining real estate or any encroachments by the Improvements (including without limitation any guy wires or guy anchors) constructed on the real property onto property not owned by the Company or Shareholders which would have a material adverse effect on Buyer?s use, occupancy and ownership of such real property and shall show that such buildings, structures and Improvements are constructed in conformity with all ?setback? lines, easements, and other restrictions, or rights of record, or that have been established by any applicable building or safety code or zoning ordinance.

(R) ACCOUNTS PAYABLE. Shareholders shall deliver a document stating that there are no amounts to be paid to vendors whether or not within the normal course of business other than the Accounts Payable, and shall list each amount to be paid, to whom it shall be paid and the date due.

(S) CONSTRUCTION PERMIT. The construction permit authorizing Station WCHB(AM) to operate at 50 kw daytime and 15 kw nighttime shall be in full force.

(T) ZONING APPROVAL. Company will have obtained all zoning approvals necessary to construct in accordance with the construction permit described in Section 9.2(s) on the Real Property described in Section 5.10(a).

(U) AUDIT. Company shall have delivered an audited Financial Statement, balance sheets and income statements for the fiscal year ending December 31, 1997 prepared by an independent accounting firm.

(V) ACCOUNTS RECEIVABLE. As of the Closing Date, Company shall have mailed in the ordinary of business and consistent with past practice all bills, statements or invoices for the Accounts Receivable.

(W) TRADE BALANCE. In the event that the negative Trade Balance exceeds $30,000 ("Excess Trade Balance"), Buyer shall still be required to close, but the Purchase Price will be reduced dollar for dollar by the amount to which the negative Trade Balance exceeds the Excess Trade Balance.

(X) RADIOFREQUENCY RADIATION. The operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the standards adopted by the FCC in 1996 and explained in OET Bulletin 65, Edition 97-01.

(Y) WJZZ (AM) LICENSE. Shareholders shall use their best efforts to preserve the license for Station WJZZ(AM) and shall similarly use their best efforts to see to it that construction of Station WJZZ (AM) is complete and that the Station resumes operations or shall cause the Company to request authority from the FCC either in accordance with the outstanding construction permit or under temporary authority in an effort to resume operations on or before February 3, 1998.

(Z) KINGSLEY PROPERTY. Company shall own the real property described in Section 5.10(c).

(AA) TAXES. Company shall have delivered to Buyer ten (10) days prior to Closing a certificate signed by the President of the Company stating that to the Knowledge of the Company, except as disclosed in the certificate, all Tax Returns for the Company that would be due before the Closing Date without filing for an extension have been filed and all Taxes due (except for Taxes being contested in good faith and by appropriate proceedings and for which adequate reserves have been established and are being maintained), plus any interest and penalties that have been assessed, have been paid in full.

(BB) COMPENSATION. Company shall have satisfied all amounts due employees for compensation, other than payroll that has accrued but is not yet due to be paid at the time of Closing,

whether pursuant to the terms of a written agreement or otherwise, including bonuses and reimbursement of expenses, that have accrued as of the Closing.

(CC) CERTIFICATES OF ARNOLD AND HALL. A certificate executed by Wendell T. Arnold and Janice Hall acknowledging that, (i) the Company has satisfied all amounts due under any Employment Agreement between Mr. Arnold and the Company and Ms. Hall and the Company; and (ii) all obligations under the Incentive Stock Agreements between Mr. Arnold and the Company and Ms. Hall and the Company to purchase or receive shares in the Company have been satisfied, and (iii) the Shareholder Agreements between Mr. Arnold and the Company and Ms. Hall and the Company have been terminated.

(DD) CONFIDENTIAL INFORMATION. Shareholders will deliver to Buyer all documents or papers (including diskettes or other medium for electronic storage of information) relating to trade secrets or other confidential information relative to the business or any proprietary rights of the Company that are in their possession or under their control without making copies or summaries of any such material.

(EE) FM STUDIO LEASE. The then owners of the Cox/Bass Real Property shall have entered into a written lease for one year for the real property described in Section 5.11(b) for a monthly rental rate of $1,500 if Buyer does not exercise its option to purchase the real property pursuant to Section 5.11(b)(ii).

(FF) CERTIFICATE RE MARY L. BELL SHAREHOLDER AGREEMENT. A certificate executed by E. Harold Munn, Jr., acknowledging that the Shareholder Agreement between the Company and Mary L. Bell has been terminated.

(GG) RELEASE. Each Shareholder shall deliver a release executed by such shareholder stating that he or she has no claims against the Company except for any claims for compensation as an employee accrued by the Company prior to the Closing Date pursuant to Section 9.2(bb) and which is not otherwise expressly prohibited by this Agreement.

9.3. ADDITIONAL CONDITIONS TO SHAREHOLDERS' OBLIGATION. In addition to satisfaction of the mutual conditions contained in Section 9.1 the obligation of Shareholders to consummate the Transaction is subject, at Shareholders' option, to the satisfaction or waiver by Shareholders of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. The representations and warranties of Buyer to Shareholders shall be true, complete and

correct in all material respects as of the Closing Date with the same force and effect as if then made, except to the extent that any representation or warranty is made as of a specified date, in which case, such representation and warranty shall be true in all material respects as of such date; provided that a breach of any representation or warranty shall not constitute a failure of the condition contained in this Section 9.3(a) if such breach, either alone, or in conjunction with all other breaches, has not had, and would not reasonably be expected to have a material adverse effect and, to the extent there is no material adverse effect, the Buyer shall indemnify the Shareholders for any such breach pursuant to Section 10.2(a).

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

(C) PAYMENT. Buyer shall pay (i) Shareholders the Purchase Price due at Closing, as provided in Section 4.2, minus (x) any deficiency in the cash and Accounts Receivable as described in Section 9.2(h) and (y) the Excess Trade Balance; (ii) the sum of Two Hundred Thousand Dollars ($200,000) to Dr. Wendell F. Cox and the Estate of Mary L. Bell in exchange for title to the real property described in Section 5.11(a), (iii) the sum of Two Hundred Thousand Dollars ($200,000) to the then owners of the Cox/Bass Real Property in exchange for the real property described in Section 5.11 (b), but only if Buyer exercises its option to purchase said property, and (iv) that amount to Shareholders as reimbursement for the costs incurred consistent with Section 8.10 in constructing the facilities described in Sections 9.2(s) and 9.2(y) less any indebtedness incurred consistent with Schedule 5.26.

(D) CLOSING DOCUMENTS. Buyer shall deliver to Shareholders at the Closing (i) copies of Buyer's corporate resolutions authorizing the Transaction certified as to accuracy and completeness by Buyer's Secretary; and (ii) a certificate, dated the Closing Date, executed by Buyer's President certifying as to those matters set forth in Section 9.3(a) and (b).

(E) OPINION OF BUYER'S COUNSEL. At Closing, Buyer shall deliver to Shareholders the written opinion of Buyer's counsel dated the Closing Date, substantially in the form attached hereto as Exhibit 4.

(F) FINAL ORDER. The Commission's action granting the Transfer of Control Application shall have become a Final Order.

10. INDEMNIFICATION/POST-CLOSING OBLIGATIONS.

10.1. OBLIGATIONS OF SHAREHOLDERS. Subject to the limitations of this Section 10, Shareholders agree to and shall jointly and severally indemnify and hold harmless (after the Closing) Buyer, and its respective directors, officers, employees, affiliates, agents and assigns from and against any and all Loss of Buyer or Company including, without limitation, all reasonable costs associated with investigating, removing, disposing of or remediating Hazardous Substances), directly or indirectly, resulting from, based upon or arising out of:

(a) any inaccuracy in or breach of any of the representations or warranties, as such representations or warranties are qualified by matters specifically disclosed in the Schedules hereto, made by Company or Shareholders in or pursuant to this Agreement or the Joinder Agreement; or

(b) the failure to perform any covenant of this Agreement or the Company Documents; or

(c) any liability (i) for any Indebtedness of the Company incurred prior to and not paid as of the Closing Date, and (ii) arising from the failure of the Company or the Shareholders to timely file any Tax Returns due prior to the Closing Date or to timely pay any Taxes due for periods prior to the Closing Date (except for any Taxes being contested in good faith and by appropriate proceedings (and for which adequate reserves have been established and are being maintained)), as well as any interest or penalties arising as a result therefrom, provided that the Shareholders shall have no liability for the underlying Taxes in the event the Company paid such Taxes on or prior to the Closing Date (in which case the Shareholders? liability hereunder shall be limited to the interest and penalties related thereto), and provided further that the Buyer shall promptly notify the Shareholders after its discovery of any such delinquent Tax Returns and/or Taxes (as well as any such interest or penalties related thereto). As used in this Agreement, (x) the term ?Tax Returns? means all tax returns and tax reports required to be filed by the Company with all appropriate Governmental Authorities (including all federal, state, commonwealth, foreign, local, and other tax or information returns and tax reports) with respect to, among other things, all income tax, unemployment compensation, social security, payroll, sales and use, profit, excise, privilege, occupation, property, ad valorem, franchise, license, school and any other tax under the laws of the United States or of any state or any municipal entity or of any political subdivision with valid taxing authority), and (y) the term ATaxes= means all federal, state,

commonwealth, foreign, local and other governmental taxes and estimated taxes, but not interest or penalties, in connection with the foregoing which have become due pursuant to the Tax Returns; or

(d) uninsured third party claims resulting from the actions of Shareholders or Company in the conduct of the Business prior to the Closing except for the matter described in Schedule 5.14; or

(e) any and all violations of or liabilities under Environmental Law that (i) relate to the real property or the Company and arise on or before the Closing; or (ii) arise from or relate to conditions, actions, activities or operations, whether conducted by, caused by or attributable to the Company, the Shareholders or any entity acting on behalf of the Company, on or before Closing; or

(f) any damages, penalties and taxes arising from any breach of ERISA fiduciary duty or ERISA prohibited transaction occurring before the Closing; or

(g) all compensation, benefits, and claims arising out of the termination of employment by employees of Company before Closing.

10.2. OBLIGATIONS OF BUYER. Buyer agrees to indemnify and hold harmless (after the Closing) Shareholders from and against any and all Loss of Shareholders, directly or indirectly, resulting from, based upon or arising out of:

(a) any inaccuracy in or breach of any of the representations, or warranties, made by Buyer in this Agreement; or

(b) the failure by Buyer to perform any covenant of this Agreement or the Buyer Documents; or

(c) except as to matters as to which Buyer is indemnified under the terms of Section 10.1, third party claims (in contract, tort or otherwise) resulting from the actions of Buyer and its conduct of the Business after Closing; or

(d) any liability for Taxes or Indebtedness of Company incurred after the Closing.

10.3. PROCEDURE FOR INDEMNIFICATION. The procedure for indemnification shall be as follows:

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

(b) With respect to claims between the parties, following receipt of notice from the Claimant of a claim, the Indemnitor shall have 15 days to make any investigation of the claim that the Indemnitor deems necessary or desirable, or such lesser time if a 15-day period would jeopardize any rights of Claimant to oppose or protest the claim. For the purpose of this investigation, the Claimant agrees to make available to the Indemnitor and its authorized representatives the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnitor cannot agree as to the validity and amount of the claim within the 15-day period, or lesser period if required by this Section (or any mutually agreed upon extension hereof) the Claimant may seek appropriate legal remedies.

(c) The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of such claim, provided, that, Indemnitor acknowledges in writing to Claimant that Indemnitor would assume responsibility for and demonstrates its financial ability to satisfy the claim should the party asserting the claim prevail. In the event that the Indemnitor shall not satisfy the requirements of the preceding sentence or shall elect not to undertake such defense, or within 15-days after notice of such claim from the Claimant shall fail to defend, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor. Anything in this Section 10.3 to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Claimant, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim; (ii) the Indemnitor shall not, without the Claimant?s written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the plaintiff to the Claimant of a release from all liability in respect of such claim; and (iii) in the event that the Indemnitor undertakes defense of any claim consistent with this Section, the Claimant, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the

right to consult with the Indemnitor and its counsel or other representatives concerning such claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such claim.

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

10.4. EXCLUSIVE REMEDIES. Except as otherwise specifically provided in this Agreement, the sole and exclusive remedy of the Buyer and the Shareholders hereunder shall be restricted to the indemnification rights set forth in this Section 10, provided that this limitation shall not apply to any actions or claims arising out of fraud.

10.5. NOTICE. Each party agrees to notify the other of any liabilities, claims or misrepresentations, breaches or other matters covered by this Section 10 upon discovery or receipt of notice thereof.

10.6. THRESHOLD CONCERNING SECTIONS 10.1 AND 10.2. Notwithstanding anything to the contrary in Sections 10.1 and 10.2, the parties shall not be entitled to indemnity under Sections 10.1 and 10.2 unless the aggregate Loss indemnified against thereunder exceeds Two Hundred Thousand Dollars ($200,000.00 ("Indemnification Basket") (in which case, the Claimant shall be entitled to recovery from the Indemnitor of the full amount of the Loss), provided that any Loss arising from the following shall not be subject to the Indemnification Basket and, in any such case, the Indemnified Party shall be entitled to indemnification from the first dollar of the Loss incurred for: (i) any monies paid by the Buyer as a result of the failure to accurately reflect on the document to be delivered to the Buyer pursuant to Section 9.2(r) all of the Accounts Payable of the Company as of the Closing Date; (ii) the indemnification obligations arising under Section 10.1(c)(ii); (iii) any obligations of the Shareholders arising under the last sentence of Section 9.2(h); and (iv) any actions or claims brought by the Shareholders against the Company for claims arising under Sections 10.2(b) or 10.2(d).

10.7. SURVIVAL OF REPRESENTATIONS: MAXIMUM CONCERNING SHAREHOLDERS' DAMAGES. The representations and warranties of the parties set forth in this Agreement or in any certificate, document

or instrument delivered in connection herewith shall survive the execution and delivery of this Agreement and the Closing hereunder for a period of eighteen (18) months after the Closing Date. Notwithstanding any other provision in this Agreement to the contrary, the aggregate amount of damages recoverable from or against the Shareholders pursuant to the provisions of this Agreement or the Company Documents by the Buyer shall be limited in the aggregate to the Post Closing Escrow Fund, i.e., initially, the principal amount of $1,500,000), provided that there shall be no such limitation for actions or claims arising from fraud. In the event of any claim (including any tax-related claims) against the Shareholders or Company arising out of the Company's operations after the Closing Date, the Shareholders shall cooperate with Buyer by responding to reasonable requests by Buyer for information (including any documentation which may be in the Shareholders' possession) which may be pertinent to the defense of such claim. In the event of any claim (including any tax-related claims) against the Shareholders arising out of the Company's operations prior to the Closing Date, the Buyer shall cooperate with Shareholders by responding to reasonable requests by Shareholders for information (including any documentation which may be in the Buyer's possession) which may be pertinent to the defense of such claim.

10.8. TAX RETURNS.

(A) PREPARATION AND FILING OF RETURNS FOR PRE-CLOSING PERIODS. Shareholders shall be responsible for causing an independent accountant to initially prepare all Federal, State, commonwealth, foreign and local income tax returns of the Company for taxable periods actually ending on or before the Closing Date. Buyer shall have the right, directly and through its designated representatives, to review at its expense any such returns that pertain to the Company at least 30 days prior to the due date of the return. Shareholders agree not to take, or cause the Company to take, any position or make any election on any such return inconsistent with prior reporting practices without the prior written consent of Buyer, if the effect of any such election or position may be to increase the Taxes of the Company thereof from taxable periods (or portions thereof) beginning after the Closing Date or to file an extension on the due date for any tax return or to file an amended return without first obtaining Buyer?s consent.

(B) PREPARATION AND FILING OF RETURNS FOR POST-CLOSING PERIODS. Buyer shall cause to be prepared, and filed, all income tax returns of the Company for all such returns due after the Closing.

10.9. ALLOCATION OF TAX LIABILITY.

(a) To the extent permitted by applicable law, the parties hereto agree to cause federal, state and local tax periods of the Company to be closed at the close of business on the Closing Date. In the event applicable law does not permit the closing of any such period, the allocation of tax liability shall be made in accordance with Section 10.9(b).

(b) In the case of a tax return for the taxable period beginning before and ending after the Closing Date ("Overlap Period") based upon income or gross receipts, the amount of taxes attributable to any Pre-Closing Period or Post-Closing Period included in the Overlap Period shall be determined by closing the books of the Company as of the close of business on the Closing Date and by treating each of such Pre-Closing Period and Post-Closing Period as a separate taxable year, except that exemptions, allowances or deductions that are calculated on an annual basis shall be apportioned on a per diem basis. If the liability for the Taxes for an Overlap Period is determined on a basis other than income or gross receipts, the amount of Taxes attributable to any Pre-Closing Period included in the Overlap Period shall be equal to the amount of Taxes for the Overlap Period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Period included in the Overlap Period and the denominator of which is the total number of days in the Overlap Period, and the amount of such Taxes attributable to any Post-Closing Period included in an Overlap Period shall be the excess of the amount of Taxes for the Overlap Period over the amount of Taxes attributable to the Pre-Closing Period. Shareholders shall be responsible for Taxes due for the Pre-Closing Period and Buyer shall be responsible for Taxes due for the Post-Closing Period.

10.10. COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. From the date of Closing and for a period of three (3) years thereafter, Shareholders and Buyer shall provide to each other such cooperation and information as each shall reasonably request in the: (i) filing of any tax return, amended return or claim or refund; (ii) determining a liability for taxes or a right to a refund of taxes; (iii) participating in or conducting any audit or proceeding in respect of taxes; (iv) analysis and review of the Financial Statements; or (v) preparation of documentation to fulfill any reporting requirements of Buyer including reports that may be filed with the Securities and Exchange Commission. Such cooperation and information shall include providing copies of relevant tax returns or portions thereof, together with the accompanying schedules and related work papers and documents

relating to rulings or other determinations by tax authorities. Shareholders' Representatives and Buyer shall make themselves available at no charge to each other and shall request that the Company's independent accounting firm(s) make available to each other the information relied upon by that firm(s), including its opinions and Financial Statements for the Company, to provide explanations of any documents or information provided hereunder and to permit disclosure by Buyer, including disclosure to any Governmental Authority.

10.11. NONDISCLOSURE AND CONFIDENTIALITY. Shareholders agree that they will not after Closing use or disclose to others any trade secrets or other confidential information about the business or any proprietary rights of the Company; provided, however, that such agreement shall not apply to trade secrets or other confidential information that the Shareholders are obligated to disclose by a court of competent jurisdiction, or which lawfully becomes available to the public other than as a result of a disclosure by Shareholders.

11. DEFAULT AND REMEDIES.

11.1. OPPORTUNITY TO CURE. If any party believes the other to be in breach hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such breach. If the breach has not been cured by the earlier of: (i) the Closing Date; or (ii) within thirty (30) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in breach undertakes diligent, good faith efforts to cure the breach within such thirty (30) day period and continues such efforts thereafter), then the party giving such notice may consider the other party to be in default and exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest the alleged default through appropriate proceedings.

11.2. SHAREHOLDERS' REMEDIES. Buyer recognizes that if the Transaction is not consummated as a result of Buyer's default, Shareholders would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the Transaction is not consummated within the later to occur of (i) thirty (30) days after the FCC's approval of the Transfer of Control Application becomes a Final Order, or (ii) in the event Buyer has purchased any extension of the Closing Date pursuant to Section 2.2, the expiration of any such extension, Shareholders shall be entitled to the Initial Escrow Deposit of $2,000,000, minus any amounts that have previously been deducted for extensions of the Closing Date as

permitted by Section 2.2, plus interest earned thereon provided that the Shareholders are not in material default under this Agreement. The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Shareholders might otherwise be entitled due to Buyer's failure to consummate the Transaction as a result of a default by Buyer.

11.3. BUYER'S REMEDIES. Shareholders agree that the Shares represent an interest in unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Shareholders' performance under this Agreement, and Shareholders agree (i) to waive the defense in any such suit that Buyer has an adequate remedy at law; and (ii) to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. If Buyer elects to terminate this Agreement as a result of Shareholders' default instead of seeking specific performance, Buyer shall be entitled to the return of the Initial Escrow Deposit together with all interest earned thereon, and in addition thereto, Buyer shall be entitled to sue for damages due to Shareholders' failure to consummate the Transaction as a result of a default by Shareholders, provided that in no event shall Buyer be entitled to recover damages arising under this Section 11.3 in an amount in excess of $1.5 million in the aggregate provided further that this limitation shall not apply to actions or claims arising from fraud.

12. TERMINATION OF AGREEMENT.

12.1. TERMINATION OF AGREEMENT. Anything herein to the contrary notwithstanding, this Agreement and the transactions contemplated by this Agreement may terminate at any time before the Closing in the event any of the following shall occur:

(A) MUTUAL CONSENT. By mutual consent in writing by Buyer and Sellers.

(B) CONDITIONS TO BUYER'S PERFORMANCE NOT MET. By Buyer upon written notice to Sellers if any event occurs or condition exists which would render impossible the satisfaction of one or more conditions to the obligations of Buyer to consummate the transactions contemplated by this Agreement as set forth in Section 9.1 or 9.2.

(C) CONDITIONS TO SELLERS' PERFORMANCE NOT MET. By Sellers upon written notice to Buyer if any event occurs or condition exists which would render impossible the satisfaction of

one or more conditions to the obligation of Sellers to consummate the transactions contemplated by this Agreement as set forth in Section 9.1 or 9.3.

(D) MATERIAL BREACH. By Buyer or Sellers, provided such party is not in material breach of this Agreement, if there has been a material breach by the other party of any representation, warranty or covenant set forth herein; provided, however, that the non-breaching party shall not be excused from its obligations under this Agreement (i) if such breach is susceptible to cure and the breaching party cures such breach by the earlier of the Closing Date or within 30 days after receipt of notice of such breach from the other party or provides assurances reasonably satisfactory to the other party that the breach will be cured prior to Closing; or (ii) if such breach gives rise solely to money damages that can readily be ascertained or estimated with reasonable accuracy and the breaching party tenders such amount to the other party within 30 days after receipt of notice of such breach.

(E) BANKRUPTCY; RECEIVERSHIP. By Buyer, if any of the following events shall have occurred with respect to Company or Sellers, if any of the following events shall have occurred with respect to Buyer: (i) it has been adjudicated a bankrupt or insolvent or has admitted in writing its inability to pay its debts as they mature or has made an assignment for the benefit of creditors, or has applied for or consented to the appointment of a trustee or receiver for it or for the major part of its property; (ii) a trustee or receiver has been appointed for it or for any part of its property without its consent; or (iii) bankruptcy, reorganization, arrangement or insolvency proceedings, or other proceedings for relief under any bankruptcy or similar law or laws for the relief of creditors, have been instituted by or against it and remain undismissed for 10 days or longer.

(F) FCC APPROVAL. By either Buyer or Sellers, provided such party is not otherwise in default, if a Final Order granting the Transfer of Control Application is not obtained within 270 days after the FCC has accepted the Transfer of Control Application for filing.

(G) ENVIRONMENTAL REMEDIATION. By either Buyer or Shareholders if the Environmental Assessment shows the presence of conditions that must be cured or removed under the terms of Section 9.2(p) and such remediation will cost in excess of One Hundred Thousand Dollars ($100,000) ("Threshold Amount") and Shareholders decline to pay for remediation in excess of the Threshold Amount, provided that neither Buyer nor Shareholders will be entitled to terminate this Agreement pursuant to this Section 12.1(g) if Buyer

elects to pay for remediation in excess of the Threshold Amount and such payment does not reduce the Purchase Price.

12.2. REMEDIES. In the event of termination by Shareholders due to a material breach by Buyer, Shareholders shall be entitled to the remedies described in Section 11.2. In the event of termination by Buyer due to a material breach by Shareholders, Buyer shall be entitled to the remedies described in Section 11.3.

13. GENERAL PROVISIONS.

13.1. FEES. All recording costs, transfer taxes, sales tax, document stamps and other similar charges shall be paid by Shareholders from the Purchase Price or otherwise at Closing. Except as otherwise provided herein, all other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

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

(a) If to Company or Shareholders:

Wendell T. Arnold
Bell Broadcasting Company
2466 Ethel
Detroit, MI 48217

And to:

E. Harold Munn, Jr.
8865 McCain Road
Parma, MI 49269-5543
Fax: (517) 531-5543

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

Lauren A. Colby, Esq.
10 East Fourth Street
P.O. Box 113
Frederick, MD 21705
Fax: (301) 695-8734

and to:

Dykema Gossett PLLC
400 Renaissance Center
Detroit, Michigan 48243-1668
Attn: J. Michael Bernard, Esq.
Fax: 313-568-6832

and to:

Lawrence S. Jackier, Esq.
Jackier, Gould, Bean, Upfal, Eizelman & Goldman
1533 N. Woodward Avenue, Suite 250
Bloomfield Hills, Michigan 48304

and to:

Randall S. Wangen, Esq.
Fildew Hinks, PLLC
645 Griswold Street, Suite 3600
Detroit, Michigan 48226

(b) If to Buyer:
Radio One, Inc.
c/o Alfred C. Liggins, III
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, Esq.
Davis Wright Tremaine LLP
1155 Connecticut Avenue, N.W.
Suite 700
Washington, D.C. 20036
Fax: (202) 508-6699

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

13.3. ASSIGNMENT. No party may assign its rights or obligations under this Agreement without the express prior written consent of the other parties, provided that Shareholders' consent shall not be unreasonably withheld if Buyer assigns its rights and obligations pursuant to this Agreement to (i) an entity which is a subsidiary or parent of Buyer or to an entity at least 50% of whose voting securities are owned by Buyer or its principals Catherine Hughes and Alfred Liggins, and the purpose for such assignment is to facilitate the financing of the Transaction; or (ii) to Buyer's or its permitted assignee?s lenders as collateral for any indebtedness incurred and Shareholders agree not to unreasonably withhold their consent to such an assignment and provided further that Dr. Wendell F. Cox may assign or transfer his stock as described in Section 8.3(b). However, any assignment made pursuant to this section will not be effective until the assignee executes and delivers to all parties to this Agreement a document in which such assignee acknowledges that it is subject to this Agreement, and that this Agreement governs the rights and obligations of such assignee. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

13.4. EXCLUSIVE DEALINGS. For so long as this Agreement remains in effect, neither Company nor any Shareholder nor any person acting on either party?s behalf shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity concerning the acquisition of all or any interest in the Shares or in the assets of the Business, other than Buyer or Buyer's permitted assignees.

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

13.6. INDULGENCES. Unless otherwise specifically agreed in writing to the contrary: (i) the failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce

the same; (ii) no waiver by any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (iii) no extension of time granted by any party for the performance of any obligation or act by any party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

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

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

13.9. ENTIRE AGREEMENT; AMENDMENT. This Agreement, the Exhibits and Schedules to this Agreement set forth the entire understanding between the parties in connection with the Transaction, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be altered or amended in any manner except by an instrument in writing signed by each of the parties hereto.

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

13.11. GOVERNING LAW, JURISDICTION. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Michigan without regard to the choice of law rules utilized in that jurisdiction. Each of the parties hereto executing this Agreement hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the States of Michigan or Maryland or the courts of the United States of America located in the States of Michigan or Maryland for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby or thereby and agrees not to commence any action, suit or proceeding relating hereto or thereto except in such courts, and further agrees that service of any process, summons, notice or document by United States registered or certified mail (at the address(es) set forth in Section 13.2) shall be effective service of process for any

action, suit or proceeding brought in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to personal jurisdiction and the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby or thereby, in the courts of the States of Michigan or Maryland, or the courts of United States of America located in the States of Michigan or Maryland, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Each of Buyer and Shareholders agree that its submission to jurisdiction and its consent to service of process by certified mail is made for the express benefit of the other parties hereto. Final judgment against Buyer or Shareholders in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction; provided, however, that any party may at its option bring suit, or institute other judicial proceedings, in any state or federal court of the United States or of any country or place where the other party or its assets, may be found.

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

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

13.14. FURTHER ASSURANCES. Shareholders shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may request to vest and confirm in Buyer (or its assignee) the title and rights to and in all the Shares and/or assets of the Business to be and intended to be transferred, assigned and conveyed hereunder.

13.15. SHAREHOLDERS' REPRESENTATIVE.

(A) APPOINTMENT AND AUTHORITY. The Shareholders, for themselves and their personal representatives and other successors, hereby constitute and appoint E. Harold Munn, Jr. and Wendell T. Arnold (the "Shareholders' Representatives"), with full power and authority (including power of substitution), except as otherwise expressly provided in this Agreement, in the name of and for and on behalf of the Shareholders or in his own name as Shareholders' Representatives, to take all actions required or permitted to be taken by the Shareholders, or any of them, under this Agreement (including the giving and receiving of all reports, notices and consents, execution of the Transfer of Control Application, as well as the execution and delivery of documents to be delivered by the Shareholders at the Closing, except for documents affecting title to the Shares or Shareholder Real Property). The authority conferred under this Section 13.15 is an agency coupled with an interest, and all authority conferred hereby is irrevocable and not subject to termination by the Shareholders or by any of them, or by operation of law, whether by the death or incapacity of any Shareholder, the termination of any trust or estate or the occurrence of any other event. If any Shareholder should die or become incapacitated, if any trust or estate should terminate or if any other such event should occur, any action taken by the Shareholders' Representatives pursuant to this Section 13.15 shall be as valid as if such death or incapacity, termination or other event had not occurred, regardless of whether or not the Shareholders' Representatives or the Buyer shall have received notice of such death, incapacity, termination or other event. Any notice given to the Shareholders' Representatives pursuant to Section 13.2 shall constitute effective notice to all Shareholders and the Buyer or any other person may rely on any notice, consent, election or other communication received from the Shareholders' Representatives as if it had been received from all Shareholders on whose behalf it was given.

(B) SUCCESSORS. A Shareholders' Representative may resign upon 20 days prior written notice to Buyer and each other Shareholder. Upon the death, resignation, removal or incapacity of a Shareholders' Representatives, the Shareholders shall appoint a successor Shareholders' Representatives, by written consent of the Required Majority of Shareholders, and any successor Shareholders' Representatives so appointed shall, with the surviving Shareholders' Representatives, constitute the Shareholders' Representatives to the same effect as if originally named in this Section 13.15. Required Majority Shareholders as used in this section means those Shareholders who currently hold Class A Common

Stock as described in Schedule 4.2 acting by the affirmative vote of the majority of such Shareholders with each such Shareholder entitled to one vote. The Shareholders may remove one or both of the Shareholders' Representatives at any time, by written consent of the Required Majority of Shareholders. The Shareholders shall give the Buyer written notice of the appointment or removal of any Shareholders' Representative pursuant to this Section 13.15, including a copy of the written consent of the Required Majority of Shareholders relating thereto, as soon as practicable after any such appointment or removal, and such appointment or removal shall not be effective as against the Buyer until such notice shall have been given, unless the Buyer shall have actual knowledge of such appointment or removal.

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

SELLERS:

BY: ___________________________________
E. Harold Munn, Jr., NBD Bank, N.A., Trustee of the Mary L. Bell Trust Agreement

BY: ___________________________________
Janice L. Hall, Trustee of the Mary L. Bell Trust Agreement

BY: ___________________________________
Arthur Middlebrooks, Trustee of the Mary L. Bell Trust Agreement

BY: ___________________________________
Janice L. Hall

BY: ___________________________________
Dr. Wendell F. Cox

BY: ___________________________________
Estate of Iris Bell Cox

BY: ___________________________________
Wendell H. Cox

BY: ___________________________________
William E. Fisher, Trustee for Mariel Cox

BY: __________________________________
William E. Fisher, Trustee for
Benjamin Cox

BY: __________________________________
William E. Fisher, Trustee for
Sonam Bass

BY: __________________________________
William E. Fisher, Trustee for
Julian Bass

BY: __________________________________
Eric Bell Bass

BY: __________________________________
Treva Bell Bass

BY: __________________________________
Robert Bell Bass

BY: __________________________________
Mary L. Bell, Trust

BY: __________________________________
Wendell T. Arnold

BY: __________________________________
William E. Fisher, Trustee for
Brianna Bass

BUYER:

RADIO ONE, INC.

BY: ______________________________________

Alfred C. Liggins, III
President

OPTION AND STOCK PURCHASE AGREEMENT

by and among
BROADCAST HOLDINGS, INC.

G. CABELL WILLIAMS, III

ALLIED CAPITAL FINANCIAL CORPORATION

and

WYCB ACQUISITION CORP.

for the sale and purchase of
Station WYCB(AM)

Washington, D.C.

Dated as of November 19, 1997

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OPTION AND STOCK PURCHASE AGREEMENT

This OPTION AND STOCK PURCHASE AGREEMENT is entered into as of this 19th day of November, 1997, by and among Broadcast Holdings, Inc., a District of Columbia corporation (the "Company"); G. Cabell Williams, III, an individual who resides at 5422 Albia Road, Bethesda, Maryland (the "Shareholder"); and Allied Capital Financial Corporation ("Allied"); and WYCB Acquisition Corp., a Delaware corporation (the "Buyer").

RECITALS

WHEREAS, Shareholder is the sole stockholder of the Company;

WHEREAS, the Company is the licensee of Station WYCB(AM), Washington, D.C. (the "Station");

WHEREAS, Shareholder granted Allied and certain of its affiliates ("Affiliates") an option dated March 13, 1990, to purchase all of the shares of stock of the Company owned by Shareholder and the Affiliates have assigned all right, title and interest in the option to Allied;

WHEREAS, Allied wishes to assign the option to Buyer subject to the terms of this Agreement;

WHEREAS, Buyer wishes to exercise the option subject to the terms of this Agreement;

WHEREAS, Shareholder consents to the assignment of the option from Allied to Buyer, and the exercise thereof, subject to the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and, intending to be legally bound hereby, the parties agree as follows:

1. RULES OF CONSTRUCTION.

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

"ACCOUNTS PAYABLE" means the liabilities of the Company for services received or goods acquired arising from the Company's operation of the Station prior to Closing whether or not the Company has issued, prior to Closing, an invoice, bill or other statement reflecting the amount owed.

"ACCOUNTS RECEIVABLE" means the cash accounts receivable of Company arising from Company's operation of the Station prior to Closing whether or not the Company has issued, prior

to Closing, an invoice, bill or other statement reflecting the amount owed. After the Closing, Accounts Receivable shall mean cash accounts receivable of the Company generated by the Company after the Closing subject to a security interest as further set forth in the Guaranty and Security Agreement.

"ADMINISTRATIVE VIOLATION" means those violations described in Section 8.4 hereof.

"ALLIED" means Allied Capital Financial Corporation.

AALLIED INDEBTEDNESS" means the amount, secured or unsecured, that the Company owes to Allied as of the Closing Date.

"BUSINESS" means the business of Company consisting primarily of the operation of Radio Station WYCB(AM), Washington, D.C.

"BUYER" means WYCB Acquisition Corp., a Delaware corporation, and a wholly-owned subsidiary of Radio One, Inc.

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

"CASH FLOW" means cash received less cash operating expenses, shown as ?broadcast cash flow on the Company's Statements.

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

"CLOSING DATE" means the date on which the Closing takes place, as determined pursuant to Section 4.2.

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

"COMMISSION" means the Federal Communications Commission.

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

"COMPANY" means Broadcast Holdings, Inc., a District of Columbia corporation.

"COMPANY DOCUMENTS" means those documents, agreements and instruments to be executed and delivered by Company in connection with this Agreement as described in Section 5.1.

"CONTRACTS" means those contracts, leases and other agreements listed or described in Schedule 5.5 which are in effect on the date hereof as are entered into on or before the Closing Date

consistent with the provisions of Section 8.3 (n) hereof, but not including Sales Agreements and Trade Agreements (as hereinafter defined).

"ENCUMBRANCE" means any claim, charge, easement, encumbrance, security interest, lien, option or pledge imposed by agreement or law, except for any restrictions on transfer generally arising under any applicable federal or state securities law.

"ENVIRONMENTAL LAW" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. ss. 9601 et seq., the Toxic Substances Control Act, as amended, 15 U.S.C. ss. 2601 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. ss. 6901 et seq., the Clean Water Act, as amended, 42 U.S.C. ss. 1251 et seq., the Clean Air Act, as amended, 42 U.S.C. ss. 7401 et seq., or any regulations or policies adopted pursuant to such laws.

"FCC LICENSES" means all licenses, pending applications, permits and other authorizations issued by the Commission for the operation of the Station listed on Schedule 5.4.

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

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

"HAZARDOUS SUBSTANCES" means any hazardous or toxic waste, substance or material or pollutant as defined under Environmental Laws.

"INDEBTEDNESS" means any note, loan or other debt, whether secured or unsecured, for borrowed money.

"LOSS" means any action, cost, damage, disbursement, expense, liability, loss, deficiency, diminution in value, obligation, penalty or settlement of any kind or nature, whether foreseeable or unforeseeable, including but not limited to, interest or other carrying costs, penalties, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement, that may be imposed on or otherwise incurred or suffered by the specified person.

"LAW" means any constitutional provision, statute or other law, rule, regulation, or interpretation of any governmental entity and any order, including any order of any governmental agency.

"MATERIAL CONTRACTS" means those leases, contracts and agreements specifically designated in Schedule 5.5 as being "Material Contracts."

"OPTION AGREEMENT" means the option granted March 13, 1990, by Shareholder to Allied Investment Corporation and Allied Financial Services Corporation to purchase all of the issued and outstanding shares of the Company for the sum of Ten Dollars ($10.00).

"PROMISSORY NOTE" means the note described in Section 3.2.

"PURCHASE PRICE" shall mean the total consideration paid by Buyer to acquire the Option Agreement and to satisfy certain Indebtedness, pursuant to Section 3.

"RADIO ONE, INC." means a Delaware corporation which is the parent of Buyer.

"SALES AGREEMENTS" means agreements entered into by Company for the sale of time on the Station for cash, as described in Section 5.14.

"GUARANTY AND SECURITY AGREEMENT" means the agreement described in Section 3.3.

"SHARES" means all the issued and outstanding shares of capital stock of Company.

"SPECIFIED EVENT" means those broadcast transmission failures described in Section 8.4(b).

"STATION RECORDS" means those documents that have been maintained in the Station's public file pursuant to the rules of the FCC, the operating and maintenance logs of the Station, any program logs and the books of account of the operation of the Station.

"STOCK PLEDGE AGREEMENT" means the agreement for the pledge of stock of the Company described in Section 3.3.

"STUDIO SITE" means the real estate located at 1025 Vermont Avenue, Washington, D.C. that is currently used as the Station's studio and office facilities.

"TANGIBLE PERSONAL PROPERTY" means all tangible personal property and fixtures used or useful in the operation of the Business, including the property and assets listed or described in Schedule 5.23.1, together with supplies, inventory, spare parts and replacements thereof and improvements and additions thereto made between the date hereof and the Closing Date.

"TRADE AGREEMENTS" means agreements entered into by Company for the sale of time on the Station in exchange for merchandise or services.

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

"TRANSACTION" means the assignment of the Option Agreement to Buyer and acquisition of the Shares by Buyer as contemplated by this Agreement and the respective obligations of Company, Shareholder, Allied, and Buyer set forth herein.

"TRANSFER OF CONTROL APPLICATION" means the application on FCC Form 315 that Shareholder, Company and Buyer shall join in and file with the Commission requesting its consent to the transfer of control of Company to Buyer.

"TRANSMITTER SITE" means the real estate located at Walker Mill Road, District Heights, Maryland that is currently used as the Station's transmitter site.

"WARRANT" means the contingent warrant issued by Radio One, Inc. described in Section 3.3.

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

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

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

1.5. COMPUTATION OF TIME. Whenever any time period provided for in this Agreement is measured in "business days" there shall be excluded from such time period each day that is a

Saturday, Sunday, recognized federal legal holiday, or other day on which the Commission's offices are closed and are not reopened prior to 5:30 p.m. Washington, D.C. time. In all other cases all days shall be counted.

2. ASSIGNMENT AND EXERCISE OF THE OPTION.

2.1. ASSIGNMENT OF OPTION AGREEMENT.

(a) Allied hereby irrevocably assigns the Option Agreement to Buyer on the terms and conditions described herein and contingent on receipt of the Promissory Note described in Section 3.2.

(b) Shareholder consents to the assignment of the Option Agreement from Allied to Buyer on the terms and conditions described herein.

2.2. EXERCISE OF THE OPTION AGREEMENT.

(a) Buyer hereby exercises the option to purchase the Shares from Shareholder with the concurrent payment of Ten Dollars ($10.00) and by executing this Agreement Shareholder acknowledges that the notice requirement in paragraph two of the Option Agreement is satisfied.

(b) Shareholder consents to Buyer's exercise of the option on the terms and conditions described herein.

3. PURCHASE PRICE AND METHOD OF PAYMENT.

3.1. CONSIDERATION. The Purchase Price for the Option Agreement and Acquisition of the Shares shall be Three Million Seven Hundred Fifty Thousand Dollars ($3,750,000) payable as set forth in this Section 3.

3.2. PAYMENT AT CLOSING. At Closing, Buyer shall execute a Promissory Note, in the form attached hereto as Schedule 3.2, in the principal amount of Three Million Seven Hundred Fifty Thousand Dollars ($3,750,000). The Promissory Note shall bear an interest rate of Thirteen Percent (13%) per annum payable quarterly in cash on the basis of Ten Percent (10%) per annum with the balance thereof of Three Percent (3%) per annum accrued from the date of issuance of the Note and compounded quarterly. Any and all outstanding principal of the Promissory Note together with all accrued and unpaid interest thereon shall be due and payable on the third anniversary of the Closing.

3.3. SECURITY FOR THE PROMISSORY NOTE. The Promissory Note shall be secured by: (i) a pledge by Buyer of all of the outstanding shares of capital stock of the Company to be evidenced by a Stock Pledge Agreement executed as of the Closing in the form attached hereto as Schedule 3.3(i), (ii) a security interest in substantially all of the tangible and intangible assets of the Company, excluding any LMA Agreement between the Buyer and Radio One, Inc., and/or Company, evidenced

by a Guaranty and Security Agreement in the form attached hereto as Schedule 3.3 (ii), and (iii) a contingent Warrant in the form attached hereto as Schedule 3.3 (iii) issued by Radio One, Inc., to be exercised for the number of shares of Radio One, Inc., having a liquidation value of up to Four Million Dollars ($4,000,000) but only to be exercised upon a default under the Promissory Note where foreclosure on the stock or assets of the Company as further set forth in the Warrant, are insufficient to cover the full amount of the Promissory Note.

4. FCC APPLICATION AND CLOSING.

4.1. FCC APPLICATION. Within five (5) business days of the execution of this Agreement Buyer, Shareholder and the Company will join in filing the Transfer of Control Application. Buyer, Company and Shareholder diligently shall take or cooperate in the taking of all steps which are reasonably necessary or appropriate to expedite the prosecution and grant of the Application. Neither Buyer, Company nor Shareholder by commission or omission shall knowingly impair its qualifications as a transferor or transferee of the FCC Licenses. Company will promptly provide Buyer with a copy of any pleading, order, or other document served on it relating to the Transfer of Control Application. Company will use its best efforts and otherwise cooperate with Buyer in responding to any information requested by the FCC related to the Transfer of Control Application, in making any amendment to this Agreement requested by the FCC which does not adversely affect Company in a material manner, and in defending against any petition, complaint, or objection which may be filed against the Transfer of Control Application. In the event the Transfer of Control Application as tendered is rejected for any reason, the party liable for the rejection shall take all reasonable steps to cure the basis for denial provided that in no event shall any party be required to take any action which would be materially adverse to that party's interest. Company and Buyer shall share equally in the amount of any Commission filing fee.

4.2. FINAL CLOSING DATE. Closing of the purchase of the Shares under this Agreement shall take place within ten (10) business days after the FCC's approval of the Transfer of Control Application becomes a Final Order at the offices of Davis Wright Tremaine LLP, 1150 Connecticut Avenue, N.W., Washington, D.C. 20036, or at such other time or place as the parties may agree.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF COMPANY.

The Company hereby makes to and for the benefit of Buyer, the following representations, warranties and covenants:

5.1. EXISTENCE, POWER AND IDENTITY. The Company is a corporation duly organized and validly existing under the laws of the District of Columbia with full corporate power and authority (a) to own, lease and use its properties and assets, (b) to conduct the business and operation of the Station as currently conducted, (c) to execute and deliver this Agreement and each other document, agreement and instrument to be executed and delivered by Company in connection with this Agreement (collectively, the "Company Documents"), and to perform and comply with all of the terms, obligations and covenants to be performed and complied with by Company hereunder and

thereunder and (d) true and correct copies of the Company?s Articles of Incorporation and Bylaws are attached as Schedule 5.1.

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

5.3. NO VIOLATION. None of (i) the execution, delivery and performance by Company of this Agreement or any of the Company Documents, (ii) the consummation of the Transaction, or (iii) Company's compliance with the terms or conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (a) Company's articles of incorporation or bylaws, (b) any judgment, decree, order, consent, agreement, lease or other instrument (including any Material Contract) to which Company is a party or by which Company or its Business may be legally bound or affected, or (c) any law, rule, regulation or ordinance of any Governmental Authority applicable to Company or its Business or the operation of the Station.

5.4. GOVERNMENTAL AUTHORIZATIONS. Except for the FCC Licenses or as set forth on Schedule 5.4 hereto, no licenses, permits, or authorizations from any Governmental Authority are required to own, use or operate the Station or to conduct the Business as currently operated and conducted by Company. The FCC Licenses are all the Commission authorizations held by Company with respect to the Station, and are all the Commission authorizations used in or necessary for the lawful operation of the Station as currently operated by Company. The FCC Licenses are in full force and effect, are subject to no conditions or restrictions other than those of general applicability and are unimpaired by any acts or omissions of Company, Company's officers, employees or agents. Company has delivered true and complete copies of all FCC Licenses to Buyer. There is not pending or, to the knowledge of Company, threatened, any action by or before the Commission or any other Governmental Authority to revoke, cancel, rescind or modify any of the FCC Licenses (other than proceedings to amend Commission rules of general applicability or otherwise affecting the broadcast industry generally), and there is not now issued, outstanding or pending or, to the knowledge of Company, threatened, by or before the Commission or any other Governmental Authority, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Company or otherwise with respect to the Station. The Station is operating in material compliance with all FCC Licenses, the Communications Act and the published rules, regulations, and policies of the Commission. The Commission's most recent renewals of the FCC Licenses were not challenged by any petition to deny or any competing application. Company

has no knowledge of any facts relating to it that, under the Communications Act or the published rules, regulations, and policies of the Commission would constitute cause for the Commission to deny Commission renewal of the FCC Licenses or deny Commission consent to the Transaction.

5.5. CONTRACTS. Schedule 5.5 lists all Contracts to which Company is a party for which a payment greater than $500 is due for the unexpired term thereof. The Company has provided Buyer access to copies of all such Contracts. The Contracts so furnished to Buyer have not been amended or terminated and are in full force and effect. Company has identified each contract which is a Material Contract with an asterisk on Schedule 5.5.

5.6. INSURANCE. Schedule 5.6 lists all insurance policies held by Company with respect to the Business and operation of the Station. Such insurance policies are in full force and effect, all premiums with respect thereto are currently paid and Company is in compliance with the terms thereof. Company has not received any notice from any issuer of any such policies of its intention to cancel, terminate, or refuse to renew any policy issued by it. Company will maintain the insurance policies listed on Schedule 5.6 in full force and effect through the Closing Date.

5.7. INCOME STATEMENTS.

(a) Company has furnished Buyer with the unaudited cash-based income statements (the "Statements") for the calendar years 1993, 1994, 1995 and 1996. The Statements fairly present Company's income received and cash expenses of the Station (not including interest, taxes or depreciation and amortization) as of the dates and for the periods indicated. From December 31, 1996 to the date of execution of this Agreement, there has been no material adverse change to the condition of the assets of the Station.

(b) From December 31, 1996 to the date of execution of this Agreement, (i) Company has not made any contract, agreement or commitment or incurred any obligation or liability (contingent or otherwise), except in the ordinary course of business and consistent with past business practices, or (ii) there has not been any discharge or satisfaction of any obligation or liability owed by Company, which is not in the ordinary course of business or which is inconsistent with past business practices.

(c) Company maintains only the bank accounts as shown in Schedule 5.7 and no other bank accounts of any kind. Buyer has been provided with bank statements, dated as indicated on Schedule 5.7, related to such accounts (the "Bank Statements"). Except as shown on such Bank Statements or on Schedule 5.7, and, with respect to items which have not cleared as of the last Bank Statements, as shown on the Company's cash receipts and disbursements journal, there have been no material receipts or disbursements, whether by cash or check, by the Company of any kind except as specifically permitted hereunder. Since the date of the last of the Bank Statements furnished to Buyer by the Company, no checks have been issued for any purpose other than in the ordinary course of business except as specifically permitted hereunder.

5.8. EMPLOYEES. Except as otherwise listed in Schedule 5.8, (a) no employee of Company is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and, to the knowledge of Company, there has been no concerted effort to unionize any of Company's employees and (b) Company has no other written or oral employment agreement or arrangement with any Company employee, and no written or oral agreement concerning bonus, termination, hospitalization or vacation. As of this date there is no and at the time of Closing there will not be any consideration of whatever nature due and owing by Allied, Shareholder or the Company to any employee of the Company whose employment is to be terminated effective as of the Closing except regular salary payments which shall be satisfied by Allied at the end of such employee's regular pay period. Included in Schedule 5.8 is a list of all persons currently employed at Company together with an accurate description of the material terms and conditions of their respective employment as of the date of this Agreement. Company will promptly advise Buyer of any changes that occur prior to Closing with respect to such information, provided, that Company, Shareholder and Allied have no obligation to induce any Company employee to remain employed until the Closing Date, nor any obligation to Buyer to retain any or all of the employees until the Closing Date in the event any or all of such employees choose to resign provided, however, that neither Company Shareholder nor Allied will encourage employees to seek other employment. Within five (5) days of the filing of the application specified in Section 4.1, Allied will provide written notice to each employee that he or she may be terminated by Buyer effective as of the Closing.

5.9. EMPLOYEE BENEFIT PLANS.

(a) Except as described in Schedule 5.9, Company has not at any time established, sponsored, maintained, or made any contributions to, or been a party to any contract or other arrangement or been subject to any statute or rule requiring it to establish, maintain, sponsor, or make any contribution to, (i) any "employee pension benefit plan" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended, and regulations thereunder ("ERISA")) ("Pension Plan"); (ii) any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) ("Welfare Plan"); or (iii) any deferred compensation, bonus, stock option, stock purchase, or other employee benefit plan, agreement, commitment, or arrangement ("Other Plan"). Company has no obligation or liability (whether accrued, absolute, contingent, or unliquidated, whether or not known, and whether due or to become due) with respect to any "employee benefit plan" (as defined in Section 3(3) of ERISA), or Other Plan that is not listed in Schedule 5.9.

(b) Each plan or arrangement listed in Schedule 5.9 (and any related trust or insurance contract pursuant to which benefits under such plans or arrangements are funded or paid) has been administered in all material respects in compliance with its terms and in both form and operation is in compliance with applicable provisions of ERISA, the Code, the Consolidated Omnibus Budget Reconciliation Act of 1986 and regulations thereunder, and other applicable law. Each Pension Plan listed in Schedule 5.9 has been determined by the Internal Revenue Service to be qualified under Section 401(a) and, if applicable, Section 401(k) of the Code, and nothing has occurred or been omitted since the date of the last such determination that resulted or could result

in the revocation of such determination. To its knowledge Company has made all required contributions or payments to or under each plan or arrangement listed in Schedule 5.9 on a timely basis.

(c) The consummation of this Agreement (and the continued employment by Buyer of the employees of Company) will not result in any liability to Buyer for taxes, penalties, interest or any other claims resulting from any employee benefit plan (as defined in Section 3(3) of ERISA) or Other Plan. In addition, Company makes the following representations to the best of its knowledge (i) as to all of its Pension Plans: (a) Company has not become liable to the PBGC under ERISA under which a lien could attach to the assets of Company; (b) Company has not ceased operations at a facility so as to become subject to the provisions of Section 4062(e) of ERISA; and (c) Company has not made a complete or partial withdrawal from a multi-employer plan (as defined in Section 3(37) of ERISA) so as to incur withdrawal liability as defined in Section 4201 of ERISA, and (ii) all group health plans maintained by Company have been operated in material compliance with Section 4980B(f) of the Code.

5.10. ENVIRONMENTAL PROTECTION. Except as set forth on Schedule 5.10, to the knowledge of Company (a) no Hazardous Substances have been treated, stored, used, released or disposed of on the Studio Site or Transmitter Site in any manner that would cause Company to incur material liability under any Environmental Laws; (b) Company is not liable for cleanup or response costs with respect to any present or past emission, discharge, or release of any Hazardous Substances; (c) no "underground storage tank" (as that term is defined in regulations promulgated by the federal Environmental Protection Agency) is used in the operation of the Station or is located on the Studio Site or the Transmitter Site; (d) there are no pending actions, suits, claims, legal proceedings or any other proceedings based on environmental conditions or noncompliance at the Studio Site or Transmitter Site, or any part thereof, or otherwise arising from Company's activities involving Hazardous Substances; (e) no notice, summons, citation, directive, letter or other communication regarding Hazardous Substances has been received from any party concerning any intentional or unintentional action or omission on the part of the Company; (f) there are no conditions, facilities, procedures or any other facts or circumstances at the Studio Site or Transmitter Site which constitute material noncompliance with Environmental Laws; and (g) there are no structures, improvements, equipment, activities, fixtures or facilities at the Studio Site or Transmitter Site which are constructed with, use or otherwise contain Hazardous Substances, including, but without limitation, friable asbestos or material amounts of polychlorinated biphenyls.

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

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

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

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

(d) Company has paid to the Commission the regulatory fees due for the Station for the years 1994-96 and will timely pay the regulatory fee due for 1997.

5.12. LITIGATION. Except for proceedings affecting radio broadcasters generally and except as set forth on Schedule 5.12, there is no litigation, complaint, investigation, suit, claim, action or proceeding pending, or to the knowledge of Company, threatened before or by the Commission, any other Governmental Authority, or any arbitrator or other person or entity relating to the Business or the operations of the Station. Except as set forth on Schedule 5.12, there is no other litigation, action, suit, complaint, claim, investigation or proceeding pending, or to the knowledge of Company, threatened that may give rise to any claim against the Business or adversely affect Company's ability to consummate the Transaction as provided herein.

5.13. INSOLVENCY PROCEEDINGS. No insolvency proceedings of any character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Company, the Business or the Station are pending or, to the knowledge of Company, threatened. Company has not made an assignment for the benefit of creditors.

5.14. SALES AGREEMENTS. The Sales Agreements in existence on the date hereof have been entered into in the ordinary course of the Business, at rates consistent with Company's usual past practices and each Sales Agreement is for a term no longer than 13 weeks or, if longer, is terminable by the Station upon not more than 15 days notice.

5.15. LIABILITIES. Except for the Allied Indebtedness and payables arising in the ordinary course of business, there are no known liabilities or obligations of Company relating to the Business or the Station, whether related to tax or non-tax matters, except taxes not due to be paid.

5.16. SUFFICIENCY OF ASSETS. Except as disclosed separately in Schedule 5.16, the material assets currently used in the Business are in working condition and are in operation and use in the ordinary course of the Business and are sufficient for the operation of the Business as currently conducted. The material broadcast-related assets of the Business are and, on the Closing Date will be, sufficient to conduct the operation and business of the Station in the manner in which it is currently being conducted; and no material adverse change shall have occurred to the condition of such related broadcast assets.

5.17. CERTAIN INTERESTS AND RELATED PARTIES. Except as set forth in Schedule 5.17 and except for the fact that Shareholder is an officer, director and principal of Allied, (a) Shareholder has neither any material interest in any property used in or pertaining to the Business, nor is indebted or otherwise obligated to Company; (b) Company is not indebted or otherwise obligated to Shareholder or others except for amounts due under arrangements made in the ordinary course of business as to salary or reimbursement of ordinary business expenses not unusual in amount or significance; (c) neither Company nor any shareholder, officer or director of Company has any interest whatsoever in any corporation, firm, partnership or other business enterprise which has had any business transactions with Company relating to the Business or the Station; and (d) no shareholder of Company has entered into any transactions with Company relating to the Business or the Station. The consummation of the transactions contemplated by this Agreement will not (either alone, or with the occurrence of any termination or constructive termination of any arrangement, or with the lapse of time, or both) result in any benefit or payment (severance or other) arising or becoming due from Company to Shareholder after the Closing Date.

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

executed any agreement with any Governmental Authority extending the period for assessment or collection of any Taxes. There are no liens for any Taxes on the assets of the Company.

5.19. NO MISLEADING STATEMENTS. No provision of this Agreement relating to Company, the Business, or Station or any Schedule contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading, and Company will promptly disclose to Buyer any material fact that Company is obligated to disclose to assure the continuing accuracy of the representations and warranties contained in this Section 5 until the Closing Date. All Schedules attached hereto are materially accurate and complete as of the date hereof.

5.20. BROKER. With the exception of Shareholder's and Company's brokerage arrangement with Blackburn & Co., Inc. there is no broker or finder or other person who would have any valid claim against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by Company. Allied will pay the brokerage fee due Blackburn & Co., Inc. at Closing.

5.21. SUBSIDIARIES/AFFILIATES. The Company does not have any subsidiaries or affiliates. The Company does not hold title to the stock of any other corporation.

5.22. STOCK. The authorized capital stock of Company consists of 1,000 shares of common stock and 500,000 shares of preferred stock. There are currently 100 shares of issued and outstanding common stock all of which are owned by Shareholder and no shares of preferred stock of the Company are issued and outstanding. At the Closing, Buyer will acquire good and marketable title to and complete ownership of the Shares, free and clear of any Encumbrance. Other than the Option Agreement, the Company has no outstanding options, subscriptions, warrants, calls, commitments or agreements to issue or to repurchase any shares of its stock or other securities, including any right of conversion or exchange under any outstanding security or other instrument. There are no unsatisfied preemptive rights in respect of the Shares.

5.23. PROPERTY. Schedule 5.23.1 lists the tangible personal property of Company. The Company has and will have at Closing good and marketable title to all of its assets, free and clear of all Encumbrances of any nature whatsoever, except for taxes, assessments, governmental charges or levies on its property, if such assessments, governmental charges or levies shall not at the time be due and delinquent and except as permitted by agreements between the parties. The Company owns or licenses all material trademarks, trade names, service marks, copyrights, and all computer programs, software and other intangible rights and property necessary to conduct its business in the ordinary course consistent with past practices. All real estate owned or leased by Company is separately listed on Schedule 5.23.2 and all material leasehold properties held by Company as lessee are held under valid, binding and enforceable leases, subject only to such exceptions as are not, individually or in the aggregate, material to the Business. To the knowledge of the Company neither the whole nor any portion of any of the leased real property is subject to any pending condemnation

or similar proceeding by any Governmental Authority. The Company has all consents, permits, licenses or certificates of occupancy pertaining to the operations conducted on any leased real property the absence of which would have a material adverse effect on the business, operations or financial condition of the Company. The Company has not received written notification specifying the existence of any violation (which has not been cured) of any building, zoning or other law, ordinance or regulation in respect of the leased real property or structures thereon or the use thereof.

5.24. CORPORATE RECORDS. The corporate records of Company have been made available to Buyer and accurately represent the status of Company in all material respects.

5.25. DIVIDENDS AND OTHER DISTRIBUTIONS. There has been no dividend or other distribution of assets or securities whether consisting of money, property or any other thing of value, declared, issued or paid subsequent to the date of the most recent Statement described in Section 5.7, except as specifically permitted herein.

5.26. NAMES; PRINCIPAL PLACE OF BUSINESS. The addresses of Company's chief executive office and all of Company's additional places of business, and of all places where any of the tangible personal property of Company is now located, or has been located during the past 180 days, are correctly listed in Schedule 5.26. During the past five years, Company has not been known by or used, nor, to the best of Company's knowledge, has any prior owner of the Station been known by or used, any corporate, partnership, fictitious or other name in the conduct of the Station's business or in connection with the ownership, use or operation of the Station, except WYCB-AM or Broadcast Holdings, Inc.

6. REPRESENTATIONS WARRANTIES AND COVENANTS OF SHAREHOLDER.

The Shareholder hereby makes to and for the benefit of Buyer, the following representations and warranties:

6.1. BINDING EFFECT. This Agreement constitutes the legally valid and binding obligation of Shareholder, enforceable against him in accordance with its terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws and equitable principles relating to or limiting creditors' rights generally.

6.2. OWNERSHIP OF STOCK. Shareholder is the sole shareholder of the Company and Shareholder holds title to 100 shares of common stock and no shares of preferred stock. Such shares are owned free and clear of any Encumbrance. The Shares are validly issued, fully paid and nonassessable. Other than the Option Agreement, Shareholder is not a party to any outstanding options, subscriptions, warrants, calls, commitments or agreements relating to the disposition of any shares of stock in the Company, including any right of conversion or exchange under any outstanding security or other instrument. There are no preemptive rights to which Shareholder is entitled pursuant to the Articles of Incorporation.

6.3. VALIDITY OF OPTION AGREEMENT. The Option Agreement is in full force and effect and has not been previously exercised, revoked, canceled or terminated.

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

7.1. EXISTENCE AND POWER. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to assume and perform this Agreement.

7.2. BINDING EFFECT. The execution, delivery and performance by Buyer of this Agreement, and each other document, agreement and instrument to be executed and delivered by Buyer in connection with this Agreement, specifically including without limitation the Note, the Guaranty and Security Agreement, the Stock Pledge Agreement and the UCC's, (collectively, the "Buyer Documents") has been or will be duly authorized by all necessary corporate action, and copies of resolutions of the Buyer's Board of Directors, certified by Buyer's Secretary, shall be delivered to Shareholder at Closing. No other corporate action by Buyer is required for Buyer's execution, delivery and performance of this Agreement or any of the Buyer Documents. This Agreement has been, and each of the Buyer Documents will be, duly and validly executed and delivered by Buyer to Company and constitutes a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

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

7.4. LITIGATION. There is no litigation, action, suit, complaint, proceeding or investigation, pending or, to the knowledge of Buyer, threatened that may adversely affect Buyer's ability to consummate the Transaction as provided herein. Buyer is not aware of any facts that could reasonably result in any such proceedings.

7.5. LICENSEE QUALIFICATIONS. To the knowledge of Buyer there is no fact that would, under the rules and regulations of the Commission, disqualify Buyer from being the transferee of the Shares or the owner and operator of the Station. Should Buyer become aware of any such fact, it

will promptly inform Company, and Buyer will use commercially reasonable efforts to remove any such disqualification. Buyer will not take any action that Buyer knows, or has reason to believe, would result in such disqualification.

7.6. FINANCIAL QUALIFICATIONS. Buyer has the financial capacity to perform its obligations hereunder.

7.7. SUBSIDIARY STATUS. As of the Closing, Buyer will be an Unrestricted Subsidiary as such term is defined in the Indenture dated as of May 15, 1997, with respect to Radio One, Inc.'s 12% Senior Subordinated Notes due 2004.

8. COVENANTS WITH RESPECT TO CONDUCT OF THE COMPANY.

8.1. ACCESS. Between the date hereof and the Closing Date, Company shall give Buyer and representatives of Buyer reasonable access during normal business hours to the Business, the Station, the employees of Company (with the prior consent of Company not to be unreasonably withheld) and the books and records of Company relating to the Business and the operation of the Station. It is expressly understood that, pursuant to this Section, Buyer, at its expense, shall be entitled to conduct such engineering inspections of the Station, such environmental assessments and surveys of the Studio Site and the Transmitter Site (subject to the landlord's prior approval, which Company will cooperate in obtaining, and provided Buyer restores such sites after such assessments), and such reviews of Company's financial records as Buyer may desire, so long as the same do not unreasonably interfere with Company's operation of the Business. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Company's representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants.

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

(a) Company shall promptly notify Buyer of any event of which it obtains knowledge which has had or is likely to have a material adverse effect on the Business.

(b) Company shall furnish to Buyer (i) monthly cash-based income statements for Company within fifteen (15) days of the end of the month and (ii) such other reports as Buyer may reasonably request relating to Company.

(c) Company shall promptly furnish to Buyer copies of all Tax Returns or excerpts thereof filed with any Governmental Authority relating to Company.

8.3. CONDUCT OF BUSINESS. Between the date that this Agreement is executed and the Closing Date, Company covenants and agrees that Company shall not without the prior written consent of Buyer, unless otherwise permitted by this Agreement:

(a) conduct the Business in any manner except in the ordinary course consistent with past practices;

(b) issue, sell or deliver, split, reclassify, combine or otherwise adjust, any stock, bonds or other securities of which Company is the issuer (whether authorized and unissued or held in treasury), or grant or issue any options, warrants or other rights (including convertible securities) calling for the issue thereof;

(c) borrow any funds or incur, assume or become subject to, whether directly or by way of guarantee or otherwise, any obligation or liability (absolute or contingent), except with respect to liabilities and obligations arising in the ordinary course of business and consistent with past amounts and practice;

(d) mortgage or pledge any of its assets, tangible or intangible;

(e) except in the ordinary course of business, sell, lease, exchange or otherwise transfer, or agree to sell, lease, exchange or otherwise transfer, any of its material assets, property or rights or cancel any debts or claims;

(f) grant any right of first refusal, option or similar contract to purchase any of the assets, property or rights used in the Business or held by Company;

(g) except in the ordinary course of business or as required by Law, make or agree to any material amendment to or termination of any FCC License relating to the Business or to which Company is a party;

(h) except as required by Law, adopt, any profit-sharing, bonus, deferred compensation, insurance, pension, retirement, severance or other employee benefit plan, payment or arrangement or, except in the ordinary course of business, enter into any employment, consulting or management contract;

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

(j) make any tax election inconsistent with past practice or Buyer's interests, or except as required by Law or GAAP, make any material alteration in the manner of keeping its books, accounts or records, or in the accounting practices therein reflected;

(k) solicit, either directly or indirectly, initiate, encourage or accept any offer for the purchase or acquisition of the Business, Company or any of their respective assets by any party other than Buyer;

(l) set aside or pay any dividend on Shares or property or directly or indirectly redeem, purchase or otherwise acquire any of its own stock or debt, or make any other distributions of its assets to its Shareholder provided that, one day prior to the Closing, Company shall be specifically permitted to dividend or otherwise pay to Allied the amount of all cash held by the Company, the Business or the Station;

(m) amend or alter the Certificate of Incorporation or Bylaws or other charter documents of Company;

(n) enter into, extend (except as required by the terms thereof) or amend any Material Contract, other than with respect to Contracts for the purchase, production, distribution or licensing of programming in the ordinary course of business and consistent with prior practice;

(o) enter into any other transactions involving liabilities of more than $25,000.00 on the part of Company;

(p) terminate without comparable replacement or fail to renew any insurance coverage applicable to the assets or properties of Company; or

(q) compromise or settle any claims or rights for or having a value, in excess of $25,000.00.

8.4. DAMAGE.

(A) RISK OF LOSS. The risk of loss or damage, confiscation or condemnation of the Business, the Station and all associated assets shall be borne by Company at all times prior to Closing. In the event of material loss or damage, Company shall promptly notify Buyer thereof and use commercially reasonable efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing or restoring any lost or damaged property is Twenty-Five Thousand Dollars ($25,000) or less, and Company has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Buyer may deduct from the principal amount of the Promissory Note to be delivered at Closing the amount necessary to restore the lost or damaged property to its former condition. If the cost to repair, replace, or restore the lost or damaged property exceeds Twenty-Five Thousand Dollars ($25,000), and Company has not repaired, replaced or restored such property prior to the Closing Date to the satisfaction of Buyer, Buyer may, at its option:

(1) elect to consummate the Closing in which event Buyer may deduct from the principal amount of the Promissory Note to be delivered at Closing the amount necessary to restore the lost or damaged property to its former condition less the proceeds payable under any applicable insurance policies with respect to such claim; or

(2) elect to postpone the Closing, with prior consent of the Commission if necessary, for such reasonable period of time (not to exceed ninety (90) days) as is necessary for Company to repair, replace or restore the lost or damaged property to its former condition. If, after the expiration of such extension period the lost or damaged property has not been fully repaired, replaced or restored to Buyer's reasonable satisfaction, Buyer may terminate this Agreement, and the parties shall be released and discharged from any further obligation hereunder.

(B) FAILURE OF BROADCAST TRANSMISSIONS. Company shall give prompt written notice to Buyer if any of the following (a "Specified Event") shall occur and continue for a period of more than four (4) hours (except for routine maintenance): (i) the transmission of the regular broadcast programming of the Station in the normal and usual manner is interrupted or discontinued; or (ii) the Station is operated at less than its licensed antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power. If, prior to Closing, the Station has not operated at its licensed operating parameters for more than thirty-six (36) hours (or, in the event of force majeure or utility failure affecting generally the market served by the Station, ninety-six (96) hours), whether or not consecutive, during any period of thirty (30) consecutive days, or if there are three (3) or more Specified Events each lasting more than four (4) consecutive hours, then Buyer may, at its option: (i) terminate this Agreement, or (ii) proceed in the manner set forth in Section 8.4(a)(1) or 8.4(a)(2). In the event of termination of this Agreement by Buyer pursuant to this Section, the parties shall be released and discharged from any further obligation hereunder.

(C) RESOLUTION OF DISAGREEMENTS. If the parties are unable to agree upon the extent of any loss or damage, the cost to repair, replace or restore any lost or damaged property, the adequacy of any repair, replacement, or restoration of any lost or damaged property, or any other matter arising under this Section, if the amount in issue is less than $25,000, Buyer shall deduct its reasonable estimated cost (less proceeds payable under any applicable insurance policy) from the Purchase Price. If either party believes the amount to be greater than $25,000 and Buyer is seeking compensation from Company for that greater amount, then the parties shall enter into negotiations in an attempt to reach a satisfactory resolution. If after a thirty-day negotiation period the parties fail to reach an agreement, then either Company or Buyer may terminate this Agreement and shall be released and discharged from any further obligation hereunder.

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

8.5. CONTROL OF STATION. The Transaction shall not be consummated until after the Commission has given its written consent thereto and between the date of this Agreement and the

Closing Date, Shareholder and Company shall control, supervise and direct the operation of the Station.

8.6. COOPERATION WITH RESPECT TO FINANCIAL AND TAX MATTERS. From the date of Closing and for a period of three (3) years thereafter, Allied shall provide Buyer with such cooperation and information as Buyer shall reasonably request in Buyer's: (i) filing of any tax return, amended return or claim or refund, (ii) determining a liability for taxes or a right to a refund of taxes, (iii) participating in or conducting any audit or proceeding in respect of taxes or (iv) analysis and review of the Statements. Such cooperation and information shall include providing copies of relevant tax returns or portions thereof, together with accompanying schedules and related work papers and documents relating to rulings or other determinations by tax authorities. Allied shall make the Company's independent accounting firm and the information relied upon by that firm, available to provide explanations of any documents or information provided hereunder. Such cooperation shall not mean that Allied is required to bear responsibility for any out-of-pocket expenses incurred (although Allied remains liable for its indemnification obligations if any under Section 10.1). Should Allied's cooperation pursuant to this Section result in any out-of-pocket expense, then Allied shall be entitled to reimbursement from Buyer. However, if Allied's total out-of-pocket expense would at any time exceed $10,000, then Allied shall inform Buyer prior to incurring such expense. Should Buyer decline to accept responsibility for total out-of-pocket expenses in excess of $10,000, then Allied's cooperation pursuant to this Section shall be limited to efforts that do not result in Allied incurring out-of-pocket expenses in excess of $10,000. Any information obtained under this Section shall be kept confidential, except as may be otherwise necessary in connection with the filing of tax returns or claims for refund or in conducting an audit or other proceeding.

8.7. BANK ACCOUNTS. Buyer will establish a new bank account on behalf of the Company upon Closing. Allied shall maintain the preexisting bank account solely to collect accounts receivable and pay accounts payable and such preexisting account shall be closed within one hundred eighty (180) days of Closing.

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

8.9. TIME BROKERAGE AND OPERATING AGREEMENT. After execution of this Agreement, Company and Buyer shall cooperate in good faith and use commercially reasonable efforts to enter into a Time Brokerage Agreement (?TBA) that would be effective after execution of this Agreement and would permit Buyer to program up to 24 hours per day, 7 days per week of the Station's programming subject to Company's obligation to provide programming responsive to the community's needs. Such agreement would contain terms and conditions standard in the broadcasting industry for these types of arrangements, provided, that the TBA shall also contain provisions modifying or waiving certain representations and warranties of the Company with respect to conditions or events that may be modified consistent with Buyer's obligation under the TBA.

9. CONDITIONS PRECEDENT.

9.1. MUTUAL CONDITIONS. The respective obligations of Buyer, Shareholder, Company and Allied to consummate the Transaction are subject to the satisfaction of each of the following conditions:

(A) APPROVAL OF TRANSFER OF CONTROL APPLICATION. The Commission shall have granted the Transfer of Control Application, and such grant shall have become a Final Order.

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

9.2. ADDITIONAL CONDITIONS TO BUYER'S OBLIGATION.

In addition to the satisfaction of the mutual conditions contained in Section 9.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction or waiver by Buyer of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. Unless otherwise set forth therein, the representations and warranties of Company and Shareholder to Buyer shall be true, complete, and correct in all material respects as of the Closing Date with the same force and effect as if then made.

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

(C) DISCHARGE OF LIENS.

(1) Company shall have obtained and delivered to Buyer, at Company's expense, at least 10 days prior to Closing, a report prepared by C.T. Corporation System (or similar firm reasonably acceptable to Buyer) showing the results of searches of lien, tax, judgment and litigation records, demonstrating that the Company and Business are free and clear of all liens, security interests and encumbrances except the Allied Indebtedness) and any Indebtedness to be satisfied at Closing and that there are no judgments or pending litigation. The record searches described in the report shall have taken place no more than 15 days prior to the Closing Date.

(2) Buyer shall have received a certificate, dated the Closing Date, and signed by the President of Company to the effect that Company has no Indebtedness except payables

in the ordinary course and the Allied Indebtedness which shall be discharged in full at Closing. Buyer shall also have received such releases and UCC termination statements as it may reasonably request in connection with the discharge of any Indebtedness, including the Allied Indebtedness.

(D) THIRD-PARTY CONSENTS. Company shall have obtained any requisite third-party consents relating to Material Contracts or other approvals which may be necessary to consummate the Transaction. The consents from each landlord under the leases for the Studio Site and the Transmitter Site shall state (i) that such lease is in full force and effect and has not been amended or modified; (ii) the date to which all rent and/or other payments due thereunder have been paid; and (iii) that Company is not in breach or default under such lease, and that no event has occurred that, with notice or the passage of time or both, would constitute a breach or default thereunder by Company.

(E) FINANCIAL STATEMENTS. The information set forth in the Station's Statements for the year ending December 31, 1996, and for the period ending thirty (30) days prior to the Closing Date fairly and accurately reflect the performance and results of operation of the Business and the Station for those periods.

(F) SALES AND CUSTOMER INFORMATION. The sales and customer information provided in Schedule 9.2 are accurate and complete in all material respects.

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

(i) Company is a corporation validly existing and in good standing under the laws of the District of Columbia and has all requisite corporate power and authority to enter into and perform this Agreement.

(ii) This Agreement the Note, the Guaranty and Security Agreement, the UCCs, the Stock Pledge Agreement, and the Warrant (the "Security Documents") have been duly executed and delivered by Company and such action has been duly authorized by all necessary corporate action. This Agreement and the Security Documents constitute the legal, valid, and binding obligation of Company, enforceable against Company in accordance with their terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

(iii) None of (a) the execution and delivery of this Agreement and the Security Documents, (b) the consummation of the Transaction, or (c) compliance with the terms and conditions of this Agreement will, with or without the giving of notice or lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under, or violate Company's articles of incorporation or bylaws, any law, rule, regulation or other requirement of any

Governmental Authority, or any judgment, decree, order, material agreement, material lease or other material instrument known to counsel to which Company is a party or by which Company, the Business or the Station is bound.

(iv) To counsel's knowledge, counsel is not representing or advising Company as to any pending or threatened suit, action, claim or proceeding that questions or may affect the validity of any action to be taken by Company pursuant to this Agreement or that seeks to enjoin, restrain or prohibit Company from carrying out the Transaction.

(v) To counsel's knowledge, counsel is not representing or advising Company as to any outstanding judgment, or any pending or threatened suit, action, claim or proceeding (other than proceedings affecting radio broadcasters generally) that could reasonably be expected to have an adverse effect upon the Station's assets or upon the business or operations of the Station after Closing.

(vi) Company is the authorized holder of the FCC Licenses, the FCC Licenses are in full force and effect, and the FCC Licenses are not the subject of any pending license renewal application. The FCC Licenses set forth on Schedule 5.4 constitute all FCC licenses and authorizations issued in connection with the operation of the Station. There are no applications pending before the Commission with respect to the Station.

(vii) The Commission has consented to the assignment of the FCC Licenses to Buyer and that consent has become a Final Order.

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

(ix) Shareholder holds title to 100 shares of common stock and no shares of preferred stock, and such Shares are owned free and clear of any Encumbrance. The Shares are validly issued, fully paid and nonassessable. The Shares constitute all the issued and outstanding shares of capital stock of Company. To counsel's knowledge, there are no outstanding stock options or stock appreciation rights granted by Shareholder or Company to any person or entity exercisable now or in the future. To counsel's knowledge, Shareholder has no outstanding subscriptions, warrants, calls, commitments or agreements to issue or to repurchase any shares of his stock or other securities, including any right of conversion or exchange under any outstanding security or other instrument. There are no unsatisfied preemptive rights to which Shareholder is entitled.

The foregoing opinions shall be for the benefit of and may be relied on by Buyer and Buyer's lenders (specifically identified by Buyer on or before the Closing Date). In rendering such opinions, Company's counsel may rely upon: (a) corporate records of Company, (b) files and records of the FCC, (c) certificates of public officials; and (d) certificates and representations of the Company and

its officers. The opinion may be given as if the law of the District of Columbia applicable to transactions in that jurisdiction applies.

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

(I) CLOSING DOCUMENTS. At the Closing Company and Shareholder shall deliver to Buyer (i) such instruments of conveyance as are necessary to vest in Buyer title to the Shares, all of which documents shall be dated as of the Closing Date, duly executed by Company and in form reasonably acceptable to Buyer; (ii) a certificate, dated the Closing Date, executed by Company's President certifying as to those matters set forth in Section 9.2(a) and (b); and (iii) copies of Company's corporate resolutions authorizing the Transaction, each certified as to accuracy and completeness by Company's Secretary.

(J) RESIGNATION OF DIRECTORS AND OFFICERS. All the directors and officers of Company identified in an Incumbency Certificate executed by the President, shall have submitted their resignations in writing to Company. Such resignations shall be effective as of the Closing.

(K) STOCK CERTIFICATES. Buyer shall receive at Closing duly executed stock certificates for the shares documenting transfer of the Shares to Buyer.

(L) RECORDS. Buyer shall receive at Closing the original corporate records of Company and original copies of the Station Records.

(M) INSURANCE POLICIES. Buyer shall receive at Closing all contracts of insurance (including any cash surrender value thereof).

(N) BROKERAGE FEE. Company shall have paid at Closing the fee due to Blackburn & Co., Inc.

(O) ACCOUNTS PAYABLE. Allied shall deliver a document stating that all Accounts Payable that have accrued up until the date of Closing shall be satisfied within 30 days of receipt of notice that the Account Payable is due.

(P) TRADE AND BARTER. At the Closing, Company shall deliver a certificate to the effect that all advertising time pursuant to trade and barter agreements entered into prior to Closing shall have been fully satisfied and that there is no remaining obligation to provide advertising time pursuant to such contracts.

(Q) ALLIED INDEBTEDNESS. At the Closing, the Allied Indebtedness shall be discharged, all loan documents shall be marked as paid, all pledged collateral shall be returned to the Company and any financing statements required to release liens on the Company's assets shall be executed by Allied and delivered to the Company.

9.3. ADDITIONAL CONDITIONS TO COMPANY'S SHAREHOLDER'S AND ALLIED'S OBLIGATION. In addition to satisfaction of the mutual conditions contained in Section 9.1 the obligation of Company, Shareholder and Allied to consummate the Transaction is subject, at Company's, Shareholder's and Allied's option, to the satisfaction or waiver by Company, Shareholder and Allied of each of the following conditions:

(A) REPRESENTATIONS AND WARRANTIES. Unless otherwise set forth therein, the representations and warranties of Buyer to Company and Shareholder shall be true, complete and correct in all material respects as of the Closing Date with the same force and effect as if then made.

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

(C) OPINION OF BUYER'S COUNSEL. At Closing, Buyer shall deliver to Shareholder the written opinion of Buyer's counsel, dated the Closing Date, in scope and form reasonably satisfactory to Company, to the following effect:

(i) Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, with all requisite corporate power and authority to enter into and perform this Agreement.

(ii) This Agreement, the Note, the Guaranty and Security Agreement, the UCCs, the Stock Pledge Agreement, and the Warrant (the "Security Documents") have been duly executed by Buyer, and such action has been duly authorized by all necessary corporate action. This Agreement and the Security Documents constitute the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with their terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium, and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

(iii) None of (a) the execution and delivery of this Agreement and the Security Documents, (b) the consummation of the Transaction, or (c) compliance with the terms and conditions of this Agreement will, with or without the giving of notice, lapse of time or both, conflict with, breach the terms and conditions of, constitute a default under or violate Buyer's articles of incorporation or by-laws, or, to the knowledge of counsel, any judgment, decree, order, agreement, indenture, lease or other instrument to which Buyer is a party or by which Buyer may be bound identified by Buyer on a certificate attached to the opinion as being material to the Transaction.

(iv) To the knowledge of counsel, no suit, action or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Buyer pursuant

to this Agreement, or that seeks to enjoin, restrain or prohibit Buyer from carrying out the Transaction.

The foregoing opinions shall be for the benefit of and may be relied on by Shareholder. In rendering such opinions, Buyer's counsel may rely upon such corporate records of Buyer, such certificates of public officials and officers of Buyer. Any opinion concerning the enforceability of this Agreement may be based on the laws of the District of Columbia applicable to transactions in that jurisdiction.

(D) PAYMENT. Buyer shall have delivered executed copies of:

(i) the Promissory Note;

(ii) the Stock Pledge Agreement;

(iii) the Guaranty and Security Agreement;

(iv) the Warrant; and

(v) UCC statements to secure the pledge of stock and assets of the Company.

(E) CLOSING DOCUMENTS. Buyer shall deliver to Company at the Closing (i) copies of Buyer's corporate resolutions authorizing the Transaction certified as to accuracy and completeness by Buyer's Secretary; and (ii) a certificate, dated the Closing Date, executed by Buyer's President certifying as to those matters set forth in Section 9.3(a) and (b).

(F) ACCOUNTS RECEIVABLE. Buyer shall deliver a document stating that all Accounts Receivable that have accrued up until the date of Closing and all cash on hand, if any, shall be the property of Allied from and after the date of Closing and stating that the Buyer shall collect Accounts Receivable on Allied's behalf in a reasonable and customary manner.

10. INDEMNIFICATION.

10.1. OBLIGATIONS OF ALLIED. Subject to the limitations of Sections 10.6 and 10.7, Allied agrees to indemnify and hold harmless (after the Closing) Buyer, and its respective directors, officers, employees, affiliates, agents and assigns from and against any and all Loss of Buyer or Company, directly or indirectly, resulting from, based upon or arising out of:

(a) any inaccuracy in or breach of any of the representations or warranties made by Company or Shareholder in or pursuant to this Agreement; or

(b) the failure of Allied, Shareholder or Company to perform any covenant or obligation of this Agreement relating to the period before the Closing Date or of Allied after the Closing Date; or

(c) any liability for Taxes or Indebtedness of Company incurred prior to the Closing; or

(d) any liability for the funding of, payment from or claim against any Employee Benefit Plans arising prior to the Closing Date; or

(e) third party claims resulting from the actions of Shareholder or Company in the conduct of the Business prior to the Closing Date.

10.2. OBLIGATIONS OF BUYER. Buyer agrees to indemnify and hold harmless (after the Closing) Shareholder from and against any Loss of Shareholder, directly or indirectly, resulting from, based upon or arising out of:

(a) any inaccuracy in or breach of any of the representations, warranties, covenants or agreements made by Buyer in this Agreement; or

(b) except as to matters as to which Buyer is indemnified under the terms of Section 10.1, third party claims (in contract, tort or otherwise) resulting from the actions of Buyer or Company and its conduct of the Business after Closing; or

(c) any liability for Taxes or Indebtedness of Company incurred after the Closing.

10.3. PROCEDURE.

(a) NOTICE. Any party seeking indemnification with respect to any Loss pursuant to Section 10.1 or 10.2 shall give notice to the party required to provide indemnity hereunder (the "Indemnifying Party"); provided however that any delay in giving notice shall not release the Indemnifying Party from its obligations (i) except to the extent the Indemnifying Party is actually prejudiced thereby or (ii) unless the Indemnifying Party is thereby precluded from defending or approving settlement of the claim.

(b) DEFENSE. If any claim against an Indemnified Party shall arise by reason of any claim made by third parties against it, the Indemnifying Party shall have the right to assume the defense of the matter giving rise to the claim for indemnification through counsel of its selection reasonably acceptable to the Indemnified Party at the Indemnifying Party's expense, and the Indemnified Party shall have the right, at its own expense, to employ counsel to represent it, which counsel shall act in an advisory capacity only. The Indemnified Party shall cooperate fully to make available to the Indemnifying Party all pertinent information under the Indemnified Party's control

as to the claim and shall make its appropriate personnel, if any, available for any discovery, trial or appeal. If the Indemnifying Party fails or refuses to undertake the defense within 30 days after receiving the indemnification notice, the Indemnified Party shall have the right to assume the defense of such matter on behalf of and for the account of the Indemnifying Party; provided, however, that unless the Indemnifying Party has refused to undertake the defense, the Indemnified Party shall not settle or compromise any claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party may settle without the consent of the Indemnified Party any claim for money at any time, if at its sole expense and if there is no adverse impact on the Indemnified Party, no fault is assessed against the Indemnified Party and the Indemnified Party is unconditionally released from all further potential liability in connection therewith.

10.4. REMEDIES CUMULATIVE. Each party to this Agreement shall have and retain all rights and remedies set forth in this Agreement and all of the rights and remedies such parties have at law or equity.

10.5. NOTICE. Each party agrees to notify the other of any liabilities, claims or misrepresentations, breaches or other matters covered by this Section 10 upon discovery or receipt of notice thereof.

10.6. THRESHOLD CONCERNING SECTION 10.1. Notwithstanding anything to the contrary in Section 10.1, the parties shall not be entitled to indemnity under Section 10.1(a) unless the aggregate Loss indemnified against thereunder exceeds $25,000.00 (in which case, the Indemnified Party shall be entitled to recovery from the Indemnifying Party the full amount of the Loss).

10.7. SURVIVAL OF REPRESENTATIONS. The representations and warranties of the parties set forth in this Agreement or in any certificate, document or instrument delivered in connection herewith shall survive the execution and delivery of this Agreement and the Closing hereunder. Notwithstanding the preceding sentence, any claims or actions with respect thereto shall terminate unless notice of such claim or action is given to the party against whom indemnification is sought within one year of the Closing Date, unless such claims arise under Sections 5.1, 5.2, or 5.4, in which case the survival period shall be eighteen (18) months, or unless such claims arise under Sections 5.10, 5.18, 5.22, 5.23 and 6.2, in which case the survival period shall be three (3) years.

10.8. TAX RETURNS.

(A) PREPARATION AND FILING OF RETURNS FOR PRE-CLOSING PERIODS. Company shall be responsible for the initial preparation and timely filing of all Federal, State, and local income tax returns of the Company for taxable periods actually ending on or before the Closing Date. Buyer shall have the right, directly and through its designated representatives, to review at its expense any such returns that pertain to the Company at least 30 days prior to the filing thereof. Company agrees not to take any position or make any election on any such return inconsistent with prior reporting practices without the prior written consent of Buyer, if the effect of any such election or position

may be to increase the Taxes of the Company thereof from taxable periods (or portions thereof) beginning after the Closing Date or to file for an extension on the due date for any tax return without first obtaining Buyer's consent. Allied will forward any "separate company" state and local returns due after the Closing Date to Buyer, together with any necessary payment of Tax, interest or penalties, if applicable, for signature and filing at least 15 days prior to the due date of such returns.

(B) PREPARATION AND FILING OF RETURNS FOR POST-CLOSING PERIODS. Buyer shall cause to be prepared, and filed, all income tax returns of the Company for all taxable periods beginning and ending after the Closing.

10.9. ALLOCATION OF TAX LIABILITY.

(A) To the extent permitted by applicable law, the parties hereto agree to cause federal, state and local tax periods of the Company to be closed at the close of business on the Closing Date. In the event applicable law does not permit the closing of any such period, the allocation of tax liability shall be made in accordance with Section 10.9 (b).

(B) In the case of a tax return for the taxable period beginning before and ending after the Closing Date ("Overlap Period") based upon income or gross receipts, the amount of taxes attributable to any Pre-Closing Period or Post-Closing Period included in the Overlap Period shall be determined by closing the books of the Company as of the close of business on the Closing Date and by treating each of such Pre-Closing Period and Post-Closing Period as a separate taxable year, except that exemptions, allowances or deductions that are calculated on an annual basis shall be apportioned on a per diem basis. If the liability for the Taxes for an Overlap Period is determined on a basis other than income or gross receipts, the amount of Taxes attributable to any Pre-Closing Period included in the Overlap Period shall be equal to the amount of Taxes for the Overlap Period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Period included in the Overlap Period and the denominator of which is the total number of days in the Overlap Period, and the amount of such Taxes attributable to any Post-Closing Period included in an Overlap Period shall be the excess of the amount of Taxes for the Overlap Period over the amount of Taxes attributable to the Pre-Closing Period.

10.10. ACCOUNTS PAYABLE. Following the Closing Date, Allied shall promptly pay all Accounts Payable arising from the operation of the Company, the Business or the Station prior to the Closing Date.

11. DEFAULT AND REMEDIES.

11.1. OPPORTUNITY TO CURE. If any party believes the other to be in material breach hereunder, the former party shall provide the other with written notice specifying in reasonable detail the nature of such breach. If the material breach has not been cured by the earlier of: (a) the Closing Date, or (b) within 20 days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in breach undertakes diligent, good faith efforts to

cure the breach within such 20-day period and continues such efforts thereafter), then the party giving such notice may consider the other party to be in default and exercise the remedies available to such party pursuant to this Section, subject to the right of the other party to contest the alleged default through appropriate proceedings.

11.2. COMPANY'S, SHAREHOLDER'S AND ALLIED'S REMEDIES. Buyer recognizes that if the Transaction is not consummated as a result of Buyer's default, Company and Allied may be entitled to compensation the extent of which is difficult and impractical to ascertain. To avoid this problem, the parties agree that, if the Transaction is not consummated due to the default of Buyer, then Company, Shareholder and Allied, provided that neither Company, Allied nor Shareholder is in default or has otherwise failed to comply with their respective obligations under this Agreement, shall be entitled to payment from Buyer of One Hundred Thousand Dollars ($100,000). The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Company, Shareholder and/or Allied might otherwise be entitled due to Buyer's failure to consummate the Transaction as a result of a default by Buyer.

11.3. BUYER'S REMEDIES. Company, Allied and Shareholder agree that the Shares represent an interest in unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Company's, Shareholder's and Allied's performance under this Agreement, and Company, Shareholder and Allied agree (i) to waive the defense in any such suit that Buyer has an adequate remedy at law and (ii) to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. If Buyer elects to terminate this Agreement as a result of Company's or Shareholder's or Allied's default instead of seeking specific performance, Buyer shall be entitled to cash in the amount of One Hundred Thousand Dollars ($100,000) which amount shall represent liquidated damages and shall be in lieu of any other relief to which Buyer might otherwise be entitled due to Company's, Shareholder's or Allied's failure to consummate the Transaction as a result of a default by Company, Shareholder or Allied.

12. CANCELLATION OF AGREEMENT.

12.1. TERMINATION OF AGREEMENT. Anything herein to the contrary notwithstanding, this Agreement and the transactions contemplated by this Agreement shall terminate at any time before the Closing as follows:

(A) DAMAGE TO STATION. By Buyer upon written notice pursuant to Section 8.4(a) or 8.4(b) or either party upon written notice pursuant to Section 8.4(c).

(B) MUTUAL CONSENT. By mutual consent in writing by Buyer, Company and Shareholder.

(C) MATERIAL BREACH. Except as otherwise set forth in the provisions of Section 8.4, by Buyer or Company, provided such party (which in the case of Company includes

Shareholder) is not in material breach of this Agreement, if there has been a material misrepresentation or other material breach by the other party (and in the case of Company by Shareholder) of any representation, warranty or covenant set forth herein; provided, however, that the non-breaching party shall not be excused from its obligations under this Agreement (i) if such breach (other than Buyer's failure to deliver the Promissory Note and related Buyer Documents) is susceptible to cure and the breaching party cures such breach within 20 days after receipt of notice of such breach from the other party or provides assurances reasonably satisfactory to the other party that the breach will be cured prior to Closing or (ii) if such breach gives rise solely to money damages that can readily be ascertained or estimated with reasonable accuracy and the breaching party tenders such amount to the other party within 20 days after receipt of notice of such breach.

(D) BANKRUPTCY; RECEIVERSHIP. By Buyer, if any of the following events shall have occurred with respect to Company: (i) it has been adjudicated a bankrupt or insolvent or has admitted in writing its inability to pay its debts as they mature or has made an assignment for the benefit of creditors, or has applied for or consented to the appointment of a trustee or receiver for it or for the major part of its property; (ii) a trustee or receiver has been appointed for it or for any part of its property without its consent and such action is not resolved or canceled within sixty (60) days; or (iii) bankruptcy, reorganization, arrangement or insolvency proceedings, or other proceedings for relief under any bankruptcy or similar law or laws for the relief of creditors, have been instituted by or against it and remain undismissed for 60 days or longer.

(E) FCC APPROVAL. By any party to this Agreement, provided such party is not otherwise in default, if a Final Order granting the Transfer of Control Application is not obtained within nine (9) months after the date of Public Notice announcing the FCC's acceptance of the Transfer of Control Application for filing.

13. GENERAL PROVISIONS.

13.1. FEES. All Commission filing fees for the Transfer of Control Application shall be paid one-half by Allied and one-half by Buyer. All other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

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

(i) If to Company or Shareholder:

Mr. G. Cabell Williams, III
Broadcast Holdings, Inc.
c/o Allied Capital Corporation
1666 K Street, N.W., 9th Floor
Washington, D.C. 20006
Fax: (202) 659-2053

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

Lewis J. Paper, Esquire
Dickstein Shapiro Morin and Oshinsky, LLP
2101 L Street, N.W.
Washington, D.C. 20037
Fax: (202) 887-0689

(ii) If to Buyer:

Mr. Alfred C. Liggins, III, President
WYCB Acquisition Corporation
5900 Princess Garden Parkway
8th Floor
Lanham, Maryland 20706
Fax: (301) 306-9694

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

Linda J. Eckard, Esquire
Davis Wright and Tramaine
1155 Connecticut Avenue, N.W.
Suite 700
Washington, DC 20036-4313
Fax: (202) 508-6600

(iii) If to Allied:

Ms. Gay Truscott
Allied Capital Financial Corporation
Allied Investment Corporation
1666 K Street, N.W., 9th Floor
Washington, D.C. 20006
Fax: (202) 659-2053

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

13.3. ASSIGNMENT. No party may assign this Agreement without the express prior written consent of the other parties, except that, Buyer may assign its rights and obligations pursuant to this Agreement without Company's or Shareholder's consent prior to Closing to (i) an entity which is a subsidiary or parent of Buyer or to an entity owned or controlled by Buyer or its principals or (ii) to Buyer's lenders as collateral for any indebtedness incurred by Buyer; and subsequent to Closing to (a) any entity which acquires all or substantially all of the Shares or assets of Company or (b) to Buyer's lenders as collateral for any indebtedness incurred by Buyer. As part of any permitted assignment, Buyer's assignee shall assume in writing Buyer's indemnification obligations in Section 10 and any and all of Buyer's other obligations hereunder, and provided that no such assignment shall discharge Buyer of its financial obligations hereunder. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

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

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

13.6. INDULGENCES. Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by another party of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (b) no waiver by any party of any default by another party shall be taken or held to be a waiver by such party of any other preceding or subsequent default; and (c) no extension of time granted by any party for the

performance of any obligation or act by any party shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.

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

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

13.9. ENTIRE AGREEMENT; AMENDMENT. This Agreement, the Schedules to this Agreement and the Buyer Documents set forth the entire understanding between the parties in connection with the Transaction, and there are no terms, conditions, warranties or representations other than those contained, referred to or provided for herein and therein. Neither this Agreement nor any term or provision hereof may be altered or amended in any manner except by an instrument in writing signed by each of the parties hereto.

13.10. COUNSEL. Each party has been represented by its own counsel in connection with the negotiation and preparation of this Agreement.

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

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

the provisions of applicable law and such term, as so modified, and the balance of this Agreement shall then be fully enforceable.

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

13.14. FURTHER ASSURANCES. Allied and Shareholder shall at any time and from time to time after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may reasonably request to vest and confirm in Buyer (or its assignee) the title and rights to and in all the Shares and/or assets of the Business to be and intended to be transferred, assigned and conveyed hereunder.

IN WITNESS WHEREOF, and to evidence their assent to the foregoing, Company, Shareholder, Allied and Buyer have executed this Option and Stock Purchase Agreement under seal as of the date first written above.

SELLER:

BROADCAST HOLDINGS, INC.

BY:

G. CABELL WILLIAMS, III
PRESIDENT

SHAREHOLDER (SOLELY TO THE EXTENT SPECIFICALLY SET FORTH IN THIS AGREEMENT AT SECTIONS 2.1(B), 2.2(B), 4.1, 6.1, 6.2, 6.3, 11.2, 11.3 AND 13.14):

G. CABELL WILLIAMS, III

BY:

G. CABELL WILLIAMS, III

BUYER:

WYCB ACQUISITION CORP.

BY:

ALFRED C. LIGGINS, III
PRESIDENT

ALLIED CAPITAL FINANCIAL CORPORATION

BY:

NAME: _________________________

TITLE: _________________________

AMENDED AND RESTATED WARRANT

WARRANT NO. 11 3.27 WARRANTS

THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR ANY APPLICABLE STATE SECURITIES LAW, AND MAY NOT BE TRANSFERRED EXCEPT (i) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (ii) UPON FIRST FURNISHING TO THE COMPANY AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH TRANSFER IS NOT IN VIOLATION OF THE REGISTRATION REQUIREMENTS OF THE ACT OR ANY APPLICABLE STATE SECURITIES LAW.

"This instrument/agreement is subject to a Standstill Agreement dated as of the Closing Date among RADIO ONE, INC., the Subsidiaries of Radio One, Inc. from time to time, the Investors (as defined therein), the Senior Lenders (as defined therein) and NationsBank of Texas, N.A., as Agent to the Senior Lenders (as defined therein) and individually as a Lender, and United States Trust Company of New York, as Trustee for the Senior Subordinated Noteholders (as defined therein). By its acceptance of this instrument/agreement, the holder hereof agrees to be bound by the provisions of such Standstill Agreement to the same extent that each Investor is bound. In the event of any inconsistency between the terms of this instrument/agreement and the terms of such Standstill Agreement, the terms of the Standstill Agreement shall govern and be controlling."

RADIO ONE, INC.

This warrant certificate (the "Warrant Certificate") certifies that, for value received, TSG Ventures L.P. or registered assigns under Section 8 hereof (the "Holder") is the owner of 3 and 27/100 (3.27) WARRANTS specified above (the "Warrants") each of which entitles the Holder thereof to purchase one (1) fully paid and nonassessable share of Common Stock, par value $.01 per share, of Radio One, Inc., a corporation organized under the laws of the State of Delaware (the "Company"), or such other number of shares as may be determined pursuant to an adjustment in accordance with Section 4 hereof, at the price per share set forth in Section 4 hereof, subject to adjustment from time to time pursuant to Section 4 hereof (the "Warrant Price") and subject to the provisions and upon the terms and conditions set forth herein.

1. Term of Warrant.

Each Warrant is exercisable (i) at any time after the date hereof by Investors holding a majority of the outstanding shares of Preferred Stock (or, if the Preferred Stock has been redeemed in full prior to such date, by Investors holding a majority of the outstanding shares of Preferred Stock immediately prior to such redemption) (the ARequisite Holders@), or (ii) at any time after the Preferred Stock has been paid in full at the option of the Holder hereof; provided, however, that if the Holder is a ASpecialized Small Business Investment Company@ (as defined in the 26 U.S.C. ' 1044(c)(3)), this Warrant may not in any event be exercised after the sixth (6th) anniversary of the redemption in full of all Preferred Stock held by the Holder. Upon the consummation by the Company of a Qualified Public Offering, this Warrant shall be subject to automatic exercise, on a net basis, as provided in Section 2(a) hereof.

2. Method of Exercise and Payment; Issuance of New Warrant Certificate; Contingent Exercise.

(a) In connection with any exercise pursuant to Section 1 hereof, this Warrant Certificate shall be surrendered (with the notice of exercise form attached hereto as Exhibit 1 duly executed) at the principal office of the Company together with the payment to the Company of (i) cash or a certified check or a wire transfer in an amount equal to the then applicable Warrant Price multiplied by the number of shares of Common Stock then being purchased or (ii) that number of shares of Common Stock of the Company having a fair market value (as defined below) equal to the then applicable Warrant Price multiplied by the number of shares of Common Stock then being purchased. In the alternative, the Holder hereof may exercise its right to purchase some or all of the shares of Common Stock pursuant to this Warrant Certificate on a net basis, such that, without the exchange of any funds, the Holder hereof receives that number of shares of Common Stock subscribed to pursuant to this Warrant Certificate less that number of shares of Common Stock having an aggregate fair market value (as defined below) at the time of exercise equal to the aggregate Warrant Price that would otherwise have been paid by the Holder for the number of shares of Common Stock subscribed to under this Warrant Certificate. Fair market value, on a per-share basis, shall be deemed to be (i) the initial offering price of the Common Stock to the public in a Qualified Public Offering; and (ii) if the Common Stock is not publicly held or traded, "fair market value" shall mean the Per Share Net Equity Value of the Company as determined pursuant to Section 5.03 of the Warrantholders= Agreement.

(b) The Company agrees that the shares of Common Stock so purchased shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment made for such shares as aforesaid. In the event of any exercise of the rights represented by this Warrant Certificate, certificates for the shares of Common Stock so purchased shall be delivered to

the Holder hereof within 15 days thereafter and, unless all of the Warrants represented by this Warrant Certificate have been fully exercised or have expired

pursuant to Section 1 hereof, a new Warrant Certificate representing the shares of Common Stock, if any, with respect to which the Warrants represented by this Warrant Certificate shall not then have been exercised, shall also be issued to the Holder hereof within such 15 day period.

3. Common Stock Fully Paid; Reservation of Shares.

All Common Stock which may be issued upon the exercise of the Warrants will, upon issuance, be fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant Certificate may be exercised, the Company will at all times have authorized, and reserved for the purpose of the issuance upon exercise of the purchase rights evidenced by this Warrant Certificate, a sufficient number of shares of its Common Stock to provide for the exercise of the Warrants.

4. Warrant Price; Adjustment of Warrant Price and Number of Shares.

The Warrant Price shall be $100.00 per share of Common Stock, and the Warrant Price and the number of shares of Common Stock purchasable upon exercise of the Warrants shall be subject to adjustment from time to time, as follows:

(a) Reclassification, Consolidation or Merger. In case of any reclassification or change of outstanding securities of the class issuable upon exercise of the Warrants, or in case of any consolidation or merger of the Company with or into another corporation or entity, other than a consolidation or merger with another corporation or entity in which the Company is the continuing corporation and which does not result in any reclassification, conversion or change of outstanding securities issuable upon exercise of the Warrants, or in case of any sale of all or substantially all of the assets of the Company, the Company, or such successor or purchasing corporation, as the case may be, shall execute a new warrant certificate (the "New Warrant Certificate"), providing that the Holder of this Warrant Certificate shall have the right to exercise such new warrants and procure upon such exercise, in lieu of each share of Common Stock theretofore issuable upon exercise of the Warrants, the kind and amount of shares of stock, other securities, money and property receivable upon such reclassification, conversion, change, consolidation, or merger by a holder of one share of Common Stock. Such New Warrant Certificate shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 4. The provisions of this Section 4(a) shall similarly apply to successive reclassifications, changes, consolidations, mergers and transfers.

(b) Subdivisions, Combinations and Stock Dividends. If the Company at any time while this Warrant Certificate is outstanding and unexpired shall subdivide or combine its Common Stock, or shall pay a dividend with respect to Common Stock payable in, or make any other distribution with respect to its Common Stock consisting of, shares of

Common Stock, then the Warrant Price shall be adjusted, from and after the date of determination of shareholders entitled to receive such dividend or distribution, to that price determined by multiplying the Warrant Price in effect immediately prior to such date of determination by a fraction (i) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution and (ii) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or distribution.

Upon each adjustment in the Warrant Price pursuant to this Section 4(b), the number of shares of Common Stock purchasable hereunder shall be adjusted to the product obtained by multiplying the number of shares purchasable immediately prior to such adjustment in the Warrant Price by a fraction (i) the numerator of which shall be the Warrant Price immediately prior to such adjustment and (ii) the denominator of which shall be the Warrant Price immediately thereafter.

(c) [Intentionally Omitted.]

5. Notice of Adjustments.

Whenever any adjustment shall be made pursuant to Section 4 hereof, the Company shall prepare a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, the Warrant Price after giving effect to such adjustment and the number of shares of Common Stock then purchasable upon exercise of the Warrants, and shall cause copies of such certificate to be mailed to the Holder hereof at the address specified in Section 9(d) hereof, or at such other address as may be provided to the Company in writing by the Holder hereof.

6. Other Agreements; Definitions; Put and Call Rights.

For purposes of this Warrant Certificate, all capitalized terms that are used herein without definition shall have the respective meanings ascribed thereto in either the Preferred Stockholders= Agreement (the APreferred Stockholders= Agreement@), dated as of May 14, 1997, by and among the Holder, the Company and certain other parties named therein, the Warrantholders= Agreement, dated as of June 6, 1995, as amended by the First Amendment to the Warrantholders= Agreement, dated as of May 19, 1997, by and among the Holder, the Company and certain other parties named therein (the AWarrantholders= Agreement@) or, in the event that a capitalized term used herein without definition is not defined in the Preferred Stockholders= Agreement or the Warrantholders= Agreement, but is defined in the Securities Purchase Agreement, dated as of June 6, 1995, by and among the Holder, the Company and certain other parties named therein (the ASecurities Purchase Agreement@), the Securities Purchase Agreement. The Holder of this Warrant Certificate shall be entitled to the rights and subject to the terms and conditions of the Preferred Stockholders= Agreement and Warrantholders= Agreement, and in the event of any inconsistency between the terms hereof and the terms of the Preferred Stockholders= Agreement or the Warrantholders= Agreement, as the case may be, the terms of the Preferred Stockholders= Agreement or the Warrantholders= Agreement shall control. Without limiting the generality of the foregoing, this Warrant Certificate and the Warrants represented hereby are subject to the Aput@ and Acall@ provisions of Article V of the Warrantholders= Agreement which are incorporated herein by reference.

7. Compliance with Securities Act.

The Holder of this Warrant Certificate, by acceptance hereof, agrees that the Warrants and the shares of Common Stock to be issued upon exercise thereof are being acquired for investment and that it will not offer, sell or otherwise dispose of the Warrants or any shares of Common Stock to be issued upon exercise thereof except under circumstances which will not result in a violation of the Act. Upon exercise of the Warrants, the Holder hereof shall, if requested by the Company, confirm in writing that the shares of Common Stock so purchased are being acquired for investment and not with a view toward distribution or resale. This Warrant Certificate and all shares of Common Stock issued upon exercise of the Warrants (unless registered under the Act) shall be stamped or imprinted with a legend substantially in the following form:

THIS WARRANT AND THE SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE TRANSFERRED EXCEPT (i) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR (ii) IN A TRANSACTION WHICH IS NOT IN VIOLATION OF THE REGISTRATION REQUIREMENTS OF THE ACT OR ANY APPLICABLE STATE SECURITIES LAW.

8. Transfer.

Subject to compliance with the terms of Section 7 above, the Warrants and all rights under this Warrant Certificate are transferable, in whole or in part, at the principal office of the Company by the Holder hereof, in person or by its duly authorized attorney, upon surrender of this Warrant Certificate properly endorsed (with the instrument of transfer form attached hereto as Exhibit 2 duly executed). Each Holder of this Warrant Certificate, by taking or holding the same, consents and agrees that this Warrant Certificate, when endorsed in blank, shall be deemed negotiable; provided, however, that the last Holder of this Warrant Certificate as registered on the books of the Company may be treated by the Company and all other persons dealing with this Warrant Certificate as the absolute owner of the Warrants for any purposes and as the person entitled to exercise the rights represented by this Warrant Certificate or to transfer the Warrants on the books of the Company, any notice to the contrary notwithstanding, unless and until such Holder seeks to transfer registered ownership of the Warrants on the books of the Company and such transfer is effected.

9. Miscellaneous.

(a) Replacement. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant Certificate and, in the case of loss, theft or destruction, on delivery of an indemnity agreement or bond reasonably satisfactory in form and amount to the Company or, in the case of mutilation, on surrender and cancellation of this Warrant Certificate, the Company, at its expense, will execute and deliver, in lieu of this Warrant Certificate, a new warrant certificate of like tenor.

(b) Notice of Capital Changes. In case:

(i) the Company shall declare any dividend or distribution payable to the holders of shares of Common Stock;

(ii) there shall be any capital reorganization or reclassification of the capital of the Company, or consolidation or merger of the Company with, or sale of all or substantially all of its assets to, another corporation or business organization;

(iii) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(iv) the Company shall propose to commence an initial public offering;

then, in any one or more of said cases, the Company shall give the Holder hereof written notice of such event, in the manner set forth in Section 9(d) below, at least 90 days prior to the date on which a record shall be taken for such dividend or distribution or for determining shareholders entitled to vote upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, winding up or the date when any such transaction shall take place, as the case may be.

(d) Notice. Any notice to be given to either party under this Warrant Certificate shall be in writing and shall be deemed to have been given to the Company or the Holder hereof, as the case may be, when delivered in hand or when sent by first class mail, postage prepaid, addressed, if to the Company, at its principal office and, if to the Holder hereof, at its address as set forth in the Company's books and records or at such other address as the Holder hereof may have provided to the Company in writing.

(e) No Impairment. The Company will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant Certificate.

(f) Governing Law. This Warrant Certificate shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

This Warrant Certificate has been executed as of this 9th day of January, 1998.

RADIO ONE, INC.

By:

Name:
Title:

THIS WARRANT, AND THE SHARES ISSUABLE UPON EXERCISE HEREOF, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED UNLESS SO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE APPLICABLE STATE SECURITIES OR "BLUE SKY LAWS". THE TRANSFER OF THIS WARRANT IS SUBJECT TO THE CONDITIONS SET FORTH HEREIN, AND THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF THIS WARRANT UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO SUCH TRANSFER. THE RIGHT TO EXERCISE THIS WARRANT IS, AND THE NUMBER OF SHARES ISSUABLE UPON EXERCISE HEREOF IS EXTREMELY LIMITED. ALL SUCH LIMITATIONS ARE SPECIFIED HEREIN.

RADIO ONE, INC.

STOCK PURCHASE WARRANT

Date of Issuance: ___________ Certificate No. W-______

FOR VALUE RECEIVED, Radio One, Inc., a Delaware corporation (the "Company"), hereby grants to Allied Capital Financial Corporation or its registered assigns (the "Registered Holder") the right to purchase from the Company up to 40,000 shares (as adjusted from time to time in accordance herewith, the "Maximum Warrant Shares") of the Company's 15% Series A Cumulative Redeemable Preferred Stock, par value $.01 per share (the "Preferred Stock"), as provided herein at an aggregate exercise price equal to the Deficiency Amount (as adjusted from time to time in accordance herewith, the "Exercise Price"). This Warrant (the "Warrant") is issued pursuant to the terms of the Option and Stock Purchase Agreement, dated as of November _____, 1997, by and among Broadcast Holdings, Inc., G. Cabell Williams, the sole shareholder thereof, the Registered Holder and WYCB Acquisition Corp., a wholly-owned subsidiary of the Company (the "Purchase Agreement"). Certain capitalized terms used herein are defined in Section 5 hereof. The amount and kind of securities obtainable pursuant to the rights granted hereunder and the purchase price for such securities are subject to adjustment pursuant to the provisions contained in this Warrant.

This Warrant is subject to the following provisions:

Section 1. Exercise of Warrant.

1A. Exercise Period. The Registered Holder may only exercise the purchase rights represented by this Warrant during the period commencing on the Deficiency Date and ending on the date which is six months after the occurrence of the Deficiency Date (the "Exercise Period"). If this Warrant has not been exercised prior to 5:00 P.M., New York City time, on the last day of the Exercise Period, or, if prior to the Exercise Time, all outstanding monetary obligations under the Note have been paid in full, this Warrant shall cease to be exercisable and shall become null and void, and all rights of the Registered Holder hereunder shall cease.

1B. Purchase Rights. During the Exercise Period, the Registered Holder shall be entitled to purchase from the Company a number of shares of Preferred Stock equal to (a) the quotient obtained by dividing (i) the Deficiency Amount by (ii) the Liquidation Value; provided, however, that the maximum number of shares of Preferred Stock for which this Warrant shall be exercisable shall be limited to the Maximum Warrant Shares.

1C. Exercise Procedure.

(a) This Warrant shall be deemed to have been exercised when the Company has received all of the following items (the "Exercise Time"):

(i) a completed Exercise Agreement, as described in paragraph 1D below, executed by the Person exercising the purchase rights represented by this Warrant (the "Purchaser");

(ii) this Warrant;

(iii) if this Warrant is not registered in the name of the Purchaser, an Assignment or Assignments in the form set forth in Exhibit II hereto evidencing the assignment of this Warrant to the Purchaser, in which case the Registered Holder shall have complied with the provisions set forth in Section 8 hereof; and

(iv) a joinder agreement executed by the Purchaser evidencing such Purchasers' agreement to be bound by the terms of that certain Standstill Agreement effective as of May 19, 1997, by and among the Company, the Company's subsidiaries who are a party thereto, NationsBank of Texas, N.A., as Agent, and the other parties named therein (the "Standstill Agreement"), as amended, as if such Purchaser were designated an "Investor" as such term is defined in the Standstill Agreement.

(b) Certificates for shares of Preferred Stock purchased upon exercise of this Warrant shall be delivered by the Company to the Purchaser the Company's receipt of the originally executed Note, marked paid in full, together with appropriate assignment agreements effecting the assignment of all of the Purchase Documents to the Company.

(c) The Preferred Stock issuable upon the exercise of this Warrant shall be deemed to have been issued to the Purchaser at the Exercise Time, and the Purchaser shall be deemed for all purposes to have become the record holder of such Preferred Stock at the Exercise Time so long as the Purchaser has satisfied its delivery requirements under clauses (a) and (b) of this Section 1C.

(d) The issuance of certificates for shares of Preferred Stock upon exercise of this Warrant shall be made without charge to the Registered Holder or the Purchaser for any issuance tax in respect thereof or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock. Each share of Preferred Stock issuable upon exercise of this Warrant shall, upon payment of the Exercise Price therefor, be fully paid and nonassessable and free from all liens and charges with respect to the issuance thereof.

(e) The Company shall not close its books against the transfer of this Warrant or of any share of Preferred Stock issued or issuable upon the exercise of this Warrant in any manner which interferes with the timely exercise of this Warrant.

(f) The Company shall assist and cooperate with any Registered Holder or Purchaser required to make any governmental filings or obtain any governmental approvals prior to, or in connection with, any exercise of this Warrant (including, without limitation, making any filings required to be made by the Company).

(g) The Company shall at all times reserve and keep available out of its authorized but unissued shares of Preferred Stock solely for the purpose of issuance upon the exercise of this Warrant, the maximum number of shares of Preferred Stock issuable upon the exercise of this Warrant. All shares of Preferred Stock which are so issuable shall, when issued, be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges. The Company shall take all such actions as may be necessary to assure that all such shares of Preferred Stock may be so issued without violation of any applicable law or governmental regulation. The Company shall, from time to time, take all such action as may be necessary to assure that the par value of the unissued Preferred Stock acquirable upon exercise of this Warrant is at all times equal to or less than the Exercise Price. The Company shall not take any action which would cause the number of authorized but unissued shares of Preferred Stock to be less than the number of such shares required to be reserved hereunder for issuance upon exercise of this Warrant.

1D. Exercise Agreement. Upon any exercise of this Warrant, the Exercise Agreement shall be substantially in the form set forth in Exhibit I hereto, except that if the shares of Preferred Stock are not to be issued in the name of the Person in whose name this Warrant is registered, the Exercise Agreement shall also state the name of the Person to whom the certificates for the shares of Preferred Stock are to be issued. Such Exercise Agreement shall be dated the actual date of execution thereof.

Section 2. Dilution Protection.

2A. Adjustment of Exercise Price, Number of Maximum Warrant Shares and Liquidation Value. In order to prevent dilution of the rights granted under this Warrant, the Maximum Warrant Shares shall be subject to adjustment from time to time as follows: (i) if the Company at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) its outstanding shares of Preferred Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the Maximum Warrant Shares will be proportionately increased; (ii) if the Company at any time combines (by reverse stock split or otherwise) its outstanding shares of Preferred Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the Maximum Warrant Shares will be proportionately decreased; and (iii) if the Maximum Warrant Shares are adjusted pursuant to clause (i) or (ii) of this Section 2A, then the Liquidation Value shall be increased or decreased, as appropriate, such that the aggregate Liquidation Value of the Maximum Warrant Shares shall at all times equal $4,000,000.

2B. Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets or other transaction, in each case which is effected in such a way that the holders of Preferred Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Preferred Stock is referred to herein as "Organic Change." Prior to the consummation of any Organic Change, the Company shall make appropriate provision to insure that the Registered Holder of the Warrant shall thereafter have the right to acquire and receive, in lieu of or addition to (as the case may be) the shares of Preferred Stock immediately theretofore acquirable and receivable upon the exercise of this Warrant, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Preferred Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such Organic Change not taken place. In any such case, the Company shall make appropriate provision with respect to such holder's rights and interests to insure that the provisions of this Section 2 shall thereafter be applicable to the Warrant. The Company shall not effect any such consolidation, merger or sale unless, prior to the consummation thereof, the successor entity (if other than the Company) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument, the obligation to deliver to such holder such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holder may be entitled to acquire.

2C. Notices. The Company shall give written notice to the Registered Holder at least 20 days prior to the date on which any Organic Change, dissolution or liquidation shall take place.

Section 3. Definitions. The following terms have meanings set forth below:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the

management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Collateral" has the meaning given to such term in that certain Security Agreement dated as of _________________ 1997 among Broadcast Holdings, Inc., WYCB Acquisition Corp., Allied Capital Financial Corporation and Allied Investment Corporation.

"Deficiency Amount" means the amount that remains due and payable under the Note on the Deficiency Date, which amount shall be certified to the Company by each of a senior executive officer and the chief financial officer of the holder of the Note.

"Deficiency Date" means the first date upon which a Deficiency Amount exists following a default and acceleration of the indebtedness under the Note, and after which Allied has exercised in full all of its rights (including foreclosure) under the Security Agreement, at law or in equity with respect to, and realized all proceeds or other amounts payable in respect of any sale or other disposition of, the Collateral.

"Liquidation Value" means $100 per share of Preferred Stock (subject to adjustment in accordance herewith).

"Market Price" means, as to any security, the average of the closing prices of such security's sales on all domestic securities exchanges on which such security may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the representative bid and asked prices quoted in the NASDAQ System as of 4:00 P.M., New York City time, on such day, or, if on any day such security is not quoted in the NASDAQ System, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization, in each such case averaged over a period of 21 days consisting of the day as of which "Market Price" is being determined and the 20 consecutive business days prior to such day; provided that if such security is listed on any domestic securities exchange the term "business days" as used in this sentence means business days on which such exchange is open for trading. If at any time such security is not listed on any domestic securities exchange or quoted in the NASDAQ System or the domestic over-the-counter market, the "Market Price" shall be the fair value thereof determined jointly by the Company and the Registered Holder; provided that, if such parties are unable to reach agreement within a reasonable period of time, such fair value shall be determined by an appraiser jointly selected by the Company and the Registered Holder. The determination of such appraiser shall be final and binding on the Company and the Registered Holder, and the fees and expenses of such appraiser shall be paid by the Registered Holder.

"Note" means that certain Promissory Note issued by WYCB Acquisition Corp., a Delaware corporation and wholly owned subsidiary of the Company, on ___________ 1998, to Allied Capital Financial Corporation in an original principal amount of $3,750,000.

"Person" means an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization or a government or any department or agency thereof.

"Purchase Documents" means the Purchase Agreement, the Note, and all of the other agreements entered into in connection therewith including, without limitation, all of the security and pledge agreements.

Section 4. Determination of the Deficiency Amount and Deficiency Date.

(a) Upon the occurrence of an Event of Default under the Note or the Security Agreement, the Registered Holder, subject to any applicable cure period, may exercise its rights under the Security Agreement and the Pledge Agreement as permitted therein; the date of consummation of the sale of all or substantially all of the assets ("Assignment") or the sale of all of the shares ("Transfer") which includes an assignment or transfer of the FCC Licenses (as defined in the Purchase Agreement) shall be the Deficiency Date, provided, that the Registered Holder has satisfied the conditions set forth in this Section 4 to effectuate an Assignment or Transfer and further provided that if no such Assignment or Transfer occurs within two (2) years of the date of the Event of Default, then the Deficiency Date shall be two (2) years from the date of the Event of Default.

(b) The Deficiency Amount shall be $4,000,000 minus (i) the amount actually received by the Registered Holder from the Assignment or Transfer net of all costs and fees incurred in enforcing its rights under the Security Agreement and Pledge Agreement; (ii) the proceeds of any other disposition of Collateral or Shares occurring prior to the Deficiency Date and (iii) any other amount received by the Registered Holder in satisfaction of amounts due under the Note and the fair market value of any assets retained by or for the benefit of, directly or indirectly, of the Registered Holder after the consummation of the Assignment or Transfer. In the event that no Assignment of Transfer has occurred before the Deficiency Date, the Deficiency Amount shall be $4,000,000, subject to subparagraph (f) below.

(c) Prior to an Assignment or Transfer, the Registered Holder shall obtain an appraisal of the fair market value of the business and assets of WYCB-AM as a going concern, based upon the price a willing buyer would offer in an arms-length negotiation to a willing seller not compelled to sell. The Registered Holder shall retain two qualified media broker/appraisers to perform appraisals, and the lower of the two appraisals shall be the Appraisal. The Registered Holder shall promptly inform the Company as to the results of such Appraisals.

(d) Subject to satisfying the conditions set forth in this Section 4, the Registered Holder may consummate an Assignment or Transfer at any purchase price, provided, that in the event the Assignment or Transfer is for consideration less than ninety percent (90%) of the Appraisal ("Upset Price"), then the Deficiency Amount shall be reduced by the amount that such consideration is less than the Upset Price.

(e) The Registered Holder is under no obligation to consummate an Assignment or Transfer at any price, provided, that the Registered Holder must use commercially reasonable efforts

to sell the Collateral or the Shares for the highest available cash price. The Registered Holder agrees to retain any nationally known media brokerage firm and negotiate in good faith with any potential purchaser. The Registered Holder shall inform the Company as to the broker's proposed price for a transaction constituting an Assignment or Transfer and as to each offer such broker receives with respect thereto.

(f) In the event the Registered Holder received a cash offer on customary terms and condition greater than the Appraisal (the "Offer") and does not accept such Offer, then the Deficiency Amount shall be reduced by the amount of the Offer if no Assignment or Transfer occurs within two (2) years of an Event of Default.

Section 5. No Voting Rights; Limitations of Liability. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a stockholder of the Company. No provision hereof, in the absence of affirmative action by the Registered Holder to purchase Preferred Stock, and no enumeration herein of the rights or privileges of the Registered Holder shall give rise to any liability of such holder for the Exercise Price of Preferred Stock acquirable by exercise hereof or as a stockholder of the Company.

Section 6. Transfer of Warrant.

(a) This Warrant and the rights hereunder shall not be transferred prior to the Deficiency Date, provided that Allied may transfer this Warrant and the rights hereunder in whole but not in part to an Affiliate of Allied (subject to compliance with applicable securities laws).

(b) On and after the Deficiency Date, this Warrant and the rights hereunder may be transferred in whole but not in part as provided in this Section 6(b). The Registered Holder shall deliver a written notice (an "Offer Notice") to the Company disclosing the terms and conditions of the proposed transfer at least 30 days prior to such transfer. The Company may elect to purchase this Warrant at the price and on the terms specified in the Offer Notice at any time within 20 days of receipt of such notice by delivering a written acceptance to the Registered Holder and the closing of such purchase by the Company shall occur within 30 days after the delivery of such written acceptance. If the Company has not elected to purchase this Warrant within 20 days of receipt of the Offer Notice (the "Authorization Date"), the Registered Holder may transfer this Warrant to the purchaser specified in the Offer Notice during the thirty day period following the Authorization Date upon surrender of this Warrant with a properly executed Assignment (in the form of Exhibit II hereto) at the principal office of the Company. If the Registered Holder fails to transfer this Warrant during the thirty day period following the Authorization Date, any transfer of this Warrant shall again be subject to the procedures set forth in this Section 6(b).

Section 7. Replacement. Upon receipt of evidence reasonably satisfactory to the Company (an affidavit of the Registered Holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing this Warrant, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Company (provided that if the holder is a financial institution or other institutional investor its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the

Company shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the same rights represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

Section 8. Notices. Except as otherwise expressly provided herein, all notices referred to in this Warrant shall be in writing and shall be delivered personally, sent by reputable overnight courier service (charges prepaid) or sent by registered or certified mail, return receipt requested, postage prepaid, and shall be deemed to have been given when so delivered, sent or deposited in the U. S. Mail (i) to the Company, at its principal executive offices and (ii) to the Registered Holder of this Warrant, at such holder's address as it appears in the records of the Company (unless otherwise indicated by any such holder).

Section 9. Amendment and Waiver. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Registered Holder.

Section 10. Descriptive Headings; Governing Law. The descriptive headings of the several Sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The construction, validity, interpretation and enforceability of this Warrant and the exhibits hereto shall be governed by the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed and attested by its duly authorized officers under its corporate seal and to be dated the Date of Issuance hereof.

RADIO ONE, INC.

By:

Name:
Title:

[CORPORATE SEAL]

Attest:

EXHIBIT I

EXERCISE AGREEMENT

To: Dated:

The undersigned, pursuant to the provisions set forth in the attached Warrant (Certificate No. W-____), hereby (a) certifies that the Deficiency Amount is equal to $_____, and (b) agrees to subscribe for the purchase of ______ shares of the Preferred Stock covered by such Warrant and makes payment herewith in full therefor at the price per share provided by such Warrant. As further consideration for the purchase of _____ shares of the Preferred Stock covered by such Warrant and as a condition to such purchase, the undersigned hereby forever assigns all of its rights under the Purchase Documents to the Company and agrees to take any and all necessary actions to effect this assignment in full. Terms not defined herein have the meaning assigned to them in the Warrant.

Signature______________________________

Address________________________________

____

EXHIBIT II

ASSIGNMENT

FOR VALUE RECEIVED, _________________________________ hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (Certificate No. W-_____) unto:

NAME OF ASSIGNEE	ADDRESS

Dated:

Signature --------------------------------

Witness --------------------------------

EXHIBIT 1

NOTICE OF EXERCISE

TO:______________

[Collective Exercise]

The undersigned, constituting the Requisite Holders, hereby elect to exercise all of the Warrants contemplated by a certain Warrantholders= Agreement dated as of June 6, 1995, as amended.

[Individual Exercise]

1. The undersigned hereby elects to purchase _________ shares of the ________ Common Stock of ________ pursuant to the terms of the attached Warrant.

2. Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

3. The undersigned represents that the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares.

Dated:

Signature

EXHIBIT 2

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto the rights represented by the within Warrant Certificate to purchase [ ] shares of Common Stock of Radio One, Inc. to which the within Warrant Certificate relates and appoints _______________________ to transfer such rights on the books of Radio One, Inc. with full power of substitution in the premises.

Dated:__________________

Signature

AMENDED AND RESTATED CREDIT AGREEMENT

AMONG

RADIO ONE, INC.,

AS THE BORROWER

THE SEVERAL LENDERS FROM TIME

TO TIME PARTIES HERETO

AND

NATIONSBANK OF TEXAS, N.A.,

AS THE AGENT

DATED EFFECTIVE AS OF MAY 19, 1997

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is entered into effective as of May 19, 1997 among Radio One, Inc., a Delaware corporation (the "Borrower"), the several lenders from time to time parties hereto (the "Lenders") and NationsBank of Texas, N.A., as the Agent for the Lenders.

PRELIMINARY STATEMENT

Radio One, Inc., a District of Columbia corporation (predecessor in interest to the Borrower), the Subsidiaries of Radio One, Inc., a District of Columbia corporation, from time to time parties thereto, NationsBank of Texas, N.A., as agent for the lenders party thereto and individually as a lender and the other lenders from time to time party thereto (including NationsBank, the "Existing Lenders") entered into that certain Amended and Restated Credit Agreement, dated as of June 6, 1995 (as amended, the "Existing Credit Agreement").

On May 19, 1997, the Borrower (i) issued 12% Senior Subordinated Notes due 2004 to certain investors pursuant to an offering under Rule 144A of the Securities Act, (ii) repaid all of the outstanding indebtedness and other obligations due under the Existing Credit Agreement, (iii) exchanged the Existing Subordinated Notes (hereinafter defined) for the Senior Preferred Stock (hereinafter defined) and (iv) acquired WPHI-FM, licensed to Jenkintown, Pennsylvania (collectively, the "Related Transactions").

In connection with the Related Transactions, the Existing Lenders (other than NationsBank) assigned all of their rights, interests and commitments under the Existing Credit Agreement to NationsBank pursuant to that certain Assignment and Acceptance, dated effective as of May 19, 1997, among the Existing Lenders (the "Assignment"). After such Assignment, NationsBank and the Borrower entered into that certain Fourth Amendment to Credit Agreement, dated May 19, 1997, pursuant to which the Borrower and NationsBank agreed to, among other things, reduce the aggregate commitment thereunder to $7,500,000 and, at a later date, evidence their agreements to further modifications to the Existing Credit Agreement as set forth herein.

The Borrower and NationsBank desire to enter into this Amended and Restated Credit Agreement to evidence their agreements with respect to certain further modifications to the Existing Credit Agreement.

In consideration of the premises, the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

SECTION 1.

CERTAIN DEFINITIONS AND TERMS

1.1 Defined Terms. For purposes of this Agreement, the following terms shall have the following meanings:

"ABR" means the fluctuating rate of interest per annum as shall be in effect from time to time equal to the sum of (a) 1.375% per annum, plus (b) the greater of (I) the rate of interest announced publicly by the Agent from time to time as its U.S. dollar prime commercial lending rate (which rate may or may not be the lowest rate of interest charged by the Agent) and (ii) the sum of 0.5% plus the Federal Funds Rate. The ABR shall be adjusted automatically as of the opening of business on the effective date of each change in the prime commercial lending rate or Federal Funds Rate to account for such change.

"ABR Loan" means any Loan that bears interest at the ABR.

"Acquisitions" has the meaning set forth in Section 8.7.

"Affiliate" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control of" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with") any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided that beneficial ownership of 10% or more of the voting securities of a Person shall be deemed to be control.

"Agent" means NationsBank of Texas, N.A., as agent for the Lenders pursuant to this Agreement, and its successors and assigns in such capacity as appointed pursuant to Section 10.9.

"Aggregate Commitment" means the sum of all of the Commitments of all of the Lenders (in each case, as the same may be increased, reduced or otherwise adjusted from time to time as provided herein).

"Aggregate Outstandings of Tranche A Credit" means, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Tranche A Loans made by such Lender then outstanding and (b) such Lender's Specified Percentage of the Tranche A L/C Obligations then outstanding.

"Aggregate Outstandings of Tranche B Credit" means, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Tranche B Loans made by such Lender then outstanding and (b) such Lender's Specified Percentage of the Tranche B L/C Obligations then

outstanding.

"Agreement" means this Amended and Restated Credit Agreement, including the Schedules and Exhibits, as the same may be amended, modified, restated, supplemented, renewed, extended, increased, rearranged or substituted from time to time.

"Allied Warrant" means that certain contingent Warrant to be issued by Borrower to Allied Capital Financial Corporation in connection with the acquisition of station WYCB-AM, Washington, D.C. by an Unrestricted Subsidiary of the Borrower, to be exercised for the number of shares of Series A 15% Senior Cumulative Redeemable Stock of the Borrower having a liquidation value of up to Four Million Dollars ($4,000,000) but only to be exercised upon a default under the $4,000,000 promissory note given by such Unrestricted Subsidiary to Allied where foreclosure on the stock and assets of the Unrestricted Subsidiary are insufficient to cover the full amount of such promissory note.

"Alternative Note" has the meaning set forth in Section 11.6(d).

"Alternative Noteholder" has the meaning set forth in Section 11.6(e).

"Amended and Restated Certificate of Incorporation" means that certain Amended and Restated Certificate of Incorporation of Radio One, Inc. filed with the Secretary of State of Delaware on May 16, 1997, as amended from time to time in accordance with the terms hereof and thereof.

"Application" means an application, in form and substance consistent with this Agreement and mutually satisfactory to the Borrower and the Issuing Lender, requesting the Issuing Lender to open a Letter of Credit and designating whether such Letter of Credit is to be issued under the Tranche A Facility or the Tranche B Facility.

"Asset Swap" means the execution of a definitive agreement, subject only to FCC approval and other customary closing conditions, that the Borrower in good faith believes will be satisfied, for a substantially concurrent purchase and sale, or exchange, of Broadcast Assets between the Borrower or any of its Wholly Owned Restricted Subsidiaries and another Person or group of Affiliated Persons; provided that any amendment to or waiver of any closing condition which individually or in the aggregate is material to the Asset Swap shall be deemed to be a new Asset Swap.

"Assignee" has the meaning set forth in Section 11.6(C).

"Assignment and Acceptance" means an Assignment and Acceptance substantially in the form of Exhibit A.

"Authorizations" means all filings, recordings and registrations with, and all validations or exemptions, approvals, orders, authorizations, consents, Licenses, certificates and permits from, the FCC and other Governmental Authorities.

"Available Tranche A Commitment" means at any time, as to any Lender, an amount equal to (a) the amount of such Lender's Tranche A Commitment at such time, minus (b) such Lender's Aggregate Outstandings of Tranche A Credit at such time.

"Available Tranche B Commitment" means, as to any Lender, an amount equal to (a) the amount of such Lender's Tranche B Commitment at such time, minus (b) such Lender's Aggregate Outstandings of Tranche B Credit at such time; provided, however that the Borrower may not borrow, or request the issuance of a Letter of Credit, under any Tranche B Commitment until such time as such Lender's Aggregate Outstandings of Tranche A Credit equals its Tranche A Commitment.

"Board" means the Board of Governors of the Federal Reserve System.

"Borrower" has the meaning set forth in the introductory paragraph of this Agreement.

"Borrowing Date" means any Business Day (I) specified in a Notice of Borrowing pursuant to Section 2.3 as a date on which the Borrower requests the Lenders to make Loans hereunder or (ii) specified in an Application pursuant to Section 3.2 as a date on which the Borrower requests the Issuing Lender to issue Letters of Credit hereunder.

"Broadcast Assets" means assets used or useful in the ownership or operation of a Station.

"Broadcast Cash Flow" means Operating Cash Flow plus Corporate Overhead Expense.

"Budget" has the meaning set forth in Section 7.2(e).

"Business" has the meaning set forth in Section 5.17(C).

"Business Day" means (a) for all purposes other than as provided in clause (b) below, any day other than a Saturday, Sunday or other day on which commercial banks in Dallas, Texas or Baltimore, Maryland are authorized or required by law to close and (b) with respect to all notices and determinations in connection with any borrowings in respect of Eurodollar Loans, any day that is a Business Day described in clause (a) above and that is also a day for trading between prime banks in the London interbank market.

"Capital Expenditure" means with respect to any Person any liabilities incurred or expenditures made (net of any casualty insurance proceeds or condemnation awards used to replace fixed assets following a casualty event or condemnation with respect thereto) by such Person that, in conformity with GAAP, is required to be accounted for as a capital expenditure on the consolidated balance sheet of such Person; provided, however, that Capital Expenditures shall not include expenditures incurred in connection with Acquisitions.

"Capital Lease Obligations" means with respect to any Person, at any time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on the consolidated balance sheet of such Person in accordance with GAAP.

"Cash Equivalents" means (I) United States dollars, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof having maturities of less than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of less than one year from the date of acquisition, bankers' acceptances with maturities of less than one year and overnight bank deposits, in each case with any Lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of $500,000,000 and a Keefe Bank Watch Rating of "B" or better, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (ii) and (iii) entered into with any financial institution meeting the qualifications specified in clause (iii) immediately above, (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Ratings Services and in each case maturing within nine months after the date of acquisition and (vi) interests in money market mutual funds which invest solely in assets in securities of the type described in clauses (I)-(v) immediately above.

"Change of Control" means the occurrence of any of the following:

(i) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the Borrower's assets to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than any or all of the Principal Shareholders or their Related Parties);

(ii) the adoption of a plan relating to the liquidation or dissolution of the Borrower;

(iii) prior to the first Public Equity Offering of the Borrower, either (x) the Principal Shareholders and their Related Parties cease to be the beneficial owner of at least 35% of the voting power of the voting stock of the Borrower or (y) any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) other than the Warrantholders acquires, directly or indirectly, 35% or more of the voting power of the voting stock of the Borrower by way of merger, consolidation or otherwise;

(iv) following the first Public Equity Offering of the Borrower, any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than one or more of the Principal Shareholders and their Related Parties) acquires, directly or indirectly, 35% or more of the voting power of the voting stock of the Borrower by way of merger or consolidation or otherwise; provided that such acquisition will not constitute a "Change of Control" (x) in the case of a Person or group consisting of the Warrantholders, if and for so long as the Principal Shareholders and Related Parties, individually or collectively, own at least 30% of the voting power of the voting stock of the Borrower and have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Borrower, or (y) in the case of any Person or group not including any Warrantholder, unless or until such Person or group owns, directly or indirectly, more of the voting power of the voting stock of the Borrower than the Principal Shareholders and their Related Parties; or

(v) the Continuing Directors cease for any reason (other than as a result and during the continuance of a default under the Warrant Agreement entitling the Investors to appoint directors) to constitute a majority of the directors of the Borrower then in office.

For purposes of this definition, any transfer of an Equity Interest of an entity that was formed for the purpose of acquiring voting stock of the Borrower shall be deemed to be a transfer of such portion of such voting stock as corresponds to the portion of the equity of such entity that has been so transferred.

"Charter Documents" means with respect to any Person (a) the articles/certificate of incorporation (or the equivalent organizational documents) of such Person and (b) the bylaws (or the equivalent governing documents) of such Person.

"Closing Certificate" has the meaning set forth in Section 6.1(b).

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated and rulings issued thereunder.

"Collateral" means all assets of the Borrower and the Restricted Subsidiaries and all common stock and voting securities or securities convertible or exchangeable into common stock or voting securities and all warrants or options or other securities to purchase such common stock and voting securities of the Borrower and all Equity Interests of each of the Restricted Subsidiaries, in each case whether now owned or hereinafter acquired, upon which a lien is purported to be created by any Security Documents.

"Commitment" means, as to any Lender, the sum of its Tranche A Commitment and its Tranche B Commitment.

"Commitment Letter" means the letter agreement, dated April 25, 1997, to the Borrower from NationsBank, agreed to and accepted by the Borrower on April 29, 1997, as amended.

"Common Equity" means the Common Stock and Non-Voting Common Stock of the Borrower, collectively.

"Common Stock" means the voting class A common stock, par value $.01 per share, of the Borrower.

"Commonly Controlled Entity" means an entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the Borrower and which is treated as a single employer under Section 414(b) or (c) of the Code.

"Communications Act" means the Communications Act of 1934, as amended, and the rules and regulations and published policies thereunder, as amended and in effect from time to time.

"Compliance Certificate" means a certificate of a Responsible Officer of the Borrower, substantially in the form of Exhibit B.

"Confirmation of Liens" has the meaning set forth in Section 6.1(j).

"Consolidated Cash Interest Expense" means, with respect to any period, the amount of Consolidated Interest Expense for such period to the extent it represents cash disbursements by the Borrower and its Restricted Subsidiaries during such period.

"Consolidated Interest Expense" means, without duplication, with respect to any period, the sum of (a) the interest expense and all capitalized interest of the Borrower and its Restricted Subsidiaries for such period, on a consolidated basis, including, without limitation, (i) amortization of debt discount, (ii) the net cost under interest rate contracts (including amortization of debt discount), (iii) the interest portion of any deferred payment obligation and (iv) accrued interest, plus (b) the interest component of any Capital Lease Obligation paid or accrued or scheduled to be paid or accrued by the Borrower during such period, determined on a consolidated basis in accordance with GAAP; provided, however, that any dividends with respect to the Senior Preferred Stock shall not be considered for purposes of this definition.

"Continuing Director" means any member of the Board of Directors of the Borrower who (i) is a member of that Board of Directors of the Borrower on the Effective Date or (ii) was nominated for election by either (a) one or more of the Principal Shareholders (or a Related Party thereof) or (b) the Board of Directors of the Borrower a majority of whom were directors on the Effective Date or whose election or nomination for election was previously approved by one or more of the Principal Shareholders or such directors.

"Contractual Obligation" of any Person means any provision of any security issued by such Person or subordination agreement, indenture, mortgage, deed of trust, security agreement, lease agreement, guaranty, contract, undertaking, instrument or other agreement to which such Person is a party or by which it or any of its property, assets or revenues is bound or to which any of its property, assets or revenues is subject, including, without limitation, with respect to the Loan Parties, obligations in respect of Material Leases, LMA Agreements, the Senior Subordinated Debt Documents, the Preferred Stock Documents, and the documents and instruments executed in connection with the Acquisition of WPHI-FM.

"Corporate Overhead Expense" means all general and administrative expenses incurred during any fiscal period which are not associated with, or attributable to, the particular operations of one or more of the Stations and which are properly classified as general and administrative expenses on the Borrower's financial statements, including compensation paid to Senior Management, insurance, rent, professional fees, travel and entertainment expenses; notwithstanding any generally accepted accounting principles to the contrary, Corporate Overhead Expense shall include all compensation and distributions paid to or for the benefit of the Management Stockholders (other than Moore), directly or indirectly.

"Customary Permitted Liens" means Liens on the property or assets of any Person (other than Liens arising pursuant to any Environmental Law and Liens in favor of the PBGC):

(a) with respect to the payment of Taxes, assessments or governmental charges or levies which are not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;

(b) of landlords arising by statute and Liens of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other Liens imposed by Law created in the ordinary course of business of such Person for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(c) incurred, or pledges and deposits made, in the ordinary course of business of such Person in connection with worker's compensation, unemployment insurance, pensions or other types of social security benefits;

(d) arising with respect to zoning restrictions, licenses, covenants, building restrictions and other similar charges or encumbrances on the use of real property of such Person which do not materially interfere with the ordinary conduct of such Person's business; and

(e) minor defects and irregularities in titles, survey exceptions, encumbrances, easements or reservations of others for rights-of-way, roads, pipelines, railroad crossings, services, utilities or other similar purposes which do not adversely affect the value of the property, or outstanding mineral rights or reservations (including rights with respect to the removal of mineral resource) which do not materially diminish the value of the surface estate, assuming usage of such surface estate similar to that being carried on by any Loan Party as of the Effective Date.

"Default" means any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Disposition" has the meaning set forth in Section 8.5.

"Disqualified Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part.

"Dollars" and "$" means dollars in lawful currency of the United States of America.

"EBITDA" of a specified Person means, for any period, the consolidated net income of such specified Person and its Restricted Subsidiaries for such period:

(a) plus (without duplication and to the extent involved in computing such consolidated net income) (i) interest expense, (ii) provision for taxes on income or profits and (iii) depreciation and amortization and other non-cash items (including amortization of goodwill and other intangibles and barter expenses), and

(b) minus (without duplication and to the extent involved in computing such consolidated net income) (i) any gains (or plus losses), together with any related provision for taxes on such gains (or losses), realized in connection with any sale of assets (including, without limitation, dispositions pursuant to Sale and Leaseback Transactions), (ii) any non-cash or extraordinary gains (or plus losses), together with any related provision for taxes on such extraordinary gains (or losses), (iii) the amount of any cash payments related to non-cash charges that were added back in determining EBITDA in any prior period and (iv) barter revenues,

provided, however, that

(1) the net income of any other Person that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to such specified Person whose EBITDA is being determined or a Wholly Owned Restricted Subsidiary thereof;

(2) the net income of any other Person that is a Restricted Subsidiary (other than a Wholly Owned Restricted Subsidiary) or is an Unrestricted Subsidiary shall be included only to the extent of the amount of dividends or distributions paid in cash to such specified Person whose EBITDA is being determined or a Wholly Owned Restricted Subsidiary thereof;

(3) the net income (loss) of any other Person acquired after the Effective Date in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded (to the extent otherwise included); and

(4) gains or losses from sales of assets other than sales of assets acquired and held for resale in the ordinary course of business shall be excluded (to the extent otherwise included).

All of the foregoing will be determined in accordance with GAAP.

"Effective Date" has the meaning set forth in Section 11.8.

"Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Equity Interest" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, but excluding any debt securities convertible into such equity, and including, in the case of a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership.

"Equity Proceeds" has the meaning set forth in Section 4.2(e).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements" means, for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of such Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate" means, with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the rate at which NationsBank is offered Dollar deposits at or about 10:00 A.M., Dallas, Texas time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar and foreign currency and exchange operations in respect of its Eurodollar Loans are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of its Eurodollar Loan to be outstanding during such Interest Period.

"Eurodollar Loans" means Loans, the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate" means, with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%), plus 2.625%:

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche" means the collective reference to Eurodollar Loans made by the Lenders, the then current Interest Periods of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default" means any of the events specified in Section 9, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Excess Proceeds" has the meaning set forth in Section 4.2(d).

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statutes.

"Exchange Agreement" means that certain Exchange Agreement, dated as of June 6, 1995, by and among the Borrower and the Series A Preferred Investors (as such term is

defined in the Preferred Stockholders' Agreement), as amended from time to time in accordance with the terms hereof and thereof.

"Existing Credit Agreement" has the meaning set forth in the Preliminary Statement.

"Existing Lender(s)" has the meaning set forth in the Preliminary Statement.

"Existing Subordinated Notes" means those certain 15% Subordinated Promissory Notes due 2003 issued to the Investors pursuant to the Securities Purchase Agreement.

"Fair Market Value" means with respect to any asset or property, the sale value that would be obtained in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. All determinations in the covenants of Fair Market Value shall be made by the Board of Directors of the Borrower and shall be evidenced by a resolution of such Board set forth in a certificate of a Responsible Officer delivered to the Agent, upon which the Agent may conclusively rely.

"FCC" means the Federal Communications Commission (or any successor agency, commission, bureau, department or other political subdivision of the United States of America).

"FCC License" means any radio broadcast service, community antenna relay service, broadcast auxiliary license, earth station registration, business radio, microwave or special safety radio service license issued by the FCC pursuant to the Communications Act of 1934, as amended.

"Federal Funds Rate" means for any day the rate per annum (rounded upwards if necessary, to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to the Agent on such day on such transactions as reasonably determined by the Agent.

"Fee Letter" means that certain letter agreement, dated as of October 31, 1997, between the Agent and the Borrower concerning certain fees to be paid in connection with this Agreement, as such letter agreement may be amended, modified, restated, supplemented, renewed, extended, increased, rearranged or substituted from time to time.

"Final Order" means an action by the FCC or other Tribunal that has not been vacated, reversed, stayed, enjoined, set aside, annulled or suspended and with respect to which no requests by any Person are pending for administrative or judicial review, reconsideration, appeal or stay and the time for filing any such requests and the time to review or comment with respect to any such action and for the FCC or other Tribunal to set aside such action on its own order have expired.

"GAAP" means generally accepted accounting principles in the United States of America as in effect as of the Effective Date, including those set forth in (i) the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, (ii) statements and pronouncements of the Financial Accounting Standards Board, (iii) such other statements by such other entity as approved by a significant segment of the accounting profession and (iv) the rules and regulations of the SEC governing the inclusion of financial statements (including pro forma financial statements) in periodic reports required to be filed pursuant to Section 13 of the Exchange Act, including opinions and pronouncements in staff accounting bulletins and similar written statements from the accounting staff of the SEC.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Greyhound Agreement" means that certain Loan Agreement, dated as of August 31, 1993, between Radio One, Inc., a District of Columbia corporation (predecessor in interest to the Borrower), Radio One Maryland, Inc. and Greyhound Financial Corporation.

"Guaranty" means (i) those certain Guaranties, dated June 6, 1995 from each of Radio One of Maryland, Inc., a Delaware corporation, Radio One License, Inc., a District of Columbia corporation and Radio One of Maryland License, Inc., a District of Columbia corporation and (ii) that certain Guaranty, dated August 30, 1996, from Radio One License LLC, a District of Columbia limited liability company and (iii) each Guaranty of a Restricted Subsidiary, substantially in the form of Exhibit C, executed and delivered as required pursuant to the terms hereof, as the same may be amended, modified, restated, supplemented, renewed, extended, rearranged or substituted from time to time.

"Guaranty Obligation" means for any Person, without duplication, any obligation, contingent or otherwise, of such Person guaranteeing or otherwise becoming liable for any Indebtedness of any other Person ("primary obligor") in any manner, whether directly or indirectly, and including, without limitation, any obligation of such Person, direct or indirect (a) to purchase or pay, or to advance or supply funds for the purchase or payment of such Indebtedness or to purchase, or to advance or supply funds for the purchase of, any security for the payment of such Indebtedness, (b) to purchase property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided that the

term Guaranty Obligation shall not include endorsements for collection or deposit, in each case in the ordinary course of the endorser's business.

"Highest Lawful Rate" shall mean at the particular time in question the maximum rate of interest which, under applicable Law, the Lenders are then permitted to charge on the Obligations. If the maximum rate of interest which, under applicable Law, the Lenders are permitted to charge on the Obligations shall change after the Effective Date, the Highest Lawful Rate shall be automatically increased or decreased, as the case may be, from time to time as of the effective time of each change in the Highest Lawful Rate without notice to the Borrower. For purposes of determining the Highest Lawful Rate under the applicable Law of the State of Texas, the applicable rate ceiling shall be (a) the weekly rate ceiling described in and computed in accordance with the provisions of Articles 5069-1D and 5069-1H.002, Title 79, Revised Civil Statutes of Texas, 1925, as amended ("Art. 5069-1D"), or (b) if the parties subsequently contract as allowed by applicable Law the quarterly ceiling or the annualized ceiling computed pursuant to Art. 5069-1D; provided, however, that at any time the indicated rate ceiling, the quarterly ceiling or the annualized ceiling shall be less than 18% per annum or more than 24% per annum, the provisions of Section 1D.009 of said Art. 5069-1D shall control for purposes of such determination, as applicable.

"Hughes" means Catherine L. Hughes.

"Immediate Family Member" means, with respect to any individual, such individual's spouse (past or current), descendants (natural or adoptive, of the whole or half blood) of the parents of such individual, such individual's grandparents and parents (natural or adoptive), and the grandparents, parents and descendants of parents (natural or adoptive, of the whole or half blood) of such individual's spouse (past or current).

"Indebtedness" means, with respect to any Person, whether or not contingent, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (ii) all Capital Lease Obligations of such Person, (iii) all obligations of such Person in respect of surety bonds, letters of credit, bankers' acceptances and similar instruments issued or created for the account of such Person, (iv) all Interest Hedge Agreements of such Person, (v) any liability secured by any Lien on any property owned by such Person even if such Person has not assumed or otherwise become liable for the payment thereof to the extent of the value of the property subject to such Lien, (vi) all Disqualified Stock of such Person, and (vii) to the extent not otherwise included, any Guaranty Obligation of such Person; provided, however, in no event shall the Senior Preferred Stock (including any and all accrued dividends thereon) be considered "Indebtedness."

"Information" means written information, including, without limitation, certificates, reports, statements (other than financial statements, budgets, projections and similar financial data) and documents.

"Insolvency" means with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent" means pertaining to a condition of Insolvency.

"Intellectual Property Security Agreement" means that certain Intellectual Property Security Agreement and Assignment, dated June 6, 1995, executed and delivered by the Borrower and each other such security agreement, substantially in the same form as the foregoing, executed and delivered by a Restricted Subsidiary as required by the terms hereof, as such security agreements may be amended, modified, restated, supplemented, renewed, extended, rearranged or substituted from time to time.

"Intercompany Notes" means that certain Subordinated Line of Credit Note, dated effective as of August 30, 1996, executed by Radio One License LLC, payable to the order of the Borrower and endorsed to the Agent in the original principal amount of $53,000,000.

"Interest Coverage Ratio" means, as of the date of any determination, the ratio of (a) Operating Cash Flow to (b) Interest Expense, in each case for the most recently ended four fiscal quarter period. Notwithstanding the foregoing, the Interest Coverage Ratio (i) for the fiscal quarter ending September 30, 1997, shall be calculated using the Operating Cash Flow and the Interest Expense for the two fiscal quarters ending on such date, and (ii) for the fiscal quarter ending December 28, 1997, shall be calculated using the Operating Cash Flow and the Interest Expense for the three fiscal quarters ending on such date.

"Interest Expense" means for any fiscal quarter or fiscal year of the Borrower, as applicable, the aggregate of all interest and fees, including but not limited to agency fees, letter of credit fees and commitment fees actually paid in cash by the Borrower or any of the Restricted Subsidiaries, during such period in respect of Indebtedness, all as determined on a consolidated basis in accordance with GAAP.

"Interest Hedge Agreements" means any interest rate swap agreements, interest rate cap agreements, interest rate collar agreements, or any similar agreements, or arrangements designed to hedge the risk of variable interest rate volatility.

"Interest Payment Date" means (a) as to any ABR Loan, (i) the last Business Day of each March, June, September and December prior to the Termination Date and (ii) the Termination Date, (b) as to any Eurodollar Loan (i) having an Interest Period of three months or less, the last day of such Interest Period, (ii) having an Interest Period longer than three months, each day which is three months or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period and (iii) the Termination Date.

"Interest Period": with respect to any Eurodollar Loan:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter (or, to the extent available from all Lenders, nine or twelve months thereafter), as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation, as the case may be, given with respect thereto; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter (or, to the extent available from all Lenders, nine or twelve months thereafter), as selected by the Borrower by irrevocable notice to the Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Termination Date shall end on the Termination Date; and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

"Investment" means, in any Person, any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of a Guaranty Obligation or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Equity Interests, Indebtedness or other similar instruments issued by such Person. For purposes of Section 8.8, any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Borrower.

"Investors" means Alta Subordinated Debt Partners III, L.P., BancBoston Investments Inc., Grant M. Wilson, Syncom Capital Corporation, Alliance Enterprise Corporation, Greater Philadelphia Venture Capital Corporation, Inc., Opportunity Capital Corporation, Capital Dimensions Venture Fund, Inc., TSG Ventures and Fulcrum Venture Capital Corporation.

"Issuing Lender" means NationsBank, provided that, in the event that NationsBank shall be replaced as the Agent pursuant to Section 10.9, no Letter of Credit shall be issued by NationsBank on or after the date of such replacement and (ii) the replacement Agent shall be the Issuing Lender from and after the date of such replacement.

"LMA Agreements" means any time brokerage agreement, local marketing agreement, local market affiliation agreement, joint sales agreement, joint operating agreement or joint operating venture for the operation of a radio station or related or similar agreements entered into, directly or indirectly, between any Loan Party and any other Person other than another Loan Party.

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

"L/C Obligations" means at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of all unpaid Reimbursement Obligations.

"Lender" has the meaning set forth in the introductory paragraph of this Agreement.

"Letters of Credit" has the meaning set forth in Section 3.1(a).

"License" means as to any Person, any license, permit, certificate of need, authorization, certification, accreditation, franchise, approval, or grant of rights by any Governmental Authority or other Person necessary or appropriate for such Person to own, maintain, or operate its business or property, including FCC Licenses.

"License Subsidiaries" means any Restricted Subsidiary of the Borrower organized by the Borrower for the sole purpose of holding FCC licenses and other Necessary Authorizations.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Liggins" means Alfred C. Liggins, III.

"Loan" means any Loan made by any Lender pursuant to this Agreement.

"Loan Documents" means this Agreement, the Notes, the Security Documents, the Confirmation of Liens, all UCC financing statements, the Subordination Agreement, any Application, any Interest Hedge Agreements with any Lenders relating to the Loans, the Fee Letter, all certificates executed and delivered by any Loan Party in connection with any Loan Document, any agreements between any Loan Party and the Agent or any Lender in respect of fees or the reimbursement of costs and expenses in connection with the transactions contemplated hereby and any and all other documents, instruments, certificates and agreements now or hereafter executed and delivered by any Person pursuant to or in connection with any of the foregoing, and any and all present or future amendments, modifications, supplements, renewals, extensions, increases, restatements, rearrangements or substitutions from time to time of all or any part of any of the foregoing.

"Loan Parties" means the collective reference to the Borrower and the Restricted Subsidiaries.

"Majority Lenders" means at any time when no Loans or L/C Obligations are outstanding, the Lenders having Commitments equal to or more than 66-2/3% of the Total Commitment, and at any time when Loans or L/C Obligations are outstanding, the Lenders with outstanding Loans and participations in L/C Obligations having an unpaid principal balance and face amount, respectively, equal to or more than 66-2/3% of all Loans and L/C Obligations outstanding, excluding from such calculation the Lenders which have failed or refused to fund a Loan or their respective portion of an unpaid Reimbursement Obligation.

"Management Stockholders" means Hughes, Liggins and Moore.

"Material Adverse Effect" means (i) any adverse effect upon the validity or enforceability of any Loan Document or the rights and remedies of the Lenders thereunder, (ii) any material adverse effect on the business, condition (financial or otherwise), operations, performance, property or assets of (x) the Borrower and its Restricted Subsidiaries taken as a whole or (y) any License Subsidiary or (iii) any material adverse effect upon the ability of any Loan Party to perform its obligations under any Loan Document.

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Material Lease" means each lease of real property by any Loan Party, as lessee, sublessee or lessor, which is a radio studio location or antenna, tower or transmitter site.

"Moore" means Jerry A. Moore, III.

"Mortgages" means each deed of trust, leasehold deed of trust, mortgage, deed to secure debt, leasehold mortgage, collateral assignment of leases or other real estate security document securing the Obligations or any portion thereof and all modifications and supplements to any of the foregoing that are executed and delivered by any Loan Party pursuant to or in connection with any of the Loan Documents, and any and all amendments, modifications, restatements, supplements, renewals, extensions, rearrangements or substitutions from time to time of any of the foregoing.

"Multiemployer Plan" means a multiemployer plan as defined in sections 3(37) or 4001(a)(3) of ERISA or section 414 of the Code to which the Borrower or any Common Controlled Entity is making, or has made, or is accruing, or has accrued, an obligation to make contributions.

"Necessary Authorization" means any license, permit, consent, franchise, order approval or authorization from, or any filing, recording or registration with, any Tribunal (including, without limitation, the FCC) necessary to the conduct of any Loan Party's business or for the ownership, maintenance and operation by any Loan Party of its Stations and other properties or to the performance by any Loan Party of its obligations under any LMA Agreement to which it is a party.

"Net Proceeds" means, with respect to any Disposition by any Person, the aggregate cash proceeds received by such Person in respect of such Disposition, which amount is equal to the excess, if any, of:

(i) the cash received by such Person (including any cash payments received by way of deferred payment pursuant to, or monetization of, a note or installment receivable or otherwise, but only as and when received) in connection with such Disposition, over

(ii) the sum of

(a) the amount of any Indebtedness including any premium thereon and fees and expenses associated therewith which is required to be repaid by such Person in connection with such Disposition, plus

(b) the out-of-pocket expenses (1) incurred by such Person in connection with such Disposition, and (2) if such Person is a Restricted Subsidiary, incurred in connection with the transfer of such amount to the parent company or entity of such Person, plus

(c) provision for taxes, including income taxes, attributable to the Disposition or attributable to required prepayments or repayments of Indebtedness with the proceeds of such Disposition, plus

(d) a reasonable reserve for the after-tax costs of any indemnification payments (fixed or contingent) attributable to the seller's indemnities to the purchaser in respect of such Disposition undertaken by the Borrower or any of the Restricted Subsidiaries in connection with such Disposition.

For purposes of this definition and amounts due under Section 4.2(d), the following are deemed to be cash: (x) the assumption of Indebtedness of the Borrower or any Restricted Subsidiary and the release of the Borrower or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Disposition (other than customary indemnification provisions relating thereto that do not involve the repayment of funded Indebtedness) and (y) securities or notes received by the Borrower or any Restricted Subsidiary from the transferee that are promptly converted by the Borrower or such Restricted Subsidiary into cash.

"Net Revenues" means gross revenues less agency commissions, after all proper charges and reserves, as determined in accordance with GAAP.

"Non-Excluded Taxes" has the meaning set forth in Section 4.10(a).

"Non-U.S. Lender" has the meaning set forth in Section 4.10(b).

"Non-Voting Common Stock" means the non-voting class B common stock, par value $.01 per share of the Borrower.

"Notes" means the collective reference to the Tranche A Notes and the Tranche B Notes.

"Notice of Borrowing" has the meaning set forth in Section 2.3.

"Notice of Conversion/Continuation" has the meaning set forth in Section 4.5.

"Obligations" means the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and Reimbursement Obligations and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and Reimbursement Obligations and all other obligations and liabilities of any Loan Party to the Agent or to any Lender (or, in the case of any Interest Hedge Agreement, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Interest Hedge Agreement entered into with any Lender (or any Affiliate of any Lender) or any other document executed and delivered by any Loan Party in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel to the Agent or to any Lender that are required to be paid by any Loan Party pursuant hereto) or otherwise.

"Operating Agreement" means an agreement substantially in the form of Exhibit D.

"Operating Cash Flow" means for the Borrower and its Restricted Subsidiaries on a consolidated basis for the period involved, Net Revenues for such period, minus (a) operating expenses for such period as determined in accordance with GAAP (exclusive of depreciation, amortization and barter expenses) incurred or paid during such period, (b) cash Taxes paid during such period and (c) Corporate Overhead Expense. Notwithstanding anything to the contrary contained in the foregoing, the Net Revenues of Unrestricted Subsidiaries may be included in the Net Revenues of the Borrower and the Restricted Subsidiaries but only to the extent of the amount of dividends or distributions paid in cash to the Borrower and the Restricted Subsidiaries from such Unrestricted Subsidiaries. Operating Cash Flow shall exclude the effect of non-cash income or expense (including the effect of any exchange of advertising time for non-cash consideration such as merchandise, services or program material), non-cash losses from Restricted Subsidiaries and any write-up or write-down of assets or write-down of liabilities of the Borrower or its Restricted Subsidiaries, as determined in accordance with GAAP.

For purposes of calculating Operating Cash Flow with respect to Stations not owned at all times during the period involved in determining Operating Cash Flow, there shall be (a) included the Operating Cash Flow of any Stations acquired by the Borrower or any Restricted Subsidiary during the period involved in such determination and (b) excluded the Operating Cash Flow of any Stations disposed of by the Borrower or any Restricted Subsidiary during the period involved in such determination, assuming in each such case that such Stations were acquired or disposed of, as the case may be, on the first day of such period.

"Operating Lease" means any lease that is an operating lease in accordance with GAAP and that has an initial or remaining noncancellable lease term in excess of one year.

"OSHA" means the Occupational Safety and Health Act, 29 U.S.C. ss.ss.651 et seq., as amended.

"Participant" has the meaning set forth in Section 11.6(b).

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Perfection Certificate" means a Perfection Certificate, dated as of October 31, 1997, duly executed by each Loan Party, in the form of Exhibit E and delivered to the Agent pursuant to Section 6.1(v).

"Permitted Escrow Deposits" has the meaning set forth in Section 3.1(a).

"Permitted Investments" means:

(i) any Investment in the Borrower or any Wholly Owned Restricted Subsidiary;

(ii) any Investment in Cash Equivalents;

(iii) any Investment in a Person if, as a result of such Investment, (a) such Person becomes a Wholly Owned Restricted Subsidiary of the Borrower, or (b) such Person either (1) is merged, consolidated or amalgamated with or into the Borrower or one of its Wholly Owned Restricted Subsidiaries and the Borrower or such Wholly Owned Restricted Subsidiary is the Surviving Person or the Surviving Person becomes a Wholly Owned Restricted Subsidiary, or (2) transfers or conveys all or substantially all of its assets to, or is liquidated into, the Borrower or one of its Wholly Owned Restricted Subsidiaries; and

(iv) any Investment in accounts and notes receivable acquired in the ordinary course of business.

"Permitted Line of Business" has the meaning set forth in Section 8.11.

"Person" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" means at a particular time, any employee benefit plan which is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) a "contributing sponsor" as defined in Section 4001(a)(13) of ERISA or a member of such contributing sponsor's "control group" as defined in Section 4001(a)(14) of ERISA.

"Pledge Agreements" means (i) that certain Shareholder Pledge Agreement, dated as of June 6, 1995, executed by Hughes, Liggins and Moore in favor of the Agent for the benefit of the Lenders, (ii) that certain Pledge Agreement, dated effective as of May 19, 1997, executed by the Borrower in favor of the Agent for the benefit of the Lenders, (iii) that certain Pledge Agreement, dated as of June 6, 1995, executed by the Investors in favor of the Agent for the benefit of the Lenders (the "Warrantholders' Pledge") and (iv) each Pledge Agreement of a Restricted Subsidiary, substantially in the form of Exhibit F executed and delivered as required pursuant to the terms hereof, as each of the foregoing may be amended, modified, restated, supplemented, renewed, extended, rearranged and substituted from time to time.

"Preferred Stock", as applied to the Equity Interests of any Person, means Equity Interests of any class or classes (however designated) that is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over Equity Interests of any other class of such Person.

"Preferred Stock Documents" means all of the documents, agreements, instruments, proxies and certificates executed and delivered by any Loan Party in connection with the Senior Preferred Stock or otherwise relating to the Senior Preferred Stock, including but not limited to the Securities Purchase Agreement, the Warrant Agreement, the Exchange Agreement, the Amended and Restated Certificate of Incorporation, the Preferred Stockholders' Agreement, the Warrant Certificates and all security agreements, guaranties, pledge agreements, collateral assignments, mortgages, deeds of trust and other security documents relating to any of the foregoing, all certificates and proxies executed and delivered in connection with any of the foregoing and all other documents, agreements and instruments now or hereafter executed or delivered by any Person in connection with or as security for the payment and performance of the Senior Preferred Stock, as amended, in each case, with the consent (to the extent necessary) of the Lenders required pursuant to the Subordination Agreement.

"Preferred Stockholders' Agreement" means that certain Preferred Stockholders' Agreement, dated as of May 14, 1997 by and among the Investors, the Borrower, Radio One Licenses, Inc. (the surviving corporation of the merger of Radio One License LLC) and the Management Stockholders, as amended from time to time and in accordance with the terms hereof and thereof.

"Prime Rate" has the meaning set forth in the definition of ABR.

"Principal Shareholders" means Catherine L. Hughes and Alfred C. Liggins, III and their respective estates, executors and heirs.

"Properties" has the meaning set forth in Section 5.17(e).

"Public Equity Offering" means an underwritten primary public offering of common stock of the Borrower pursuant to an effective registration statement under the Securities Act.

"Purchase Agreement" means that certain Purchase Agreement, dated as of May 14, 1997, among the Borrower, as the issuer thereunder, Radio One Licenses, Inc., as a guarantor thereunder, and Credit Suisse First Boston Corporation and NationsBanc Capital Markets, Inc., acting on behalf of themselves and as the representatives of the several initial purchasers thereunder, regarding the sale by the Borrower of the Senior Subordinated Notes.

"Purchase Money Indebtedness" means Indebtedness of the Borrower and the Restricted Subsidiaries incurred in connection with the purchase of property or assets for the business of the Borrower and the Restricted Subsidiaries.

"Purchase Money Lien" means any Lien securing solely Purchase Money Indebtedness; provided that (i) any such Lien attaches concurrently with the acquisition of the subject property, (ii) such Lien attaches solely to the property so acquired in such transaction and (iii) the principal amount of the Indebtedness secured thereby does not exceed 100% of the cost of such property.

"Register" has the meaning set forth in Section 11.6(g).

"Reimbursement Obligations" means the obligations of the Borrower to reimburse the Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"Related Party" means, with respect to any Principal Shareholder, (i) any 80% (or more) owned Subsidiary or Immediate Family Member (in the case of an individual) of such Principal Shareholder or (ii) any Person, the beneficiaries, stockholders, partners, owners or Persons beneficially holding an 80% or more controlling interest of which consist of such Principal Shareholder or an Immediate Family Member, or (iii) any Person employed by the Borrower in a management capacity as of the Effective Date.

"Reorganization" means with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event" means any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived under Sections .13, .14, .16, .18, .19 or .20 of PBGC Reg. ss. 2615.

"Requirement of Law" means as to any Person, the Charter Documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority (including any Authorization), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" means the chief executive officer, the president or the chief financial officer of the relevant Loan Party.

"Restricted Payment" means, with respect to any Person, (i) the declaration or payment of any dividends or any other distributions of any sort in respect of its Equity Interests (including any payment in connection with any merger or consolidation involving such Person) or similar payment to the direct or indirect holders of its Equity Interests (other than in each such case distributions payable solely in its Equity Interests that is not Disqualified Stock) and dividends or distributions payable solely to the Borrower or a Wholly Owned Restricted Subsidiary, (ii) the purchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower held by any Person or of any Equity Interests of a Restricted Subsidiary held by any Person (other than a Wholly Owned Restricted Subsidiary), including the exercise of any option to exchange any Equity Interests (other than its Equity Interests of the Borrower that is not Disqualified Stock), or (iii) the purchase, repurchase, redemption, defeasance (including without limitation, any payment or deposit in respect of defeasance under Article Eight of the Senior Subordinated Notes Indenture) or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Subordinated Debt.

"Restricted Subsidiaries" means a Subsidiary of the Borrower other than an Unrestricted Subsidiary.

"Rights" means rights, remedies, powers and privileges.

"Sale and Leaseback Transaction" means a transaction whereby any Loan Party becomes liable with respect to any lease, whether an Operating Lease or a capital lease, or any property (whether real, personal or mixed), whether now owned or hereafter acquired, which (a) any Loan Party has sold or transferred or is to sell or transfer to any other Person or (b) any Loan Party intends to use for substantially the same purposes as any other property which has been or is to be sold or transferred by any Loan Party to any other Person in connection with such lease.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Securities Purchase Agreement" means that certain Agreement for Purchase and Sale of $17,000,000 Subordinated Secured Promissory Notes Due 2003 and Warrants to Purchase Common Stock of Radio One, Inc., dated as of June 6, 1995, among the Borrower, the Subsidiaries of the Borrower party thereto, Liggins, Hughes, Moore and the Investors, as amended with the consent of the Lenders required pursuant to the Subordination Agreement.

"Security Agreements" means (i) that certain Amended and Restated Borrower Security Agreement, dated effective as of May 19, 1997, executed by the Borrower in favor of the Agent for the benefit of the Lenders; (ii) that certain Security Agreement [Radio One Licenses, Inc.], dated effective as of May 19, 1997, executed by Radio One Licenses, Inc., a Delaware corporation and (iii) each Security Agreement of a Restricted Subsidiary, substantially in the form of Exhibit G executed and delivered as required pursuant to the terms hereof, as each of the foregoing may be amended, modified, restated, supplemented, renewed, extended, rearranged and substituted from time to time.

"Security Documents" means the Security Agreements, the Pledge Agreements, the Intellectual Property Security Agreements, the Mortgages, each Guaranty and any and all other agreements, deeds of trust, mortgages, chattel mortgages, security agreements, pledges, guaranties, assignments of proceeds, assignments of income, assignments of contract rights, assignments of partnership interest, assignments of royalty interests, assignments of performance or other collateral assignments, completion or surety bonds, standby agreements, subordination agreements, undertakings and other documents, agreements, instruments and financing statements now or hereafter executed and delivered by any Person in connection with, or as security for the payment or performance of, the Obligations or any part thereof.

"Senior Management" shall mean Hughes, Liggins and Scott R. Royster.

"Senior Preferred Stock" means (i) 84,843.03 shares of the Series A 15% Senior Cumulative Redeemable Preferred Stock, par value $.01 per share, (ii) 124,467.10 shares of the Series B 15% Senior Cumulative Redeemable Preferred Stock, par value $.01 per share and (iii) if exercised, the number of shares of Series A 15% Senior Cumulative Redeemable Preferred Stock to which the holder of the Allied Warrant is entitled thereunder not to exceed an original liquidation value of $4,000,000, provided that the holder of such Allied Warrant has assumed all the obligations and liabilities under, and become a party to, the Standstill Agreement as an "Investor" thereunder.

"Senior Subordinated Debt Documents" means any and all agreements relating to the Senior Subordinated Indebtedness, including but not limited to the Senior Subordinated Notes, the Purchase Agreement, the Senior Subordinated Notes Indenture, the Standstill Agreement and the Senior Subordinated Guaranties.

"Senior Subordinated Guaranties" means any and all guaranties of the Senior Subordinated Indebtedness.

"Senior Subordinated Indebtedness" means the Indebtedness owed by the Loan Parties to the Senior Subordinated Note Holders in an original principal amount not to exceed $85,478,000 which bears interest and has a maturity as set forth in the Senior Subordinated Notes Indenture.

"Senior Subordinated Note Holders" means the holders of the Senior Subordinated Notes.

"Senior Subordinated Notes" means (a) those certain 12% Senior Subordinated Notes due 2004, from the Borrower in the aggregate original principal amount of $85,478,000, issued pursuant to the Senior Subordinated Notes Indenture; and (b) all senior subordinated notes of the Borrower issued in exchange for the Senior Subordinated Notes on terms substantially identical to the terms of the Senior Subordinated Notes.

"Senior Subordinated Notes Indenture" means that certain Indenture, dated as of May 15, 1997, among the Borrower, the Restricted Subsidiaries and United States Trust Company of New York, as trustee for the Senior Subordinated Note Holders, as amended from time to time in accordance with the terms hereof and thereof.

"Single Employer Plan" means any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Solvent" means, with respect to any Person as of the date of any determination, that on such date (a) the fair value of the property of such Person (both at fair valuation and at present fair saleable value) is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature and (e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to current and anticipated future capital requirements and current and anticipated future business conduct and the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, such liabilities shall be computed at the amount which, in light of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Percentage" means at any time, as to any Lender, the percentage of the sum of the Tranche A Commitments and/or the sum of the Tranche B Commitments, as the context requires, then constituted by such Lender's Tranche A Commitment and/or Tranche B Commitment, as the context requires.

"Standstill Agreement" means that certain Standstill Agreement, dated as of May 19, 1997, between the Borrower, Radio One Licenses, Inc., the Investors, United States Trust Company of New York, as trustee on behalf of the Senior Subordinated Note Holders, the Management Stockholders and the Agent, which Standstill Agreement was given in substitution

and replacement of the Subordination Agreement as amended from time to time in accordance with the terms hereof and thereof.

"Station" or "Stations" has the meaning set forth in Section 5.25.

"Subordinated Debt" means any Indebtedness of the Borrower or any Restricted Subsidiary if the instrument creating or evidencing such Indebtedness or pursuant to which such Indebtedness is outstanding expressly provides that such Indebtedness is (i) if incurred by the Borrower, subordinated in right of payment to the Obligations or (ii) if incurred by a Restricted Subsidiary, subordinated in right of payment to the Guaranty and other Obligations of such Restricted Subsidiary.

"Subordinated Guaranties" means those certain Guaranties, dated June 6, 1995, executed and delivered by each of Radio One of Maryland, Inc., a Delaware corporation, Radio One License, Inc., a District of Columbia corporation, and Radio One of Maryland License, Inc., a District of Columbia corporation, guaranteeing the payment and performance of the Existing Subordinated Notes and any other guarantees of any Loan Party guaranteeing the payment or performance of the Existing Subordinated Notes.

"Subordinated Pledge Agreement" means that certain Shareholder Pledge Agreement dated June 6, 1995, executed and delivered by the Management Stockholders to Alta Subordinated Debt Partners III, L.P., as secured party for the ratable benefit of the Investors securing the payment of the Existing Subordinated Notes.

"Subordination Agreement" means the Standstill Agreement, which Standstill Agreement was given in replacement of that certain Intercreditor and Subordination Agreement, dated as of June 6, 1995, executed by the Loan Parties, the Investors, the Management Stockholders and the Agent. Accordingly, all references in any Loan Document or any other agreement or document to the Subordination Agreement shall mean the Standstill Agreement.

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the total voting power of all Voting Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees or other governing body thereof is at the time owned or controlled by such Person (regardless of whether such Equity Interests are owned directly or through one or more other Subsidiaries of such Person or a combination thereof). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower. "Wholly Owned Subsidiary" shall mean (a) any such corporation of which all of such shares, other than directors' qualifying shares, are so owned or controlled, directly or indirectly, and (b) any such partnership, association, joint venture or other entity in which such Person owns or controls, directly or indirectly, 100% of such interests.

"Surviving Person" means, with respect to any Person involved in or that makes any Disposition, the Person formed by or surviving such Disposition or the Person to which such Disposition is made.

"Tax Return" means, with respect to any Person, any return, declaration, report, claim for refund, or information return or statement relating to Taxes of such Person, including any schedule or attachment thereto and including any amendment thereof.

"Taxes" means all taxes, assessments, fees, levies, imposts, duties, deductions, withholdings or other charges of any nature whatsoever from time to time or at any time imposed by any Law or Tribunal, excluding, in the case of each Lender and the Agent, taxes based on or measured by its net income, and franchise taxes and any doing business taxes imposed on it, by any jurisdiction (or political subdivisions thereof) in which the Agent or such Lender or any applicable lending office is organized, located or doing business.

"Termination Date" means the earlier of (i) October 31, 2000, (ii) the date the Commitments under this Agreement are otherwise canceled or terminated in their entirety and (iii) the date all of the Obligations shall become due and payable whether at stated maturity, by acceleration or otherwise in accordance with the term hereof.

"Total Available Tranche A Commitment" means the sum of the Available Tranche A Commitments of all of the Lenders.

"Total Available Tranche B Commitment" means the sum of the Available Tranche B Commitments of all of the Lenders.

"Tranche A Commitment" means as to any Lender, its obligation, if any, to make Tranche A Loans to, and/or issue or participate in Letters of Credit issued on behalf of, the Borrower in an aggregate amount not to exceed at any one time outstanding the amount set forth opposite such Lender's name in Schedule 1.1 under the heading "Tranche A Commitment" or, in the case of any Lender that is an Assignee, the amount of the assigning Lender's Tranche A Commitment assigned to such Assignee pursuant to Section 11.6(c) and set forth in the applicable Assignment and Acceptance (in each case, as the same may be increased, reduced or otherwise adjusted from time to time as provided herein).

"Tranche A Facility" means all of the Tranche A Commitments of all of the Lenders and the Tranche A Loans made, and Letters of Credit issued, thereunder.

"Tranche A L/C Obligations" means L/C Obligations relating to Letters of Credit issued under the Tranche A Facility.

"Tranche A Loans" as defined in Section 2.1.

"Tranche A Note" as defined in Section 2.1.

"Tranche B Commitment" means as to any Lender, the obligation of such Lender, if any, to make Tranche B Loans to, and/or to issue or participate in Letters of Credit issued on behalf of, the Borrower in an aggregate principal amount not to exceed the amount set forth under the heading "Tranche B Commitment" opposite such Lender's name on Schedule 1.1 or, in the case of any Lender that is an Assignee, the amount of the assigning Lender's Tranche B Commitment assigned to such Assignee pursuant to Section 11.6(c) and set forth in the applicable Assignment and Acceptance (in each case, as the same may be increased, reduced or otherwise adjusted from time to time as provided herein).

"Tranche B Facility" means all of the Tranche B Commitments of all of the Lenders and the Tranche B Loans made, and Letters of Credit issued, thereunder.

"Tranche B L/C Obligations" means L/C Obligations relating to Letters of Credit issued under the Tranche B Facility.

"Tranche B Loans" as defined in Section 2.2.

"Tranche B Note" as defined in Section 2.2.

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

"UCC" means the Uniform Commercial Code as enacted in the State of Texas or other applicable jurisdiction, as amended from time to time.

"Uniform Customs" means the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Borrower that is formed or acquired after the Effective Date, which is funded through Investments as permitted by Section 8.8 (as designated by the Board of Directors of the Borrower, as provided below) and (ii) any direct or indirect Subsidiary of an Unrestricted Subsidiary; provided that at the time of the Investment by the Borrower to such Subsidiary (a) neither the Borrower nor any of its Restricted Subsidiaries provides credit support for any Indebtedness of such Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) other than Investments permitted under Section 8.8, (b) such Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness, (c) such Unrestricted Subsidiary is not a party to any agreement, contract, arrangement or understanding at such time with the Borrower or any Restricted Subsidiary of the Borrower except for transactions with Affiliates permitted by the terms of this Agreement unless the terms of any such agreement,

contract, arrangement or understanding are no less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower and (d) such Unrestricted Subsidiary does not own any Equity Interest in or Indebtedness of any Subsidiary of the Borrower that has not theretofore been and is not simultaneously being designated an Unrestricted Subsidiary. Any such designation by the Board of Directors of the Borrower shall be evidenced to the Agent by delivering to the Agent of a board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions. The Board of Directors of the Borrower may designate any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) both immediately after giving effect to such designation, no Default or Event of Default shall exist or will result therefrom, (ii) immediately after giving effect to such designation, the Borrower could incur $1.00 of additional Indebtedness pursuant to Section 4.03(a) of the Senior Subordinated Notes Indenture and (ii) all Indebtedness of such Unrestricted Subsidiary shall be deemed to be incurred (for purposes of Section 8.2 of this Agreement) on the date such Subsidiary is designated a Restricted Subsidiary.

"Unrestricted Subsidiary Indebtedness" means of any Unrestricted Subsidiary, Indebtedness of such Unrestricted Subsidiary (other than a guarantee of Indebtedness of the Borrower or any Restricted Subsidiary which is non-recourse to the Borrower and its Restricted Subsidiaries) (i) as to which neither the Borrower nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Borrower or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness) and (ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any holder of any Indebtedness of the Borrower or any Restricted Subsidiary to declare a default on such Indebtedness of the Borrower or any Restricted Subsidiary or cause the payment thereof to be accelerated or payable prior to its stated maturity.

"Voting Equity Interests" means, with respect to any Person, all classes of Equity Interest or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"Voting Stock" means the total voting power of all classes of capital stock then outstanding of the Borrower and normally entitled (without regard to the occurrence of any contingency) to vote in elections of directors of the Borrower.

"Warrant Agreement" means that certain Warrantholders' Agreement, dated as of June 6, 1995 among the Borrower, the Management Stockholders and the Investors, as amended by that certain First Amendment to the Warrantholders' Agreement (the "First Amendment to Warrant Agreement"), dated as of May 19, 1997 and as otherwise amended from time to time with the consent of the Lenders to the extent required pursuant to the Standstill Agreement.

"Warrant Certificates" means those certain warrant certificates issued to the Investors pursuant to the Securities Purchase Agreement and the Exchange Agreement which

warrant certificates were replaced by replacement certificates (entitled "Amended and Restated Warrants") issued in connection with the First Amendment to Warrant Agreement and any and all other warrant certificates issued in replacement or substitution therefor, which Warrant Certificates are pledged to the Agent for the benefit of the Lenders as security for the Obligations.

"Warrantholders" means the holders of Warrants issued pursuant to the Securities Purchase Agreement and the Exchange Agreement or shares of Common Stock issued in exchange therefor.

"Warrantholders' Pledge" has the meaning set forth in the definition of Pledge Agreements.

"Warrants" means those certain Series B Amended and Restated Warrants and those certain Series A Amended and Restated Warrants given in replacement for the warrants issued to the Investors pursuant to the Securities Purchase Agreement and the Exchange Agreement, to purchase an aggregate of 147.04 shares of the Common Equity of the Borrower on a fully diluted basis subject to the terms and provisions of the Warrant Certificates.

"Wholly Owned Subsidiary" has the meaning set forth in the definition of Subsidiary.

"WPHI-FM" means that certain radio station to be acquired by the Borrower on or before the Effective Date pursuant to the terms and conditions of the WPHI Purchase Agreement, which radio station was formerly known as WDRE-FM.

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the same defined meanings when used in the Notes or other Loan Documents.

(b) As used in any Loan Document, accounting terms relating to the Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined in any Loan Document shall be equally applicable to both the singular and plural forms of such terms.

(e) Unless stipulated otherwise all references in any of the Loan Documents to "dollars", "money", "payments" or other similar financial or monetary terms, are references to currency of the United States of America and all references to interest are to simple not compound interest.

(f) The headings and captions used in any of the Loan Documents are for convenience only and shall not be deemed to limit, amplify or modify the terms of the Loan Documents nor affect the meaning thereof.

(g) References in this Agreement or any other Loan Document to knowledge by the Borrower or any Subsidiary of events or circumstances shall be deemed to refer to events or circumstances of which any Responsible Officer has actual knowledge or reasonably should have knowledge.

(h) References in this Agreement or any other Loan Document to financial statements shall be deemed to include all related schedules and notes thereto.

1.3 Computation of Time Periods. For purposes of computation of periods of time hereunder, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

SECTION 2.

AMOUNT AND TERMS OF COMMITMENTS

2.1 Tranche A Commitments and Tranche A Notes. (a) Subject to and in reliance upon the terms, conditions, representations and warranties contained in the Loan Documents, each Lender severally agrees to make Loans under its Available Tranche A Commitment to the Borrower from time to time until the Termination Date ("Tranche A Loans"), provided that in no event shall the Aggregate Outstandings of Tranche A Credit of any Lender at any time exceed such Lender's Tranche A Commitment. Until the Termination Date, the Borrower may use the Available Tranche A Commitments by borrowing, prepaying the Tranche A Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Tranche A Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by the Borrower and notified to the Agent in accordance with Sections 2.3 and 4.5, provided that no Tranche A Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Termination Date.

(c) In order to evidence the Tranche A Loans, the Borrower will execute and deliver to each Lender a promissory note substantially in the form of Exhibit H-1, with appropriate insertions as to payee, date and principal amount (each, as amended, supplemented,

replaced or otherwise modified from time to time, a "Tranche A Note"), payable to the order of each Lender and in a principal amount equal to each such Lender's Tranche A Commitment. Each Tranche A Note shall (x) be dated the Effective Date or the date of any reissuance of such Tranche A Note, (y) be stated to mature on the Termination Date and (z) provide for the payment of interest in accordance with Section 4.1.

2.2 Tranche B Commitments and Tranche B Notes. (a) Subject to and in reliance upon the terms, conditions, representations and warranties contained in the Loan Documents, each Lender severally agrees to make Loans under its Available Tranche B Commitment to the Borrower from time to time until the Termination Date ("Tranche B Loans"), provided that in no event shall the Aggregate Outstandings of Tranche B Credit of any Lender at any time exceed such Lender's Tranche B Commitment. Until the Termination Date, the Borrower may use the Available Tranche B Commitments by borrowing, prepaying the Tranche B Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The Tranche B Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans or (iii) a combination thereof, as determined by the Borrower and notified to the Agent in accordance with Sections 2.3 and 4.5, provided that no Tranche B Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Termination Date.

(c) In order to evidence the Tranche B Loans, the Borrower will execute and deliver to each Lender a promissory note substantially in the form of Exhibit H-2, with appropriate insertions as to payee, date and principal amount (each, as amended, supplemented, replaced or otherwise modified from time to time, a "Tranche B Note"), payable to the order of each Lender and in a principal amount equal to each such Lender's Tranche B Commitment. Each Tranche B Note shall (x) be dated the Effective Date or the date of any reissuance of such Tranche B Note, (y) be stated to mature on the Tranche B Maturity Date and (z) provide for the payment of interest in accordance with Section 4.1.

2.3 Procedure for Borrowing. Subject to the applicable terms and conditions contained in Section 6 of this Agreement, the Borrower may borrow under (i) the Tranche A Commitments at any time prior to the Termination Date and/or (ii) the Tranche B Commitments at any time after the date on which the Total Available Tranche A Commitment equals zero (0), but prior to the Termination Date, on any Business Day by delivery to the Agent of an irrevocable notice substantially in the form of Exhibit I (a "Notice of Borrowing"). A Notice of Borrowing must be received by the Agent prior to 11:00 A.M., Dallas, Texas time, (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested Loans are to be initially Eurodollar Loans, or (b) on the requested Borrowing Date. A Notice of Borrowing shall specify (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the respective amounts of each Eurodollar Tranche and the respective lengths of the initial Interest Periods therefor. Borrowings under the Tranche A Commitments shall be in an amount equal to (x) in the case of

ABR Loans, $100,000 or a whole multiple of $50,000 in excess thereof (or, if the then available amount of the Tranche A Commitments is less than $100,000, such lesser amount) and (y) in the case of Eurodollar Loans, $500,000 or a whole multiple of $100,000 in excess thereof. Borrowings under the Tranche B Commitments shall be in an amount equal to (x) in the case of ABR Loans, $100,000 or a whole multiple of $50,000 in excess thereof (or, if the then available amount of the Tranche B Commitments is less than $100,000, such lesser amount) and (y) in the case of Eurodollar Loans, $500,000 or a whole multiple of $100,000 in excess thereof. Upon receipt of any such Notice of Borrowing from the Borrower, the Agent shall promptly notify each Lender thereof. Each such Lender will make the amount of its pro rata share of each applicable borrowing available to the Agent for the account of the Borrower at the office of the Agent specified as the Funding Office in Schedule 1.1 prior to 1:00 P.M., Dallas, Texas time, on the Borrowing Date requested by the Borrower in funds immediately available to the Agent. Such borrowing will then be made available to the Borrower by the Agent crediting the account of the Borrower as so directed by the Borrower in a Notice of Borrowing with the aggregate of the amounts made available to the Agent by the Lenders and in like funds as received by the Agent.

2.4 Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to the Agent for the account of each Lender, (i) the then unpaid principal amount of each Tranche A Loan of such Lender on the Termination Date (or such earlier date on which the Tranche A Loans become due and payable pursuant to Section 9), (ii) the then unpaid principal amount of each Tranche B Loan of such Lender on the Termination Date (or such earlier date on which the Tranche B Loans become due and payable pursuant to Section 9), and (iii) the amounts specified in Section 4.2 on the dates specified in Section 4.2. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans from time to time outstanding until payment in full thereof at the rates per annum, and on the dates, set forth in Section 4.1.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Agent shall maintain the Register pursuant to Section 11.6(g), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder, whether the Loan is a Tranche A or a Tranche B Loan, the type thereof and each Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 11.6(g) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Agent to maintain the Register or any

such account, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, Issuing Lender, in reliance on the agreements of the other Lenders set forth in Section 3.4(a), agrees to issue letters of credit under the Tranche A Facility and under the Tranche B Facility (collectively, the "Letters of Credit") for the account of the Borrower on any Business Day in such customary form as may be approved from time to time by such Issuing Lender; provided that Issuing Lender shall not issue any (i) Letter of Credit under the Tranche A Facility if, after giving effect to such issuance, the Tranche A L/C Obligations would exceed the lesser of (x) $1,000,000 or (y) the Total Available Tranche A Commitment at such time or (ii) Letter of Credit under the Tranche B Facility if, after giving effect to such issuance, the Tranche B L/C Obligations would exceed the lesser of (x) $2,500,000 or (y) the Total Available Tranche B Commitment at such time. Each Letter of Credit shall (i) be denominated in Dollars, (ii) used solely (A) for making good faith escrow deposits in connection with acquisitions of radio stations by the Borrower or any Subsidiary of the Borrower, provided that any agreement, commitment or undertaking made in connection therewith is non-recourse to the Borrower and the Restricted Subsidiaries other than with respect to such escrow deposit ("Permitted Escrow Deposits") or (B) to secure Capital Lease Obligations to the extent permitted hereunder and (iii) expire no later than the earlier of (x) the Termination Date and (y) the date which is 12 months after its date of issuance.

(b) Each Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of Texas.

(c) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any other Lender to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letters of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender, at the office of the Issuing Lender specified in Section 11.2, an application therefor, completed to the reasonable satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the

Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof.

3.3 Fees, Commissions and Other Charges. The Borrower shall pay to the Issuing Lender, a letter of credit fee with respect to each Letter of Credit equal to the greater of (i) $500 or (ii) 1% of the face amount of each such Letter of Credit, payable on the date of each issuance of a letter of credit. Such fee shall be nonrefundable.

3.4 L/C Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each Lender, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, for such Lender's own account and risk an undivided interest equal to such Lender's Specified Percentage in the Issuing Lender's obligations and rights under each Letter of Credit issued by the Issuing Lender and the amount of each draft paid by the Issuing Lender thereunder. Each Lender unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit issued by the Issuing Lender for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with Section 3.5(a), such Lender shall pay to the Issuing Lender upon demand at the office of the Issuing Lender specified in Schedule 1.1 an amount equal to such Lender's Specified Percentage of the amount of such draft, or any part thereof, which is not so reimbursed.

(b) If any amount required to be paid by any Lender to the Issuing Lender pursuant to this Section in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such Lender shall pay to the Issuing Lender on demand an amount equal to the product of such amount, times the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any Lender pursuant to this Section is not in fact made available to the Issuing Lender by such Lender within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such Lender, on demand, such amount with interest thereon calculated from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender at a rate per annum equal to the ABR. A certificate of the Issuing Lender submitted to any Lender with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any Lender its pro rata share of such payment in accordance with this Section , the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of Collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will, if such payment is received prior to 1:00 p.m., Dallas, Texas time, on a Business Day, distribute to such Lender its pro rata share thereof on the same Business Day or if received later than 1:00 p.m. on the next succeeding Business Day; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such Lender shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

(d) Notwithstanding anything to the contrary in this Agreement, each Lender's obligation to make the Loans referred to in Section 3.5(b) and to purchase and fund participating interests pursuant to Section 3.4(a) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such Lender or the Borrower may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 6, (iii) any adverse change in the condition (financial or otherwise) of any Loan Party, (iv) any breach of this Agreement or any other Loan Document by any Loan Party or any Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

3.5 Reimbursement Obligation of the Borrower. (a) The Borrower agrees to reimburse the Issuing Lender (it being understood that such reimbursement shall be effected by means of a borrowing of Loans unless the Agent shall determine in its sole discretion that such Loans may not be made for such purpose as a result of a Default or Event of Default pursuant to Section 9(f)), upon receipt of notice from the Issuing Lender of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Lender, for the amount of such draft so paid and any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Each such payment shall be made to the Issuing Lender, at the office of the Issuing Lender specified in Schedule 1.1 in Dollars and in immediately available funds, on the date on which the Borrower receives such notice, if received prior to 11:00 A.M., Dallas, Texas time, on a Business Day and otherwise on the next succeeding Business Day.

(b) Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section 3.5, (i) from the date the draft under the affected Letter of Credit is paid by the Issuing Bank to the date on which the Borrower is required to pay such amounts pursuant to paragraph (a) above at a rate per annum equal to the ABR and (ii) thereafter until payment in full at the rate which would be payable on any Loans which were then overdue. Except as otherwise specified in Section 3.5(a), each drawing under any Letter of Credit shall constitute a request by the Borrower to the Agent for a borrowing of Loans that are ABR Loans pursuant to Section 2.3 in the amount of such drawing. The Borrowing Date with respect to such

borrowing shall be the date of payment of such drawing and the proceeds of such Loans shall be applied by the Agent to reimburse the Issuing Lender for the amounts paid under such Letter of Credit.

3.6 Obligations Absolute. Subject to the penultimate sentence of this Section 3.6, the Borrower's obligations under this Section shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Lender, any Lender or any beneficiary of a Letter of Credit. The Borrower also agrees with the Issuing Lender that the Issuing Lender and the Lenders shall not be responsible for, and the Borrower's Reimbursement Obligations under Section shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. So long as the Issuing Lender acts in accordance with the standards of care specified in the Uniform Commercial Code of the State of Texas, the Issuing Lender and the Lenders shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions caused by such Person's gross negligence or willful misconduct. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards of care specified in the Uniform Commercial Code of the State of Texas, shall be binding on the Borrower and shall not result in any liability of either the Issuing Lender or any Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower and the Lenders of the date and amount thereof. Subject to Section 3.6, the responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment appear on their face to be in conformity with such Letter of Credit.

3.8 Application. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply.

SECTION 4. GENERAL PROVISIONS APPLICABLE TO LOANS AND LETTERS OF CREDIT

4.1 Interest Rates and Payment Dates. (a) Subject to Section 11.15, each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day.

(b) Subject to Section 11.15, each ABR Loan shall bear interest for each day that it is outstanding at a rate per annum equal to the ABR for such day.

(c) (i) Subject to Section 11.15, after the occurrence and during the continuance of an Event of Default, all Loans and Reimbursement Obligations shall bear interest at a rate per annum which is equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 4.1 plus 2% or (y) in the case of Reimbursement Obligations, at a rate per annum equal to the ABR plus 2% and (ii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee, letter of credit fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the ABR plus 2%, in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

4.2 Optional and Mandatory Commitment Reductions and Prepayments. (a) The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty (it being understood that amounts payable pursuant to Section 4.11 do not constitute premium or penalty), upon at least three Business Days' irrevocable notice to the Agent (in the case of Eurodollar Loans) or at least one Business Day's irrevocable notice to the Agent (in the case of ABR Loans), specifying the date and amount of prepayment and whether the prepayment is of Eurodollar Loans, ABR Loans or a combination thereof, and, in each case if a combination thereof, the principal amount allocable to each. Upon the receipt of any such notice the Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (if a Eurodollar Loan is prepaid other than at the end of the Interest Period applicable thereto) any amounts payable pursuant to Section 4.11. Partial prepayments of (i) Tranche A Loans shall be in an aggregate principal amount of $100,000 or a whole multiple of $50,000 in excess thereof and (ii) Tranche B Loans shall be in an aggregate principal amount of $100,000 or a whole multiple of $50,000 in excess thereof. Prepayments will be applied first to the Tranche A Facility and then to the Tranche B Facility.

(b) The Borrower shall have the right, upon not less than three Business Days' notice to the Agent (which will promptly notify the Lenders thereof), to terminate the Tranche A Commitments and/or the Tranche B Commitments or, from time to time, to reduce the amount of the Tranche A Commitments and/or the Tranche B Commitments; provided that (i) any such terminations or reductions shall first be applied as terminations of or reductions in the Tranche A Commitments until the same are eliminated and then as terminations of or reductions in the Tranche B Commitments; and (ii) no such termination or reduction of the Tranche A Commitments or the Tranche B Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Tranche A Loans or the Tranche B Loans made on the effective date thereof, (x) the sum of the Aggregate Outstandings of Tranche A Credit of all Lenders would exceed the Total Available Tranche A Commitment then in effect or (y) the sum of the Aggregate Outstandings of Tranche B Credit of all Lenders would exceed the Total Available Tranche B Commitment then in effect, as applicable. Any such reduction in the (i) Tranche A Commitments shall be in a minimum amount of $100,000 or a whole multiple of $50,000 in excess thereof and shall reduce permanently the Tranche A Commitments then in effect and (ii) Tranche B Commitments shall be in a minimum amount of $100,000 or a whole multiple of $50,000 in excess thereof and shall reduce permanently the Tranche B Commitments then in effect.

(c) If at any time the sum of all of the Lenders' Aggregate Outstandings of Tranche A Credit exceed the Total Available Tranche A Commitment then in effect or (ii) the sum of all of the Lenders' Aggregate Outstandings of Tranche B Credit exceed the Total Available Tranche B Commitments then in effect, the Borrower shall, without notice or demand, immediately repay the Tranche A Loans and/or the Tranche B Loans, as applicable, in an aggregate principal amount equal to such excess, together with interest accrued to the date of such payment or repayment and any amounts payable under Section 4.11. To the extent that, after giving effect to any prepayment of the Tranche A Loans or the Tranche B Loans required by the preceding sentence, the sum of the Tranche A L/C Obligations still exceeds the Total Available Tranche A Commitment or the sum of the Tranche B L/C Obligations still exceeds the Total Available Tranche B Commitment then in effect, the Borrower shall, without notice or demand, immediately cash collateralize the then outstanding L/C Obligations in an amount equal to such excess upon terms reasonably satisfactory to the Agent. Any amounts deposited in any cash collateral account established pursuant to this Section 4.2 shall be invested in Cash Equivalents having a one day maturity or such other Cash Equivalents as shall be acceptable to the Agent and the Borrower.

(d) In the event of any Disposition, the Net Proceeds of which are not reinvested in Broadcast Assets within 270 days of such Disposition (any such Net Proceeds not so reinvested being herein referred to as "Excess Proceeds"), the Borrower shall (i) repay the Tranche A Loans, together with interest accrued to the date of such payment and any amounts payable under Section 4.11, in an aggregate amount equal to the Excess Proceeds of such Disposition and (ii) after the Tranche A Loans, shall have been repaid in full, the Excess Proceeds shall be applied in payment of the Tranche B Loans, together with interest accrued to the date of such payment and any amounts payable under Section 4.11. To the extent that, after

giving effect to any repayment of the Tranche A Loans and the Tranche B Loans required by the preceding sentence, the principal amount outstanding under such Loans shall have been reduced to zero (0), then any amounts remaining of such Excess Proceeds of any such Disposition shall be deposited into a cash collateral account in the name of the Agent for the benefit of the Lenders to secure the then outstanding L/C Obligations, if any, in such order as the Agent shall determine, up to the aggregate face amount of all such outstanding L/C Obligations, upon terms reasonably satisfactory to the Agent. Notwithstanding the foregoing provisions of this Section 4.2(d), the Borrower and the Restricted Subsidiaries shall not be required to apply any Excess Proceeds in accordance with this Section 4.2(d) unless or until such Excess Proceeds either singularly or when aggregated with all other Excess Proceeds from all Dispositions exceed $1,000,000. Notwithstanding anything to the contrary set forth herein, in the event (i) a Default or Event of Default exists or (ii) the aggregate Excess Proceeds realized since May 19, 1997 equals or exceeds $4,750,000, then (A) any and all Net Proceeds received on or after such events by the Borrower or any Restricted Subsidiary shall be used to repay Loans and to cash collateralize the L/C Obligations as aforesaid and (B) the Tranche A Commitments and then the Tranche B Commitments shall be permanently reduced by the amount of such Net Proceeds.

(e) In the event that Equity Interests in the Borrower are issued (other than with respect to the Allied Warrant) or sold by the Borrower, then no later than the third Business Day following the date of receipt of the proceeds from any issuance or sale of such Equity Interests (other than (a) proceeds of the issuance or sale of Equity Interests received on or before the Effective Date; and (b) proceeds from the issuance or sale of Equity Interests to the Borrower or any Wholly Owned Restricted Subsidiary of the Borrower by any Person that was a Restricted Subsidiary of the Borrower immediately prior to such issuance), the Borrower shall (i) repay the Tranche A Loans in an amount equal to the proceeds of such Equity Interests, net of underwriting discounts and commissions and other reasonable costs associated therewith (the "Equity Proceeds") and (ii) after the Tranche A Loans shall have been repaid in full, repay the Tranche B Loans with the balance of such Equity Proceeds; provided that the Borrower shall not be required to repay the Loans under this Section 4.2(e) with any Equity Proceeds that are used by the Borrower to make Investments in Unrestricted Subsidiaries within 30 days of the receipt of such Equity Proceeds, as permitted under Section 8.8(b). Notwithstanding anything to the contrary contained above, if at any time a Default or Event of Default exists, then all Equity Proceeds received on or after such event shall be used to prepay the Loans as aforesaid and in addition to such repayment of the Loans, the Tranche A Commitments and/or the Tranche B Commitments, as applicable, shall also each be permanently reduced by the amount of such repayments.

(f) In the event that any Loan Party creates, incurs, acquires or issues any Indebtedness (other than Indebtedness permitted under Section 8.2), then no later than the third Business Day following the date of receipt of the proceeds from the creation, incurrence, acquisition or issuance of any such Indebtedness, the Borrower shall (i) first, repay the Tranche A Loans in an amount equal to such proceeds and (ii) after the Tranche A Loans have been paid in full, repay the Tranche B Loans with the balance of such proceeds. In addition, if at any time a Default or Event of Default exists, then the Tranche A Commitments and/or the Tranche B Commitments, as applicable, shall also each be permanently reduced by the amount of such repayments made on the Tranche A Loans and/or the Tranche B Loans, as applicable.

(g) Upon the consummation of any Permitted Acquisition for which an escrow deposit has been made with a Loan advanced or Letter of Credit issued hereunder, the Borrower shall concurrently with the consummation of such Permitted Acquisition, repay the Loans and/or terminate the Letters of Credit issued for such escrow deposits relating thereto in an amount equal to the amount of such escrow deposit.

(h) In the case of any reduction of the Commitments, the Borrower shall, if applicable, comply with the requirements of Section 4.2(c). Each repayment of the Loans under this Section 4.2 shall be accompanied by accrued interest to the date of such repayment on the amount repaid and any amounts payable under Section 4.11.

4.3 Commitment Fees, etc. (a) Subject to Section 11.15, the Borrower agrees to pay to the Agent for the account of each Lender, a commitment fee computed at the rate of 1/2 of 1% per annum on the average daily amount of the unused Tranche A Commitments of each Lender commencing from the Effective Date. Such commitment fee shall be payable quarterly in arrears on the last Business Day of each March, June, September and December and on the date on which the Tranche A Commitments shall have terminated.

(b) Subject to Section 11.15, until the date of the initial extension of credit under the Tranche B Facility, the Borrower agrees to pay to the Agent for the account of each Lender, a commitment fee computed at the rate of 1/4 of 1% per annum on the amount of the Tranche B Commitments of each Lender commencing from the Effective Date and, after the date of the initial extension of credit under the Tranche B Facility, a commitment fee equal to 1/2 of 1% per annum on the average daily amount of the unused Tranche B Commitments of each Lender commencing from such date of the initial extension of credit under the Tranche B Facility. Such commitment fee shall be payable quarterly in arrears on the last Business Day of each March, June, September and December and on the date on which the Tranche B Commitments shall have terminated.

(c) Subject to Section 11.15, the Borrower shall pay (without duplication of any other fee payable under this Section 4.3) to the Agent, the facility fees with respect to Option B in the amounts and on the dates agreed to in the Commitment Letter and the Fee Letter.

4.4 Computation of Interest and Fees. (a) Interest based on the Eurodollar Rate and fees shall be calculated on the basis of a 360-day year for the actual days elapsed; and interest based on the ABR shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Agent shall as soon as practicable notify the Borrower and the Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Agent shall as soon as practicable notify the Borrower and the Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing in reasonable detail the calculations used by the Agent in determining any interest rate pursuant to Section 4.1 (a).

(c) The fees described in this Agreement, the Fee Letter and the Commitment Letter represent compensation for services rendered and to be rendered separate and apart from the lending of money or the provision of credit and do not constitute compensation for the use, detention, or forbearance of money, and the obligation of the Borrower to pay each fee described herein shall be in addition to, and not in lieu of, the obligation of the Borrower to pay interest, other fees described in the Loan Documents, and expenses otherwise described in the Loan Documents. Fees shall be payable when due in Dollars and in immediately available funds. All such fees shall be non-refundable.

4.5 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Agent an irrevocable notice substantially in the form of Exhibit J (a "Notice of Conversion/Continuation"), at least one Business Day prior to such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans or to continue Eurodollar Loans as Eurodollar Loans by giving the Agent a Notice of Conversion/Continuation at least three Business Days' prior to such election. Any such Notice of Conversion/Continuation to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such Notice of Conversion/Continuation the Agent shall promptly notify each Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein, provided that (i) no Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and (ii) no Tranche A Loan may be converted into a Eurodollar Loan if the Interest Period selected therefor would expire after the Termination Date and no Tranche B Loan may be converted into a Eurodollar Loan if the Interest Period selected therefor would expire after the Tranche B Maturity Date.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to

the Agent, of the length of the next Interest Period to be applicable to such Loans, determined in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing or (ii) after the date that is one month prior to the Termination Date, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice of continuation pursuant to this Section 4.5(b), the Agent shall promptly notify each Lender thereof.

4.6 Minimum Amounts of Eurodollar Tranches. All borrowings, conversions, continuations and payments of Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising (i) each Eurodollar Tranche of Tranche A Loans shall be equal to $500,000 or a whole multiple of $100,000 in excess thereof and (ii) each Eurodollar Tranche of Tranche B Loans shall be equal to $100,000 or a whole multiple of $100,000 in excess thereof. In no event shall there be more than six Eurodollar Tranches outstanding at any time.

4.7 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Agent shall have determined (which determination shall be made in good faith and shall be conclusive and binding upon the Borrower absent manifest error) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period; or

(b) the Agent shall have received notice from the Majority Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making, maintaining or converting that portion of the outstanding principal balance of their affected Loans during such Interest Period,

the Agent shall give facsimile notice thereof to the Borrower and the Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to ABR Loans. Until such notice has been withdrawn by the Agent or the Majority Lenders, as the case may be, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans.

4.8 Pro Rata Treatment and Payments. (a) Each borrowing of Loans hereunder shall be made, each payment by the Borrower on account of any commitment fee

hereunder shall be allocated by the Agent, and any reduction of the Tranche A Commitments or the Tranche B Commitments shall be allocated by the Agent, pro rata according to the respective Specified Percentages of the Lenders. Each payment (including each prepayment) by the Borrower on account of principal of and interest on, or commitment fees related to, the Loans or Reimbursement Obligations shall be allocated by the Agent pro rata according to the respective Specified Percentages of such Loans and Reimbursement Obligations then held by the Lenders. All payments (including prepayments) to be made by the Borrower hereunder and under any Notes, whether on account of principal, interest, fees, Reimbursement Obligations or otherwise, shall be made without set-off or counterclaim and shall be made prior to 1:00 P.M., Dallas, Texas time, on the due date thereof to the Agent, for the account of the Lenders, at the Agent's office specified in Section 11.2, in Dollars and in immediately available funds. Payments received by the Agent after such time shall be deemed to have been received on the next Business Day. If any payment hereunder becomes due and payable on a day other than a Business Day, the maturity of such payment shall be extended to the next succeeding Business Day, (and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension) unless, with respect to payments of Eurodollar Loans only, the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day.

(b) Unless the Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Agent, the Agent may assume that such Lender is making such amount available to the Agent, and the Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Agent. A certificate of the Agent submitted to any Lender with respect to any amounts owing under this Section 4.8 shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Agent by such Lender within three Business Days of such Borrowing Date, the Agent shall notify the Borrower of the failure of such Lender to make such amount available to the Agent and the Agent shall also be entitled to recover, on demand from the Borrower, such amount with interest thereon at a rate per annum equal to the ABR plus the Applicable Margin in effect on the Borrowing Date.

4.9 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the Effective Date:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Note or any Eurodollar Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof

(except for Non-Excluded Taxes covered by Section 4.10, net income taxes and franchise taxes (imposed in lieu of net income taxes));

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans or to reduce any amount receivable hereunder in respect thereof, then, in any such case, within five Business Days following receipt by the Borrower of notice from such Lender, through the Agent, in accordance herewith, the Borrower shall pay such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduced amount receivable.

(b) If any Lender shall have determined in good faith that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the Effective Date shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount reasonably deemed by such Lender to be material, then from time to time, the Borrower shall promptly pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

(c) If any Lender becomes entitled to claim any additional amounts pursuant to this Section 4.9, it shall promptly deliver a certificate to the Borrower (with a copy to the Agent), setting forth in reasonable detail an explanation of the basis for requesting such compensation. Such certificate as to any additional amounts payable pursuant to this Section 4.9 submitted by such Lender to the Borrower (with a copy to the Agent) shall be conclusive in the absence of manifest error provided such determinations are made on a reasonable basis. The Borrower shall pay each Lender the amount shown as due on any such certificate delivered by it within 15 days after the Borrower's receipt thereof. The agreements in this Section 4.9 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

4.10 Taxes. (a) All payments made by the Borrower under this Agreement and any Notes shall be made free and clear of, and without deduction or withholding for or on

account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding (i) net income taxes; (ii) franchise and doing business taxes imposed on the Agent or any Lender as a result of a present or former connection between the Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any Note); (iii) any Taxes, levies, imposts, deductions, charges or withholdings that are in effect and that would apply to a payment to such Lender as of the Effective Date; and (iv) if any Person acquires any interest in this Agreement or any Note pursuant to the provisions hereof, including without limitation a participation (whether or not by operation of law), or a foreign Lender changes the office in which the Loan is made, accounted for or booked (any such Person or such foreign Lender in that event being referred to as a "Tax Transferee"), any Taxes, levies, imposts, deductions, charges or withholdings to the extent that they are in effect and would apply to a payment to such Tax Transferee as of the date of the acquisition of such interest or change in office, as the case may be. If any such non-excluded taxes, levies, imposts, duties, charges, fees deductions or withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to the Agent or any Lender hereunder or under any Note, the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement, provided, however, that the Borrower shall not be required to increase any such amounts payable to any Non-U.S. Lender if such Lender fails to comply with the requirements of paragraph (b) of this Section. Whenever any Non-Excluded Taxes are payable by the Borrower, as promptly as possible thereafter the Borrower shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. If, when the Borrower is required by this Section 4.10(a) to pay any Non-Excluded Taxes, the Borrower fails to pay such Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure.

(b) Each Lender (or Transferee) that is not a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America, or any estate or trust that is subject to federal income taxation regardless of the source of its income (a "Non-U.S. Lender") shall deliver to the Borrower and the Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form 1001 or Form 4224, or, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Lender delivers a Form W-8, an annual certificate representing that such

Non-U.S. Lender (i) is not a "bank" for purposes of Section 881(c) of the Code (and is not subject to regulatory or other legal requirements as a bank in any jurisdiction, and has not been treated as a bank in any filing with or submission made to any Governmental Authority or rating agency), (ii) is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and (iii) is not a controlled foreign corporation related to the Borrower (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Lender claiming complete exemption (or, in the case of a Non-U.S. Lender entitled to a reduced treaty rate, a partial exemption) from, U.S. federal withholding tax on all payments by the Borrower under this Agreement and the other Loan Documents, along with such other additional forms as the Borrower, the Agent (or, in the case of a Participant, the Lender from which the related participation shall have been purchased) may reasonably request to establish the availability of such exemption. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-U.S. Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Lender. Each Non-U.S. Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of Section 4.10, a Non-U.S. Lender shall not be required to deliver any form pursuant to this Section 4.10(b) that such Non-U.S. Lender is not legally able to deliver, it being understood and agreed that, in the event that a Non-U.S. Lender fails to deliver any forms otherwise required to be delivered pursuant to this Section 4.10(b), or notifies the Borrower that any previously delivered certificate is no longer in force, the Borrower shall withhold such amounts as the Borrower shall reasonably determine are required by law and shall not be required to make any additional payment with respect thereto to the Non-U.S. Lender, unless such failure to deliver or notify is a result of change in law subsequent to the Effective Date.

(c) If a Lender (or Transferee) or the Agent shall become aware that it is entitled to receive a refund in respect of Non-Excluded Taxes paid by the Borrower, or as to which it has been indemnified by the Borrower, which refund in the good faith judgment of such Lender (or Transferee) is allocable to such payment made pursuant to this Section 4.10, it shall promptly notify the Borrower of the availability of such refund and shall, within 30 days after receipt of a request by the Borrower, apply for such refund. If any Lender (or Transferee) or the Agent receives a refund in respect of any Non-Excluded Taxes paid by the Borrower, or as to which it has been indemnified by the Borrower, it shall promptly notify the Borrower of such refund and shall, within 15 days after receipt, repay such refund to the Borrower. The agreements in this Section 4.10 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

4.11 INDEMNITY. THE BORROWER AGREES TO INDEMNIFY EACH LENDER AND TO HOLD EACH LENDER HARMLESS FROM ANY LOSS OR EXPENSE WHICH SUCH LENDER MAY SUSTAIN OR INCUR AS A CONSEQUENCE OF (A) DEFAULT BY THE BORROWER IN MAKING A BORROWING OF,

CONVERSION INTO OR CONTINUATION OF EURODOLLAR LOANS AFTER THE BORROWER HAS GIVEN A NOTICE REQUESTING THE SAME IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT, (B) DEFAULT BY THE BORROWER IN MAKING ANY PREPAYMENT OF EURODOLLAR LOANS AFTER THE BORROWER HAS GIVEN A NOTICE THEREOF IN ACCORDANCE WITH THE PROVISIONS OF THIS AGREEMENT OR (C) THE MAKING OF A PREPAYMENT OF EURODOLLAR LOANS ON A DAY WHICH IS NOT THE LAST DAY OF AN INTEREST PERIOD WITH RESPECT THERETO. SUCH INDEMNIFICATION MAY INCLUDE AN AMOUNT EQUAL TO THE EXCESS, IF ANY, OF (I) THE AMOUNT OF INTEREST WHICH WOULD HAVE ACCRUED ON THE AMOUNT SO PREPAID, OR NOT SO BORROWED, CONVERTED OR CONTINUED, FOR THE PERIOD FROM THE DATE OF SUCH PREPAYMENT OR OF SUCH FAILURE TO BORROW, CONVERT OR CONTINUE TO, BUT NOT INCLUDING, THE LAST DAY OF SUCH INTEREST PERIOD (OR, IN THE CASE OF A FAILURE TO BORROW, CONVERT OR CONTINUE, THE INTEREST PERIOD THAT WOULD HAVE COMMENCED ON THE DATE OF SUCH FAILURE) IN EACH CASE AT THE APPLICABLE RATE OF INTEREST FOR SUCH LOANS PROVIDED FOR HEREIN OVER (II) THE AMOUNT OF INTEREST (AS REASONABLY DETERMINED BY SUCH LENDER) WHICH WOULD HAVE ACCRUED TO SUCH BANK ON SUCH AMOUNT BY PLACING SUCH AMOUNT ON DEPOSIT FOR A COMPARABLE PERIOD WITH LEADING BANKS IN THE INTERBANK EURODOLLAR MARKET. THIS COVENANT SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

4.12 Change of Lending Office. Each Lender agrees that if it makes any demand for payment under Section 4.9 or 4.10(a), it will use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and so long as such efforts would not be disadvantageous to it, as determined in its sole discretion) to designate a different lending office if the making of such a designation would reduce or obviate the need for the Borrower to make payments under Sections 4.9 or 4.10(a) or would eliminate or reduce the effect of any adoption or change described in Section 4.9.

SECTION 5. REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into this Agreement and to make the Loans and to issue Letters of Credit, the Borrower hereby represents and warrants to the Agent and each Lender that:

5.1 Financial Condition. (a) The consolidated balance sheet of the Borrower and its Restricted Subsidiaries at December 31, 1996 and the related consolidated statements of income and of cash flows for the fiscal year ended on such date, reported on by Arthur Andersen L.L.P., copies of which have heretofore been furnished to each Lender, present fairly in all material respects the consolidated financial condition of the Borrower and its Restricted

Subsidiaries, taken as a whole, as at such date, and the consolidated results of their operations and their consolidated cash flows for the fiscal year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants and as disclosed therein). Except as set forth in Schedule 5.1, during the period from December 31, 1996 to and including the Effective Date there has been no sale, transfer or other disposition by the Borrower or any of its Restricted Subsidiaries of any material part of its business, assets or property and no purchase or other acquisition of any business, assets or property (including any Equity Interests of any other Person) material in relation to the consolidated financial condition of the Borrower and its Restricted Subsidiaries at December 31, 1996.

(b) The financial statements of the Borrower and the Restricted Subsidiaries and other information most recently delivered under Sections 7.1(a) and (b) were prepared in accordance with GAAP and present fairly in all material respects the consolidated financial condition, results of operations, and cash flows of the Borrower and the Restricted Subsidiaries, taken as a whole, as of, and for the portion of the fiscal year ending on the date or dates thereof (subject in the case of interim statements only to normal year-end audit adjustments and the absence of footnotes).

5.2 No Change. Since June 30, 1996, there has been no development or event which has had or could reasonably be expected to have a Material Adverse Effect.

5.3 Existence; Compliance with Law. The Borrower and each Subsidiary (a) is duly organized, validly existing and, where applicable, in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or partnership power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified and, where applicable, in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

5.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform each of the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder and thereunder, and has taken all necessary corporate or partnership action to authorize the execution, delivery and performance of each of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. Except as set forth on Schedule 5.4, no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person (including any partner or shareholder of any Loan Party, any Affiliate of any Loan Party) is required to be obtained or made by any Loan Party or any other Person, in connection with the execution, delivery and performance of the Loan Documents, other than such as have been obtained or made and are in

full force and effect or which are immaterial. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person (including any partner or shareholder of any Loan Party or any Affiliate of any Loan Party) is required to be obtained or made by any Loan Party or any Subsidiary of any Loan Party in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents other than such as have been obtained or made and are in full force and effect or which are immaterial. Each Loan Document to which each Loan Party is a party has been duly executed and delivered on behalf of each such Loan Party. Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party party thereto enforceable against each such Loan Party in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

5.5 No Legal Bar. The execution, delivery and performance of the Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not (a) violate, result in a default under or conflict with any Requirement of Law or any material Contractual Obligation, in any material respect, of the Borrower or of any of the Restricted Subsidiaries or (b) violate any provision of the charter or bylaws of the Borrower or the Restricted Subsidiaries and will not result in a default under, or result in or require the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any such Requirement of Law or material Contractual Obligation (other than pursuant to the Security Documents).

5.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower, any of the Restricted Subsidiaries or against any of its or their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby or (b) except as set forth on Schedule 5.6, which could reasonably be expected to have a Material Adverse Effect.

5.7 No Default. Neither the Borrower nor any of the Restricted Subsidiaries is in breach of or default under or with respect to any of its Contractual Obligations in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

5.8 Ownership of Property; Intellectual Property. (a) Each of the Borrower and the Restricted Subsidiaries has good record and indefeasible title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other material property, and none of such property is subject to any Lien except as permitted by Section 8.3. Schedule 5.24 (as supplemented from time to time) accurately describes the location of all real property owned or leased by the Borrower or any Restricted Subsidiary and the location, by State and County of all material tangible personal property associated with Stations owned by the Borrower or any Restricted Subsidiary.

(b) The Borrower and the Restricted Subsidiaries have the right to use all trademarks, tradenames, copyrights, technology, know-how or processes ("Intellectual Property") that are materially necessary for the conduct of the business of the Borrower or any of the Restricted Subsidiaries, as applicable.

5.9 No Burdensome Restrictions. No Requirement of Law or Contractual Obligation of the Borrower or any of the Restricted Subsidiaries could reasonably be expected to have a Material Adverse Effect.

5.10 Taxes. (a) All United States federal income Tax Returns of each Loan Party required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except assessments which are being contested in good faith by appropriate proceedings, and with respect to which adequate reserves are maintained in accordance with GAAP. Each Loan Party has filed all other Tax Returns that are required to have been filed by it pursuant to applicable foreign, state, local or other law and has paid all taxes and other assessments due pursuant to such returns or pursuant to any assessment received by any Loan Party, except for such taxes and other assessments, if any, as are being contested in good faith, for which the criteria for Customary Permitted Liens have been satisfied, including, without limitation, for which adequate reserves are maintained in accordance with GAAP and which could not reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Loan Parties in respect of any income and corporation tax liability for any years not finally determined are adequate in accordance with GAAP to meet any assessments or reassessments for additional tax for all years not finally determined.

(b) All Taxes and other assessments and levies which the Loan Parties were or are required to withhold or collect have been withheld and collected and have been paid over or will be paid over when due to the proper governmental authorities except to the extent the failure to withhold, collect or pay could not reasonably be expected to have a Material Adverse Effect. Neither the Internal Revenue Service nor any other taxing authority is now asserting or, to the knowledge of Borrower, threatening to assert against any Loan Party any deficiency or claim for additional Taxes or interest thereon or penalties in connection therewith which could reasonably be expected to have a Material Adverse Effect. No Loan Party is a party to any Tax allocation or sharing arrangement. There are no Liens on any of the assets of any Loan Party that arose in connection with any failure (or alleged failure) to pay any Taxes except as permitted under Section 8.3.

5.11 Federal Regulations. No part of the proceeds of any Loans will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation G or Regulation U of the Board as now and from time to time hereafter in effect. If requested by any Lender or the Agent, the Borrower will furnish to the Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1 referred to in said Regulation G or Regulation U, as the case may be.

5.12 ERISA. Except as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect: (a) neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code; (b) no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period; (c) the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits; (d) neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan, and neither the Borrower nor any Commonly Controlled Entity would become subject to any liability under ERISA if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made; and (e) no such Multiemployer Plan is in Reorganization or Insolvent.

5.13 Investment Company Act; Other Regulations. No Loan Party is (a) an "investment company" or a company "controlled by" an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended, and the rules and regulations thereunder or (b) a "holding company" or a "subsidiary" or "affiliate" of a "holding company" or a "public utility," as such terms are defined in the Public Utility Holding Company Act of 1935, as amended, and the rules and regulations thereunder. None of the transactions contemplated by this Agreement will violate or result in a violation of Section 7 of the Exchange Act or any regulations thereunder, including, without limitation, Regulations G, T, U and X of the Federal Reserve Board. The making of the Loans and the issue and acquisition of the Notes do not constitute "purpose credit" within the meaning of Regulation G or U of the Federal Reserve Board, and the Lenders are not required to obtain a statement from Borrower on any Federal Reserve Board form with respect to the extension of credit hereunder. Loan Parties do not intend to apply, nor will it apply, any part of the proceeds of the Loans in any manner that is unlawful or would involve a violation of the Foreign Assets Control Regulations or the Cuban Assets Control Regulations of the United States Treasury Department.

5.14 Restricted Subsidiaries. (a) Schedule 5.14(a) (as supplemented from time to time) sets forth a true and complete list of (i) all of the Restricted Subsidiaries and (ii) all of the issued and outstanding Equity Interests (and related percentages of ownership) and the owners thereof, of the Borrower and each Restricted Subsidiary. The outstanding shares of Equity Interests of each Restricted Subsidiary and the Borrower have been duly authorized and validly issued and are fully paid and non-assessable, and all of the outstanding shares of each class of the Equity Interests of each Restricted Subsidiary are owned, directly or indirectly, beneficially and of record, by the Borrower, free and clear of all Liens other than the Liens created by the Security Documents.

(b) Except for changes otherwise permitted by this Agreement, the duly authorized Equity Interests of the Borrower consists of (i) 2,000 authorized shares of common stock, par value $.01 per share, which consists of (a) 1,000 shares of Class A Common Stock of which 138.45 shares are outstanding as of October 31, 1997, and fully-paid and non-assessable, and (b) 1,000 shares of Class B Non-Voting Common Stock of which no shares are outstanding as of October 31, 1997, and (ii) 250,000 authorized shares of Preferred Stock, $.01 par value per share, which consists of (a) 100,000 shares of 15% Series A Senior Cumulative Redeemable Preferred Stock of which 84,843.03 shares are outstanding as of October 31, 1997 and all of which are fully-paid and non-assessable, and (b) 150,000 shares of 15% Series B Senior Cumulative Redeemable Preferred Stock of which 124,467.10 shares are outstanding as of October 31, 1997 and all of which are fully-paid and non-assessable. All the outstanding shares of Equity Interests of each Loan Party are duly authorized, validly issued, fully paid and nonassessable, and none of such shares has been issued in violation of any preemptive or preferential Rights of any Person. No voting trusts, agreements or other voting arrangements or any other agreements exist with respect to the Equity Interests of any Loan Party to which any Loan Party, is a party, or of which any Loan Party, has knowledge, other than those listed on Schedule 5.14(b). No outstanding subscription, contract, convertible or exchangeable security, option, warrant, call or other Rights (whether absolute or contingent, statutory or otherwise) obligating or permitting any Loan Party to issue, sell, exchange or otherwise dispose of or to purchase, redeem or otherwise acquire shares of, or securities convertible into or exchangeable for, Equity Interests of any Loan Party exists except as set forth on Schedule 5.14(b). No Equity Interest of any Loan Party is subject to any restriction on transfer thereof except as set forth on Schedule 5.14(b) and except for restrictions set forth in the Loan Documents and those imposed by federal or state securities Laws or which may arise as a result of any Loan Party being subject to the Communications Act. Pursuant to the Pledge Agreements, the Lenders at all times will hold a valid and perfected first priority Lien on all the issued and outstanding Equity Interests of each Loan Party (other than the Senior Preferred Stock), on a fully diluted basis and on all warrants (other than the Allied Warrant) and options to purchase such Equity Interests. Each Restricted Subsidiary of the Borrower is, directly or indirectly, a Wholly Owned Subsidiary.

5.15 Insurance. Each Loan Party maintains with financially sound, responsible, and reputable insurance companies or associations (or, as to workers' compensation or similar insurance, with an insurance fund or by self-insurance authorized by the jurisdictions in which it operates) insurance covering its properties and businesses against such casualties and contingencies and of such types and in such amounts (and with co-insurance and deductibles) as is customary in the case of same or similar businesses.

5.16 Authorization Matters. Except as could not reasonably be expected to result in a Material Adverse Effect:

(a) the Borrower and the Restricted Subsidiaries possess all Authorizations necessary to own, operate and construct the Broadcast Asset or otherwise for the operations of their businesses and are not in violation thereof and all such Authorizations are in full force and effect and no event has occurred that permits, or after notice or lapse of time could permit, the revocation, termination or material and adverse modification of any such Authorization;

(b) neither the Borrower nor any of the Restricted Subsidiaries is in violation of any duty or obligation required by the Communications Act of 1934, as amended, or any FCC rule or regulation applicable to its or their operations;

(c) there is not pending or, to the best knowledge of the Borrower, threatened, any action by the FCC to revoke, cancel, suspend or refuse to renew any FCC License held by the Borrower or any of the Restricted Subsidiaries and there is not pending or, to the best knowledge of the Borrower, threatened, any action by the FCC to modify adversely, revoke, cancel, suspend or refuse to renew any other Authorization; and

(d) there is not issued or outstanding or, to the best knowledge of the Borrower, threatened, any notice of any hearing, violation or complaint against the Borrower or any of the Restricted Subsidiaries with respect to the Authorizations of the Borrower or of any of the Restricted Subsidiaries and the Borrower has no knowledge that any Person intends to contest renewal of any Authorization.

5.17 Environmental Matters. Except as could not reasonably be expected to result in a Material Adverse Effect:

(a) the facilities and properties owned by the Borrower or any of its Subsidiaries (the "Owned Properties") do not contain, and, to the knowledge of the Borrower to the extent not owned, leased or operated during the past five years, have not contained during the past five years, any Materials of Environmental Concern in amounts or concentrations which constitute or constituted a violation of, or could reasonably be expected to give rise to liability under, any Environmental Law;

(b) the facilities and properties leased or operated by the Borrower or any of its Subsidiaries, but not owned by them (the "Leased and Operated Properties"), to the knowledge of the Borrower, do not contain and have not contained during the past five years, any Materials of Environmental Concern in amounts or concentrations which constitute or constituted a violation of, or could reasonably be expected to give rise to liability under, any Environmental Law;

(c) the Owned Properties and all operations at the Owned Properties are in compliance, and, to the knowledge of the Borrower to the extent not owned, leased or operated during the past five years, have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Owned Properties or violation of any Environmental Law with respect to the Owned Properties or the business operated by the Borrower or any of its Subsidiaries (the "Business") which could interfere with the continued operation of the Owned Properties or impair the fair saleable value thereof;

(d) to the knowledge of the Borrower, the Leased and Operated Properties and all operations at the Leased and Operated Properties are in compliance, and, in the last five years been in compliance, with all applicable Environmental Laws, and to the knowledge of the Borrower there is no contamination at, under or about the Leased and Operated Properties or violation of any Environmental Law with respect to the Leased and Operated Properties or the Business operated by the Borrower or any of its Subsidiaries which could interfere with the continued operation of the Leased and Operated Properties or impair the fair saleable value thereof;

(e) neither the Borrower nor any of its Subsidiaries has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Owned Properties or the Leased and Operated Properties (together, the "Properties") or the Business, nor does the Borrower have any knowledge that any such notice will be received or is being threatened;

(f) the Borrower has not transported or disposed of Materials of Environmental Concern nor, to the Borrower's knowledge, have Materials of Environmental Concern been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably be expected to give rise to liability to the Borrower or any Subsidiary under, any Environmental Law, nor has the Borrower generated any Materials of Environmental Concern nor, to the Borrower's knowledge, have Materials of Environmental Concerns been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably be expected to give rise to liability to the Borrower or any Subsidiary under, any applicable Environmental Law;

(g) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which the Borrower or any Subsidiary is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any applicable Environmental Law with respect to the Properties or the Business; and

(h) the Borrower has not released, nor, to the Borrower's knowledge, has there been any release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of the Borrower or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could reasonably be expected to give rise to liability under Environmental Laws.

5.18 Accuracy of Information. (a) All material Information made available to the Agent or any Lender by the Borrower pursuant to this Agreement or any other Loan Document did not, as of the date such Information was made available, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made.

(b) All pro forma financial information and projections made available to the Agent or any Lender by the Borrower pursuant to this Agreement or any other Loan Document have been prepared and furnished to the Agent or such Lender in good faith and were based on estimates and assumptions that were believed by the management of the Borrower to be reasonable in light of the then current and foreseeable business conditions of the Borrower and the Subsidiaries. The Agent and the Lenders recognize that such pro forma financial information and projections and the estimates and assumptions on which they are based may or may not prove to be correct.

5.19 Security Documents. The Security Documents are effective to create in favor of the Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof and, after satisfaction of the conditions specified in Section 6.1(i) and the making of the filings referred to in Section 6.1(j), the Security Documents shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of, the Borrower and the Subsidiaries in such Collateral and the proceeds thereof (subject to Section 9-306 of the Uniform Commercial Code), as security for the Obligations, in each case prior and superior in right to any other Person except to the extent otherwise permitted by any of such Security Documents.

5.20 Solvency. As of the date on which this representation and warranty is made or deemed made, each Loan Party is Solvent, both before and after giving effect to the

transactions contemplated hereby consummated on such date and to the incurrence of all Indebtedness and other obligations incurred on such date in connection herewith and therewith.

5.21 Labor Matters. There are no actual or overtly threatened strikes, labor disputes, slow downs, walkouts, or other concerted interruptions of operations by the employees of any Loan Party which could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Loan Parties have not been in violation of the Fair Labor Standards Act or any other applicable law dealing with such matters, other than any such violations, individually or collectively, which could not reasonably be expected to have a Material Adverse Effect. All payments due from any Loan Party on account of employee health and welfare insurance have been paid or accrued as a liability on its books, other than any such nonpayments which could not, individually or collectively, reasonably be expected to have a Material Adverse Effect.

5.22 Prior Names. (a) As of the Effective Date, neither the Borrower nor any Restricted Subsidiary has used or transacted business under any other corporate or trade name in the five-year period preceding the Effective Date except as set forth on Schedule 5.22(a) hereto.

(b) Neither the Borrower nor any Restricted Subsidiary uses or transacts business under any corporate or trade names other than those set forth in Schedule 5.22(b) (as supplemented from time to time).

5.23 Chief Executive Office; Chief Place of Business. Schedule 5.23 (as supplemented from time to time) accurately sets forth the location of the chief executive office and chief place of business (as such terms are used in the Uniform Commercial Code of each state whose law would purport to govern the attachment and perfection of the security interests granted by the Security Documents) of the Borrower and each Restricted Subsidiary.

5.24 Real Property; Leases. As of the date hereof, Schedule 5.24 (as supplemented from time to time) sets forth a correct and complete listing of (a) all real property owned by each Loan Party, (b) all leases and subleases of real property leased by each Loan Party, and (c) all leases and subleases of real property by each Loan Party with annual lease payments to be received therefore in excess of $20,000. Each Loan Party has good and marketable title to, or a valid and subsisting leasehold interest in, all its material real property, subject to no Liens except those permitted in Section 8.3. Each Loan Party enjoys peaceful and undisturbed possession of its owned and leased real property and the improvements thereon and no Material Lease or other lease material to the operation of any Loan Party's business contains any unusual provisions that might adversely affect or impair such Loan Party's use and enjoyment of the property covered thereby or the operation of such Loan Party's business or which could reasonably be expected to have a Material Adverse Effect. All Material Leases are in full force and effect and no default or potential default exists thereunder which could reasonably be expected to have a Material Adverse Effect.

5.25 Ownership of Stations. Schedule 5.25 (as supplemented from time to time) completely and correctly lists each radio station owned directly or indirectly by any Loan Party (individually, a "Station" and collectively, the "Stations"). No Loan Party owns any radio stations other than the Stations.

5.26 Possession of Necessary Authorizations Each Loan Party possesses all Necessary Authorizations (or rights thereto) used or to be used in its business as presently conducted and as proposed to be conducted or necessary to permit it to own its properties and to conduct its business as presently conducted and as proposed to be conducted, except to the extent the failure to so possess could not reasonably be expected to have a Material Adverse Effect, free and clear of all Liens other than those permitted under Section 8.3. No Loan Party is in violation of any Necessary Authorization and no event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any Necessary Authorization or right which could reasonably be expected to have a Material Adverse Effect. The Necessary Authorizations for the Stations are valid and in full force and effect unimpaired by any act, omission or condition which could reasonably be expected to have a Material Adverse Effect. The applicable Loan Parties have timely filed all applications for renewal or extension of all Necessary Authorizations, except to the extent that the failure to so file could not reasonably be expected to have a Material Adverse Effect. Except for actions or proceedings affecting the broadcasting industry generally or as set forth on Schedule 5.26, no petition, action, investigation, notice of violation or apparent liability, notice of forfeiture, orders to show cause, complaint or proceeding is pending or, to the best knowledge of the Borrower, threatened before the FCC or any other forum or agency with respect to any Loan Party or any of the Stations or seeking to revoke, cancel, suspend or modify any of the Necessary Authorizations. The Borrower does not know of any fact that is likely to result in the denial of an application for renewal, or the revocation, modification, nonrenewal or suspension of any of the Necessary Authorizations, or the issuance of a cease-and-desist order, or the imposition of any administrative or judicial sanction with respect to any of the Stations, which could reasonably be expected to have a Material Adverse Effect.

5.27 FCC, Copyright, Patent and Trademark Matters. No Loan Party is liable to any Person for copyright infringement under the Federal Copyright Act or any state copyright Laws which could reasonably be expected to have a Material Adverse Effect. To the best knowledge of the Loan Parties, each Loan Party and each Station is in material compliance with all state and federal laws relating to copyright, including the Copyright Revision Act of 1976, 17 U.S.C. ss. 101 et. seq., and have all performing arts licenses which are materially necessary for the conduct of their business. To the best knowledge of each Loan Party, no Loan Party owns any patents or trademarks that have been registered with any Tribunal and no applications for registration are pending with respect to any patents or trademarks owned by any Loan Party, except as set forth in Schedule 5.27 (as supplemented from time to time).

5.28 License Subsidiaries. All FCC Licenses and other Authorizations relating to the Stations are held by a License Subsidiary. No License Subsidiary (a) owns or holds any assets (including the ownership of stock or any other interest in any Person) other than Operating Agreements and FCC Licenses and other Authorizations relating to the Stations, (b) is engaged in any business other than the holding, acquisition and maintenance of FCC Licenses and other Authorizations, (c) has any investments in any other Person other than the Borrower or (d) owes any Indebtedness (other than Guaranty Obligations to the Senior Subordinated Note Holders and the Lenders with respect to the Senior Subordinated Indebtedness and the Obligations, respectively) to any Person other than the Borrower.

SECTION 6. CONDITIONS PRECEDENT

6.1 Conditions to Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) Loan Documents. The Agent shall have received (i) this Agreement duly executed and delivered by the Borrower; (ii) the Notes, duly executed by the Borrower and payable to the order of each Lender, (iii) a Pledge Agreement duly executed and delivered by the Borrower and (iv) a Security Agreement and a Guaranty duly executed and delivered by each Restricted Subsidiary.

(b) Closing Certificates. The Agent shall have received a certificate (the "Closing Certificate") for each Loan Party, dated the Effective Date, substantially in the form of Exhibit K, with appropriate insertions and attachments (including the Amended and Restated Certificate of Incorporation), in each case reasonably satisfactory in form and substance to the Agent, executed by a Responsible Officer and the Secretary or any Assistant Secretary of each Loan Party that is a corporation, which certificate shall state that the consent or approval thereby certified has not been amended, modified, revoked or rescinded.

(c) Fees. The Agent shall have received:

(i) all fees and expenses required to be paid under Section 4.3; and

(ii) all fees and expenses of counsel to the Borrower in connection with this Agreement and the other Loan Documents.

(d) Legal Opinions. The Agent shall have received, with a counterpart for each Lender, the following executed legal opinions:

(i) the executed legal opinion of Kirkland & Ellis, substantially in the form of Exhibit L; and

(ii) the executed legal opinion of Davis Wright Tremaine LLP, FCC counsel to the Borrower, substantially in the form of Exhibit M.

(e) Financial Statements. The Lenders shall have received audited consolidated financial statements of the Borrower and its consolidated Subsidiaries for the 1996 fiscal year, which financial statements shall have been prepared in accordance with GAAP and shall be accompanied by an unqualified report thereon prepared by Arthur Andersen L.L.P., and the unaudited consolidated financial statements of the Borrower and its consolidated Subsidiaries dated as of June 30, 1997.

(f) Governmental and Third Party Approvals. All governmental approvals and material third party approvals necessary in connection with the financing contemplated hereby shall have been obtained and be in full force and effect.

(g) No Material Adverse Information. The Lenders shall not have become aware of any previously undisclosed materially adverse information with respect to (i) the ability of the Loan Parties to perform their respective obligations under the Loan Documents or in connection with the transactions contemplated hereunder in respect of recapitalization of the Borrower in any material respect or (ii) the rights and remedies of the Lenders.

(h) No Material Default Under Other Agreements. There shall exist no material breach or event of default (or condition which would constitute such breach or an event of default with the giving of notice or the passage of time) under any agreements relating to Equity Interests, or any material financing agreements, lease agreements or other material Contractual Obligation, to which the Borrower or any of the Restricted Subsidiaries is a party or by which it is bound.

(i) Pledged Securities and Instruments of Transfer. The Agent shall have received the certificates representing the shares of Equity Interests (other than the Senior Preferred Stock) pledged pursuant to each Pledge Agreement, accompanied by duly executed instruments of transfer or assignments in blank for each such certificate.

(j) Actions to Perfect Liens. (i) All filing documents, necessary or, in the opinion of the Agent, desirable to perfect or continue to protect the Liens created by the Pledge Agreements and the Security Documents shall have been executed and delivered by the pledgors or grantors thereunder; (ii) all Collateral shall be free and clear of other Liens except for Liens permitted by Section 8.3 and other Liens approved by the Lenders; and (iii) the Agent shall have received a fully executed Confirmation of Liens in the form attached as Exhibit N (the "Confirmation of Liens").

(k) Material Adverse Change. There shall exist no material adverse change in the financial condition or business operations of the Borrower or the Restricted Subsidiaries since June 30, 1997.

(l) Additional Documentation. The Agent shall have received an executed counterpart copy of each material agreement delivered in connection with Senior Subordinated Notes and the Senior Preferred Stock, certified by a Responsible Officer of the Borrower as being true and correct copies thereof.

(m) Lien Searches. The Agent shall have received the results of a recent search by a Person satisfactory to the Agent, of the Uniform Commercial Code, judgment and tax lien filings which may have been filed with respect to personal property of the Borrower and the Restricted Subsidiaries (including the personal property acquired in connection with the Acquisition of WPHI-FM) in each of the jurisdictions where such personal property is located or in which financing statements will be filed to perfect the security interests granted pursuant to the Security Documents, and such search shall reveal no Liens relating to the personal property of the Borrower or the Restricted Subsidiaries or to the Collateral (including all personal property and/or Collateral acquired in connection with the Acquisition of WPHI-FM) except for Liens which will be terminated on or before the Effective Date, Liens referred to in Section 6.1(j), Liens permitted by Section 8.3, and other Liens approved by the Lenders.

(n) Intentionally Deleted.

(o) Insurance. The Agent shall have received certificates of insurance naming the Agent as loss payee for the benefit of the Lenders and as additional insured for the benefit of the Lenders, as required by Section 7.5(b).

(p) Cancellation of Intercompany Note. The Intercompany Note shall have been canceled and a copy of the canceled Intercompany Note shall be delivered to the Agent.

(q) Termination and Release of the Subordinated Guaranties and the Subordinated Pledge Agreement; Cancellation of Liens. Evidence that (i) the Subordinated Guaranties and the Subordinated Pledge Agreement have been terminated and released by the holders of the Existing Subordinated Notes; and (ii) that all Liens other than Liens permitted under Section 8.3 shall have been canceled and released, including duly executed releases and UCC-3 financing statements in recordable form and otherwise in form and substance satisfactory to the Agent, as may be necessary to reflect that the Liens granted to the Agent are first and prior liens.

(r) Standstill Agreement. The Agent shall have received an original fully executed copy of the Standstill Agreement.

(s) License Subsidiaries and Operating Agreements. The Borrower shall have caused all Necessary Authorizations relating to the Stations to have been transferred to one or more newly formed Wholly Owned Restricted Subsidiaries of Borrower, which

such Wholly Owned Restricted Subsidiaries shall have no Indebtedness and no other assets other than the Necessary Authorizations and shall otherwise be in compliance with the representations and warranties set forth in Section 5.28. The Borrower and each License Subsidiary shall have entered into an Operating Agreement and the Agent shall have received a fully executed copy of each such Operating Agreement.

(t) Intentionally Deleted.

(u) FCC Consents. The Borrower shall have received all of the Necessary Authorizations for the consummation of the transactions contemplated herein and in any related agreements or documents and the period for seeking reconsideration, review or appeal of such Necessary Authorizations shall have expired and no such reconsideration, review or appeal shall have been sought by any party.

(v) Perfection Certificate. The Agent shall have received a Perfection Certificate, dated as of November 14, 1997, duly executed by each Loan Party.

(w) Consent of Investors. The Agent shall have received a consent from the Investors in form and substance satisfactory to the Agent evidencing the Investors' consent to the Borrower's and the Restricted Subsidiaries' execution, delivery and performance of the Loan Documents to which they are a party.

6.2 Condition to Initial Extension of Credit under Tranche B Facility. The agreement of each Lender to make the initial extension of credit under the Tranche B Facility requested to be made by it is subject to the Agent's receipt of a certificate from a Responsible Officer of the Borrower certifying to the Lenders that (a) each of the conditions precedent set forth in Sections 6.1 and 6.3 have been satisfied and continues to be satisfied on the date of such extension of credit; and (b) that the Tranche A Facility is, or after giving effect to Loans requested contemporaneously with such requested extension of Credit, will be fully funded.

6.3 Conditions to All Extensions of Credit. The obligation or agreement of each Lender to make any Loan or to issue any Letter of Credit requested to be made or issued by it on any date (including, without limitation, its initial extension of credit under the Tranche A Facility and/or the Tranche B Facility) is subject to the satisfaction, immediately prior to or concurrently with the making of such Loans or the issuing of such Letters of Credit, of the following conditions precedent:

(a) Initial Conditions Satisfied. Each of the conditions precedent set forth in Section 6.1, and with respect to extensions of credit under the Tranche B Facility, in Section 6.2 shall have been satisfied and shall continue to be satisfied on the date of such Loans.

(b) No Material Litigation. Except as disclosed on Schedule 5.6, no litigation, inquiry, injunction or restraining order shall be pending, entered or threatened in writing which could reasonably be expected to have a Material Adverse Effect.

(c) No Material Adverse Effect. There shall not have occurred any change, development or event which could reasonably be expected to have a Material Adverse Effect.

(d) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents to which it is a party shall be true and correct in all material respects on and as of such date as if made on and as of such date, after giving effect to the Loans requested to be made or the Letters of Credit to be issued on such date and the proposed use of the proceeds thereof.

(e) No Default. No Default or Event of Default shall have occurred and be continuing on such date or will occur after giving effect to the extension of credit requested to be made on such date and the proposed use of the proceeds thereof.

(f) Notice of Borrowing; Application. The Borrower shall have submitted a Notice of Borrowing in accordance with Section 2.3 and/or an Application in accordance with Section 3.2 and certifying to the matters set forth in Section 6.3(a) through and including (e).

(g) Borrowings Under Tranche B Facility. With respect to extensions of credit made under the Tranche B Facility, the Agent shall have received a certificate from a Responsible Officer to the Borrower certifying to the Lenders that the proceeds of such borrowing shall be used to make an escrow deposit in connection with a Permitted Acquisition or to secure Capital Lease Obligations to the extent permitted hereunder.

(h) Consent to Extensions of Credit. The Agent shall have received a consent from at least two directors of the Borrower representing the interests of the Investors as elected pursuant to Article 8 of the Warrant Agreement (the "Independent Directors") for each extension of credit requested hereunder until such time as the Agent has received a written notice from at least two Independent Directors that no such further consent is required.

(i) Compliance Certificate. With respect to the initial extension of credit under the Tranche A Facility, if the Borrower has not yet delivered a Compliance Certificate to the Agent pursuant to Section 7.2(b), the Agent shall have received a Compliance Certificate duly executed by a Responsible Officer of the Borrower and each of the Restricted Subsidiaries covering the period from the Effective Date to the date which is the most recently ended calendar month prior to the initial extension of credit under this Agreement.

Each borrowing by or issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the applicable conditions contained in this Section 6.3 have been satisfied.

SECTION 7. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as any Commitment remains in effect, any Loan or L/C Obligation or any other monetary obligation under any other Loan Document shall be outstanding or is due and payable to any Lender or the Agent hereunder or under any other Loan Document, the Borrower shall and shall cause each of its Restricted Subsidiaries to:

7.1 Financial Statements. Furnish to the Agent for subsequent distribution to each Lender:

(a) as soon as available, but in any event no later than March 31 of each fiscal year of the Borrower, a copy of the audited consolidated balance sheets of the Borrower and the Restricted Subsidiaries as at the end of such year and the related audited consolidated statements of income and shareholders' capital (deficit) and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Arthur Andersen LLP or other independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three fiscal quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and the Restricted Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as fairly presenting in all material respects the financial condition of the Borrower and its Restricted Subsidiaries, taken as a whole (subject to normal year-end audit adjustments and the absence of footnotes); and

(c) within thirty (30) days after the end of each of the first two months for each quarter (i) statements of operation comparing such results to (A) the Budget for that period and (B) the results of the statements of operation for the prior year, and (ii) a balance sheet for such month, and (iii) a brief written discussion and analysis by management of such statements, including a comparison of the results versus the budgeted results and results for comparable periods in the preceding fiscal year and an explanation for any variances therein.

All such financial statements (not including the Budget) shall be prepared in accordance with GAAP (except for the absence of footnotes and year end adjustment in the case of interim

financials) applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

7.2 Certificates; Other Information. Furnish to the Agent for subsequent distribution to each Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 7.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor they did not become aware of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in Sections 7.1(a) or (b), a Compliance Certificate executed by a Responsible Officer of the Borrower and each of the Restricted Subsidiaries;

(c) without duplication of the financial statements delivered pursuant to Section 7.1, within five days after the same are sent, copies of all financial statements and reports which the Borrower sends to all of the holders of the Senior Subordinated Notes, and within five days after the same are filed, copies of all financial statements and reports which the Borrower files with, the Securities and Exchange Commission or any successor or analogous Governmental Authority;

(d) promptly, such additional financial and other information as any Lender may from time to time reasonably request;

(e) on or before the end of each fiscal year (and in any event within the month of December), (i) the budget for the Borrower and the Restricted Subsidiaries, prepared on a monthly basis (the "Budget"), for the next succeeding fiscal year setting forth in satisfactory detail the projected revenues and expenses, including, without limitation, Capital Expenditures, Broadcast Cash Flow, Corporate Overhead Expense and Operating Cash Flow and the underlying assumptions therefor; and

(f) within 10 days of any changes thereto, supplements to Schedules 5.14(a), 5.22(b), 5.23, 5.24, 5.25 and 5.27.

7.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except (a) where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or the relevant Restricted Subsidiary, as the case may be or (b) where the failure to so pay, discharge or satisfy, could not reasonably be expected to have a Material Adverse Effect.

7.4 Conduct of Business and Maintenance of Existence, etc. (a) Preserve, renew and keep in full force and effect its organizational existence and take all reasonable action to maintain all material rights, privileges and franchises necessary for the conduct of its business except as otherwise permitted pursuant to Section 8.4.

(b) Comply with all Contractual Obligations and applicable Requirements of Law, except to the extent that failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

7.5 Maintenance of Property; Insurance. (a) Keep all material property useful and necessary in its business in good working order and condition (ordinary wear and tear excepted) consistent with customary practices in the industry of the Borrower; maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to the Agent certificates of insurance from time to time received by it for each such policy of insurance including insurance policies evidencing the Borrower's compliance with Section 7.5(b).

(b) The Borrower shall cause (i) the Agent to be named, in a manner reasonably satisfactory to the Agent, (a) as lender loss payee for the benefit of the Lenders under all policies of casualty insurance maintained by the Borrower and the Restricted Subsidiaries with respect to Collateral and (b) as an additional insured for the benefit of the Lenders on all policies of liability insurance maintained by the Borrower and the Restricted Subsidiaries; and (ii) all insurance policies to contain a provision that the policy may not be canceled, terminated or modified without thirty (30) days' prior written notice to the Agent.

7.6 Inspection of Property; Books and Records; Discussions. Keep and maintain a system of accounting established and administered in accordance with sound business practices and keep and maintain proper books of record and accounts; and permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records during normal business hours and as often as may reasonably be requested and upon reasonable notice and to discuss the business, operations, properties and financial and other condition of the Borrower and the Restricted Subsidiaries with officers and employees of the Borrower and the Restricted Subsidiaries and with their independent certified public accountants; provided that representatives of the Borrower designated by a Responsible Officer may be present at any such meeting with such accountants.

7.7 Notices. Promptly after the Borrower obtains knowledge thereof, give notice to the Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of the Borrower or any of the Restricted Subsidiaries or (ii) litigation, investigation or

proceeding which may exist at any time between the Borrower or any of the Restricted Subsidiaries and any Governmental Authority, which in either case could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting the Borrower or any of the Restricted Subsidiaries (i) which could reasonably be expected to result in an adverse judgment of $250,000 or more and which is not covered by insurance or (ii) in which injunctive or similar relief is sought which in the case of this clause (ii) could reasonably be expected to materially interfere with the ordinary conduct of business of the Borrower or any of the Restricted Subsidiaries;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the terminating, Reorganization or Insolvency of, any Plan;

(e) promptly after the filing or mailing thereof, and in any event within five days thereafter, a copy of each material application, statement, report, registration statement, notice or other filing which is (i) filed with the FCC by or on behalf of any Loan Party or any Affiliate of any Loan Party, or of which any Loan Party or any Affiliate of any Loan Party has knowledge, with respect to or affecting a Station owned directly or indirectly by any Loan Party, (ii) made with the Securities and Exchange Commission or (iii) distributed to the public shareholders or debtholders of the Borrower generally, and, promptly on the request of any Lender, a copy of any other statement, report, notice or other filing filed or made with (x) the FCC by or on behalf of any Loan Party or any Affiliate of any Loan Party, or of which any Loan Party or any Affiliate of any Loan Party has knowledge or (y) any other Tribunal;

(f) promptly after such occurrence, and in any event within five days thereafter, notice of any situation in which on-air broadcasting operations of any Station are interrupted for more than 24 consecutive hours;

(g) promptly after any officer of any Loan Party becomes aware thereof, and in any event within five days thereafter, information and a copy of any notice received by any Loan Party from the FCC or other Tribunal or any Person that concerns (i) any event or circumstance that could reasonably be expected to materially adversely affect any Necessary Authorization and (ii) any notice of abandonment, expiration, revocation, material impairment, nonrenewal or suspension of any Necessary Authorization, together with a written explanation of any such event or circumstance or the circumstances

surrounding such abandonment, expiration, revocation, material impairment, nonrenewal or suspension;

(h) promptly after any officer of any Loan Party becomes aware thereof, and in any event within five days thereafter, notice of any default or breach of any term or provision by any Person in connection with any LMA Agreement, any Material Lease or any other material Contractual Obligation of such Loan Party, together with a written explanation of the circumstances surrounding such default or breach and what action any Loan Party plans to take with respect thereto; and

(i) any development or event which could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section (other than pursuant to clause (e)) shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action is proposed to be taken with respect thereto.

7.8 Environmental Laws. (a) Comply with, and use reasonable efforts to require compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply with and maintain, and use reasonable efforts to require that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws except, in each case, to the extent that failure to do so could not be reasonably expected to have a Material Adverse Effect.

(b) Comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws except to the extent that the same are being contested in good faith by appropriate proceedings diligently pursued or could not reasonably be expected to have a Material Adverse Effect.

7.9 Collateral. (a) To secure full and complete payment and performance of the Obligations, the Borrower shall, and shall cause each of the Restricted Subsidiaries to, grant and convey to and create in favor of, the Agent for the ratable benefit of the Lenders a continuing first priority (subject, except for Equity Interests, to any prior Liens permitted by Section 8.3) perfected Lien and security interest in, to and on all of the assets (other than the Equity Interests of Unrestricted Subsidiaries) of the Borrower and such Restricted Subsidiaries (except to the extent prohibited by law) including but not limited to the following: (i) all of the Borrower's and such Restricted Subsidiaries' present and future assets (other than Equity Interests in Unrestricted Subsidiaries), including, without limitation, their equipment, inventory, accounts receivable, instruments, general intangibles, intellectual property and real estate; and (ii) all of the Equity Interests of each Restricted Subsidiary owned by the Borrower or any other Restricted Subsidiary, now owned or hereafter acquired by the Borrower or such other Restricted Subsidiary.

(b) With respect to any new Restricted Subsidiary created or acquired after the Effective Date, (i) the Borrower, and/or any Restricted Subsidiary owning the Equity Interests of such new Restricted Subsidiary, shall promptly execute and deliver to the Agent such amendments to the Pledge Agreements of the applicable Loan Party as the Agent deems necessary or advisable in order to grant to the Agent, for the benefit of the Lenders, a perfected first priority security interest in the Equity Interests of such new Restricted Subsidiary, (ii) in the case of any such new Restricted Subsidiary, such new Restricted Subsidiary shall promptly execute and deliver to the Agent a Guaranty, Pledge Agreement, Security Agreement and, if necessary, an Intellectual Property Security Agreement, (iii) the applicable Loan Party owning Equity Interests of the new Restricted Subsidiary and such new Restricted Subsidiary shall deliver any certificates representing the Equity Interests of such new Restricted Subsidiary and any Restricted Subsidiary of such new Restricted Subsidiary, respectively, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the applicable Loan Party, (iv) the applicable Loan Party owning Equity Interests of the new Restricted Subsidiary and such new Restricted Subsidiary shall take such other actions as shall be necessary or advisable to grant to the Agent for the benefit of the Lenders a perfected first priority security interest in the assets of, and Equity Interests in, such new Restricted Subsidiary, including, without limitation, the filing of such Uniform Commercial Code financing statements as may be requested by the Agent, and (v) if requested by the Agent, the Borrower shall cause to be delivered to the Agent legal opinions relating to the matters described in the preceding clauses (i), (ii), (iii) and (iv), which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Agent.

(c) With respect to any newly acquired assets or transfers of assets to the Borrower or a Restricted Subsidiary (other than Equity Interests in Unrestricted Subsidiaries), promptly after acquiring or receiving any such asset, execute and deliver or cause to be delivered to the Agent in a form reasonably acceptable to the Agent (i) one or more mortgages (unless otherwise agreed by the Agent), Pledge Agreements, Security Agreements and/or Intellectual Property Security Agreements which grant to the Agent a first priority perfected security interest in such assets (subject, except for Equity Interests, to any prior Liens permitted by Section 8.3) and (ii) such additional agreements and other documents as the Agent reasonably deems necessary to establish a valid, enforceable and perfected first priority security interest in such assets including but not limited to assets consisting of Intellectual Property (subject, except for Equity Interests, to any Liens permitted by Section 8.3).

(d) Upon request of the Agent, promptly execute and deliver or cause to be executed and delivered to the Agent in a form reasonably acceptable to the Agent (i) one or more mortgages, Pledge Agreements, Security Agreements and/or Intellectual Property Security Agreements which grant to the Agent a first priority perfected security interest (subject, except for Equity Interests, to any Liens permitted by Section 8.3) in such property of the Borrower or a Restricted Subsidiary, including Equity Interests of direct or indirect Restricted Subsidiaries, as shall be specified by the Agent and (ii) such additional agreements and other documents as the Agent reasonably deems necessary to establish a valid, enforceable and perfected first priority security interest in such property or Equity Interests.

7.10 Use of Proceeds. The Borrower shall use the proceeds of the (a) Tranche A Loans and the Letters of Credit only to finance (i) working capital of the Borrower and the Restricted Subsidiaries, (ii) Capital Expenditures of the Borrower and the Restricted Subsidiaries, (iii) Permitted Escrow Deposits up to $2,500,000 in the aggregate (including Permitted Escrow Deposits made under the Tranche B Facility) at any time outstanding and to secure Capital Lease Obligations permitted hereunder, and (iv) other lawful corporate purposes of the Borrower and the Restricted Subsidiaries, other than Acquisitions; and (b) Tranche B Loans only to finance Permitted Escrow Deposits and to secure Capital Lease Obligations permitted thereunder.

7.11 New Restricted Subsidiaries. Immediately upon the creation or acquisition thereof, the Borrower shall notify the Agent about any newly created or acquired Restricted Subsidiary and shall provide the Agent with the Loan Documents required pursuant to Section 7.9 and an updated Schedule 5.14.

7.12 Taxes. The Loan Parties shall file all necessary and material Tax Returns and pay when due and any and all material Taxes. Notwithstanding anything to the contrary contained in the Mortgages, the Loan Parties shall not be in default of any Mortgage for the failure to pay any Taxes due with respect to the property covered thereby so long as such Taxes are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP.

7.13 Further Assurances. Each Loan Party shall make, execute or endorse, and acknowledge and deliver or file, or cause the same to be done, all such notices, certifications, documents, instruments and agreements, and shall take or cause to be taken such other actions as the Agent may, from time to time, deem reasonably necessary or appropriate in connection with this Agreement or any of the other Loan Documents and the obligation of such Loan Party to carry out the terms and conditions of this Agreement and the other Loan Documents to which it is a party, including, without limitation, each Loan Party shall perform such acts and duly authorize, execute, acknowledge, deliver, file and record such additional assignments, security agreements, pledge agreements, deeds of trust, mortgages, financing statements, and other agreements, documents, instruments and certificates as the Agent may deem reasonably necessary or appropriate in order to create, perfect and maintain the Liens in favor of the Agent for the ratable benefit of the Lenders in and to the Collateral and preserve and protect the Rights of the Lenders hereunder, under the other Loan Documents and in and to the Collateral. Each Loan Party acknowledges that certain transactions contemplated by this Agreement and the other Loan Documents, and certain actions which may be taken by the Agent or the Lenders in the exercise of their Rights under this Agreement or any other Loan Document, may require the consent of the FCC. If the Agent reasonably determines that the consent of the FCC is required in connection with the execution, delivery or performance of any of the aforesaid documents or any documents delivered to the Agent or the Lenders in connection therewith or as a result of any action which may be taken or be proposed to be taken pursuant thereto, then each Loan Party, at its sole cost and expense, shall use its best efforts to secure such consent and to cooperate with

the Agent and the Lenders in any such action taken or proposed to be taken by the Agent or any Lender.

7.14 Appraisals of Collateral. If at any time the Agent reasonably determines that it must have current appraisals of any of the Collateral to comply with any Law, upon request by the Agent, the Borrower shall cooperate with the Agent to enable the Agent to obtain appraisals of the Collateral, the cost of which shall be paid by the Borrower.

SECTION 8. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as any Commitment remains in effect, any Loan or L/C Obligation or any other monetary Obligation under any other Loan Document is outstanding, or is due and payable to any Lender or the Agent hereunder or under any other Loan Document, the Borrower shall not, and the Borrower shall not permit any of the Restricted Subsidiaries to:

8.1 Financial Condition Covenants.

(a) Capital Expenditures. Permit Capital Expenditures of the Borrower and the Restricted Subsidiaries at any time during any period set forth below to be greater than the amounts set forth opposite such periods below:

Period	Amount
Effective Date through and including December 31, 1997	$2,100,000
January 1, 1998 through and including December 31, 1998	$1,000,000
January 1, 1999 and thereafter	$ 750,000

Notwithstanding the foregoing, in the event that the amount of Capital Expenditures made by the Borrower and the Restricted Subsidiaries during any relevant period is less than the Capital Expenditure limitation for such applicable period set forth above, then the difference between such limitation and the amount of Capital Expenditures actual expended shall be added to the Capital Expenditure limitation for the next applicable period, provided that in no event shall any such addition be used in determining any additions to any subsequent period.

(b) Interest Coverage Ratio. Permit the Interest Coverage Ratio at the end of each fiscal quarter to be less than the ratio set forth opposite such period below:

Period	
September 30, 1997 through and including March 31, 1999	1.75 to 1.00
April 1, 1999 and thereafter	1.90 to 1.00

(c) Broadcast Cash Flow. Permit the Broadcast Cash Flow for the most recently ended twelve month period at the end of each fiscal quarter to be less than the following amounts set forth opposite such fiscal quarter set forth below:

Quarter End Date	
September 30, 1997	$10,800,000
December 31, 1997	$11,600,000
March 31, 1998	$11,662,000
June 30, 1998	$11,831,000
September 30, 1998	$12,004,000
December 31, 1998	$13,990,000
March 31, 1999	$14,279,000
June 30, 1999	$14,677,000
September 30, 1999	$15,091,000
December 31, 1999	$15,565,000
March 31, 2000	$15,800,000
June 30, 2000	$16,124,000
September 30, 2000	$16,460,000

Notwithstanding anything to the contrary contained herein, for purposes of computing Broadcast Cash Flow for this Section 8.1(c), Operating Cash Flow shall not include Operating Cash Flow attributable to station WPHI until the computations required for the fiscal quarter ending December 31, 1998.

8.2 Limitation on Indebtedness and Preferred Stock. Create, incur, assume or suffer to exist any Indebtedness of the Borrower or any Restricted Subsidiary of the Borrower or issue any Preferred Stock, except:

(a) Indebtedness under this Agreement or any other Loan Document;

(b) intercompany Indebtedness by and among the Borrower and any of its Wholly Owned Restricted Subsidiaries;

(c) in the case of the Borrower, Interest Hedge Agreements entered into with the Lenders or any of them for the purpose of hedging against interest rate fluctuations with respect to variable rate Indebtedness of the Borrower or any of the Restricted Subsidiaries;

(d) (i) in the case of the Borrower, Indebtedness in respect of the Senior Subordinated Indebtedness and (ii) in the case of the Restricted Subsidiaries, Indebtedness in respect of the Senior Subordinated Guaranties as in effect on the date hereof;

(e) in the case of the Borrower, Indebtedness (other than Disqualified Stock) the net proceeds of which are used substantially concurrently to refinance Indebtedness described in clause (d) above so long as (i) such refinancing Indebtedness is in an aggregate principal amount not greater than the aggregate principal amount of the Indebtedness being refinanced plus the amount of any interest and premiums required to be paid thereon and fees and expenses associated therewith, (ii) such Indebtedness has a later final maturity and a longer weighted average life than the Indebtedness being refinanced, (iii) the interest rate applicable to such Indebtedness shall be a market interest rate as of the time of the incurrence thereof, (iv) no material terms applicable to such Indebtedness (including the subordination provisions thereof) shall be more favorable to the refinancing lenders than the terms that are applicable under the Senior Subordinated Notes Indenture prior to such refinancing and (v) the Guaranty Obligations of the Restricted Subsidiaries of such Indebtedness shall be no more favorable to the refinancing lenders than the Senior Subordinated Guaranties;

(f) Indebtedness of the Borrower incurred in compliance with Section 4.03(a) of the Senior Subordinated Notes Indenture; provided that (i) such Indebtedness is unsecured (except for up to $1,500,000 in the aggregate at any time outstanding of Purchase Money Indebtedness and/or Capital Lease Obligations) and (ii) any such Indebtedness consisting of Disqualified Stock shall be non-voting stock, subordinated to the Obligations to the same extent as the Senior Preferred Stock and shall otherwise be subject to substantially the same terms and conditions as the Senior Preferred Stock set forth in the Subordination Agreement;

(g) Indebtedness existing on the Effective Date and set forth on Schedule 8.2; and

(h) Indebtedness of the Borrower or any Restricted Subsidiary consisting of Permitted Sales Representations in each case incurred in connection with the disposition of any assets of the Borrower or any Restricted Subsidiary.

8.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except for:

(a) Customary Permitted Liens;

(b) Liens created pursuant to the Security Documents;

(c) any attachment, prejudgment or judgment Lien in existence less than sixty consecutive calendar days after the entry thereof, or with respect to which execution has been stayed, or with respect to which payment in full above any applicable customary deductible is covered by insurance or a bond; and

(d) Liens securing up to $1,500,000 in the aggregate at any time outstanding of Purchase Money Indebtedness and Capital Lease Obligations permitted under Section 8.2(f).

8.4 Limitation on Fundamental Changes. Enter into any merger, consolidation or amalgamation with any Person, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets to any Person, except:

(a) a Restricted Subsidiary (other than a License Subsidiary) may merge into or be acquired by the Borrower if the Borrower is the survivor thereof;

(b) a Restricted Subsidiary (other than a License Subsidiary) may merge into or be acquired by a Wholly Owned Restricted Subsidiary if the Wholly Owned Restricted Subsidiary is the survivor thereof; and

(c) the Borrower or any Restricted Subsidiary (other than a License Subsidiary) may sell, lease, transfer or otherwise dispose of any or all of its assets in a transaction permitted under Section 8.5.

Notwithstanding anything to the contrary contained in the foregoing, no License Subsidiary shall own or hold any assets other than Operating Agreements and FCC Licenses and other Necessary Authorizations relating to the Stations or engage in any business other than the ownership (or holding) and maintenance of Operating Agreements and FCC Licenses.

8.5 Limitation on Sale of Assets. Convey, sell, lease, assign, exchange, transfer or otherwise dispose of any of its property, business or assets (including, without limitation, receivables and leasehold interests) (including by way of a Sale and Leaseback Transaction) other than in the ordinary course of business, or issue or sell Equity Interests of any of its Restricted Subsidiaries, in each case, whether by a single transaction or a series of related transactions, to any Person (each of the foregoing, a "Disposition"), except:

(a) Dispositions of property or assets (other than Equity Interests) between the Borrower and Wholly Owned Restricted Subsidiaries or between Wholly Owned Restricted Subsidiaries provided that in the case of the Borrower, such Disposition is less than substantially all of its assets;

(b) the sale of the stock of any Unrestricted Subsidiary;

(c) other Dispositions of property or assets (other than Equity Interests), provided that such Disposition is less than substantially all of the assets of the Borrower or any Restricted Subsidiary, as the case may be, and provided further that all of the following conditions are satisfied: (i) the Borrower or such Restricted Subsidiary receives consideration at the time of such Disposition at least equal to the Fair Market Value of the assets subject to such Disposition, as determined and approved by the Board of Directors of the Borrower in the case of such Dispositions with a Fair Market Value of $1,000,000 or more, and at least 80% of the consideration thereof received by the Borrower or such Restricted Subsidiary is in the form of cash, (ii) any such Disposition shall be on a non-recourse basis, except that the Borrower or such Restricted Subsidiary may make commercially reasonable representations, warranties and indemnities with respect to such properties or assets that are normal and customary in the business of the Borrower ("Permitted Sale Representations"), (iii) no Default or Event of Default shall have occurred and be continuing either before or after the consummation of such transaction and (iv) the Borrower shall, to the extent required, pay the proceeds to the Agent in accordance with Section 4.2(d) when and if due; and

(d) an Asset Swap permitted by Section 8.14.

Upon request by and at the expense of the Borrower, the Agent shall immediately release any Liens arising under the Security Documents with respect to any Collateral which is sold or otherwise disposed of in compliance with the terms of Section 8.5(b).

8.6 Limitation on Restricted Payments; Other Payment Limitations. Make any Restricted Payments, except (a) the refinancing of the Senior Subordinated Notes as permitted under Section 8.2(e); (b) repurchases of Common Equity of the Borrower from any employee of the Borrower (other than a Principal Shareholder) whose employment with the Borrower has ceased, provided that the aggregate amount of such repurchases shall not exceed $500,000 in any year and provided further that no Default or Event of Default then exists or would result therefrom; and (c) the Borrower shall have the right at any time using cash from operations (not proceeds from Loans) to redeem shares of the Senior Preferred Stock, provided that (i) the outstandings under the Tranche A Facility do not exceed $1,000,000 plus Letters of Credit then outstanding for 30 days both before and after giving effect to such redemption, and (ii) no Default or Event of Default then exists both before and after giving effect to such redemption.

8.7 Limitation on Acquisitions. Purchase or enter into any agreement to purchase (including letters of intent to purchase) any stock, bonds, notes, debentures or other securities of or any assets constituting all or any significant part of a business unit of any Person (collectively, "Acquisitions") without the prior written consent of the Lenders other than in connection with Permitted Escrow Deposits.

8.8 Investments. Make any Investment in any Person, other than:

(a) Permitted Investments; and

(b) provided no Default or Event of Default exists or would result therefrom, Investments in Unrestricted Subsidiaries in an amount not greater than the Equity Proceeds received by the Borrower from the issuance or sale of Equity Interests in the Borrower made after the Effective Date and permitted under Section 8.12; provided, however that such Equity Proceeds must be utilized, if at all, for an Investment in an Unrestricted Subsidiary within 30 days of such equity issuance.

8.9 Limitation on Transactions with Affiliates. (a) The Borrower shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into any contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Borrower or any Restricted Subsidiary (each of the foregoing, an "Affiliate Transaction"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Borrower or such Restricted Subsidiary with a non-Affiliated Person, (ii) such Affiliate Transaction is approved by a majority of the disinterested members of the Borrower's Board of Directors and (iii) the Borrower delivers to the Agent (A) with respect to any Affiliate Transaction involving aggregate payments in excess of $1,000,000, an Officers' Certificate certifying that such Affiliate Transaction complies with clauses (i) and (ii) above and (B) with respect to any Affiliate Transaction (or series of related transactions) with an aggregate value in excess of $5,000,000, an opinion from a nationally recognized investment

bank to the effect that the transaction is fair to the Borrower or the Restricted Subsidiary, as the case may be, from a financial point of view.

(b) The provisions of paragraph (a) above shall not prohibit:

(i) employment arrangements (including customary benefits thereunder) entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of the Borrower or such Restricted Subsidiary;

(ii) transactions solely between or among the Borrower and its Wholly Owned Restricted Subsidiaries or solely between or among Wholly Owned Restricted Subsidiaries;

(iii) transactions permitted under Section 8.6;

(iv) any agreement as in effect on the Effective Date and listed on Schedule 8.9 or any amendment thereto or any transaction contemplated thereby (including pursuant to any amendment thereto) and any replacement agreement thereto so long as any such amendment or replacement agreement is not more disadvantageous to the Lenders in any material respect than the original agreement as in effect on the Effective Date;

(v) the existence of, or the performance by the Borrower or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party on the Effective Date;

(vi) services provided to any Unrestricted Subsidiary of the Borrower for fees approved by a majority of the disinterested members of the Board of Directors of the Borrower;

(vii) subject to the terms of this Agreement, including but not limited to Sections 4.2(e), 8.2, 8.5 and 8.12, the issuance, sale or other disposition of any Equity Interest (other than Disqualified Stock) of the Borrower, including any equity-related agreements relating thereto such as registration rights and voting agreements so long as such agreements do not result in such Equity Interests being Disqualified Stock; and

(viii) the Borrower from entering into an LMA Agreement concerning station WYCB-AM, Washington, D.C. with the Unrestricted Subsidiary which owns such station, provided that the Agent promptly receives a copy of such LMA Agreement.

8.10 Limitation on Restrictions on Restricted Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary of the Borrower to (a) pay dividends or make any other distributions in respect of any Equity Interests of such Restricted Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Restricted Subsidiary of the Borrower, (b) make loans or advances to the Borrower or any other Restricted Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Restricted Subsidiary of the Borrower, except any encumbrance or restriction existing under or by reason of:

(i) applicable Law;

(ii) any instrument governing Indebtedness or Equity Interests of a Person acquired by the Borrower or any Restricted Subsidiary as in effect at the time of such acquisition (except to the extent such Indebtedness was incurred in connection with or in contemplation of such acquisition); provided, however, that such restriction is not applicable to any other Person or the properties or assets of any other Person;

(iii) by reason of customary nonassignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(iv) Purchase Money Indebtedness for property acquired in the ordinary course of business that only impose restrictions on the property so acquired;

(v) this Agreement;

(vi) agreements relating to the financing of the acquisition of real or tangible personal property acquired after the Effective Date, provided that such encumbrance or restriction relates only to the property that is acquired and, in the case of any encumbrance or restriction that constitutes a Lien, such Lien constitutes a Purchase Money Lien; or

(vii) any restriction or encumbrance contained in contracts for sale of assets in respect of the assets being sold pursuant to such contract.

8.11 Limitation on Lines of Business. Enter into any business, either directly or through any Restricted Subsidiary other than the radio broadcast business and activities directly related thereto (each, a "Permitted Line of Business").

8.12 Limitation on Sale or Issuance of Equity Interests. Issue, sell, assign, pledge or otherwise encumber or dispose of any shares of Equity Interests of the Borrower or the Restricted Subsidiaries, except (a) the Restricted Subsidiaries may issue or sell Equity Interests to the Borrower, (b) the Borrower and the Restricted Subsidiaries may pledge the Equity Interests of the Subsidiaries pursuant to the Pledge Agreements, (c) provided no Default or Event of Default exists or would result therefrom, the Borrower may issue (i) Disqualified Stock

permitted under Section 8.2(f) and (ii) common stock so long as such common stock (other than common stock issued in a Public Equity Offering) is pledged to the Agent for the benefit of the Lenders pursuant to a Pledge Agreement in form and substance substantially similar to the Shareholder Pledge Agreement described in item (i) of the definition of "Pledge Agreements", (d) the issuance of common stock to the Investors upon the exercise of their Warrants, so long as such common stock is pledged to the Agent for the benefit of the Lenders as required under the Warrantholders' Pledge, (e) the Borrower may issue the Allied Warrant so long as the holder thereof agrees in writing that the Allied Warrant may not be exercised until such holder assumes all the obligations and liabilities under, and becomes a party to, the Standstill Agreement as an "Investor" thereunder, and (f) the issuance of Series A 15% Cumulative Redeemable Preferred Stock of Borrower, par value $0.01 to the holder of the Allied Warrant not to exceed a liquidation value of $4,000,000 provided that such holder has assumed all the obligations and liabilities under, and become a party to, the Standstill Agreement as an "Investor" thereunder.

8.13 Limitation on Material Agreements. (a) No Loan Party will enter into any amendment, modification or waiver, that is adverse in any material respect to rights of the Lenders under the Loan Documents, of any term or provision of the Senior Subordinated Debt Documents, the Subordination Agreement, the Securities Purchase Agreement, the Warrant Agreement, the Exchange Agreement, the Amended and Restated Certificate of Incorporation, the Preferred Stockholders' Agreement, any other Preferred Stock Document or between the Borrower and the holders of the Senior Subordinated Notes, without the prior written consent of the Lenders other than waivers of compliance by any Loan Party of the terms of any of such agreements.

(b) No Loan Party will, (i) enter into any LMA Agreement (other than a LMA Agreement between the Borrower and the Unrestricted Subsidiary which owns station WYCB-AM, Washington, D.C., provided the Agent promptly receives a copy of such LMA Agreement), or (ii) except as required by the FCC, agree to any extension or termination of or amendment, modification or waiver of any material term of any such LMA Agreement, in each case without the prior written consent of Lenders.

(c) No Restricted Subsidiary shall operate, manage or direct the day-to-day operations of any Station unless it has entered into an Operating Agreement with a License Subsidiary and such Operating Agreement is in full force and effect.

8.14 Limitation on Asset Swaps. No Loan Party shall engage in any Asset Swaps unless (i) at the time of entering into the agreement relating to a proposed Asset Swap and immediately before and after the consummation of such Asset Swap, no Default or Event of Default shall have occurred and be continuing; (ii) at the time of entering into the agreement relating to the proposed Asset Swap and after giving pro forma effect to such Asset Swap as if it had occurred at the beginning of the applicable four-quarter period, the Borrower would be permitted to incur at least $1.00 of additional Indebtedness under Section 8.2(d) and under Section 4.03(a) of the Senior Subordinated Notes Indenture; (iii) after giving pro forma effect to the proposed Asset Swap as if such Asset Swap had occurred at the beginning of the four most

recent full fiscal quarters ending immediately prior to the date of the proposed Asset Swap, the ratio of (A) EBITDA of the Borrower and its Restricted Subsidiaries on a consolidated basis for such four-quarter period to (B) the Consolidated Cash Interest Expense of the Borrower and its Restricted Subsidiaries for such four-quarter period exceeds 1.2 to 1.0; and (iv) the respective Fair Market Values of the assets to be purchased and sold by any Loan Party are substantially the same at the time of entering into the agreement relating to a proposed Asset Swap.

8.15 Certain Intercompany Matters. Fail to (i) satisfy customary formalities with respect to organizational separateness, including, without limitation, (x) the maintenance of separate books and records and (y) the maintenance of separate bank accounts in its own name; (ii) act solely in its own name and through its authorized officers and agents, (iii) commingle any money or other assets of any Unrestricted Subsidiary with any money or other assets of the Borrower or any of the Restricted Subsidiaries; or (iv) take any action, or conduct its affairs in a manner, which could reasonably be expected to result in the separate organizational existence of the Borrower, each Unrestricted Subsidiary and the Restricted Subsidiaries being ignored under any circumstance.

SECTION 9. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Loan or Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation, or any other amount payable hereunder, on or prior to the date which is five days (or, if later, three Business Days) after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein or in any other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The Borrower or any other Loan Party shall default in the observance or performance of any agreement contained in Sections 7.4, 7.7, 7.9, 7.10 and 7.11 or Section 8 of this Agreement or in the Pledge Agreements; or

(d) The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after the Agent shall have given the Borrower notice thereof; or

(e) (i) The Borrower or any of the Subsidiaries shall default in making any payment of any principal of any Indebtedness (including, without limitation, any Guarantee Obligation, but excluding the Loans and Reimbursement Obligations) beyond the period of grace or cure, if any, provided in the instrument or agreement under which such Indebtedness was created; or (ii) the Borrower or any of the Subsidiaries shall default in making any payment of any interest on any such Indebtedness beyond the period of grace or cure, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) the Borrower or any of the Subsidiaries shall default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due or to be purchased or repurchased prior to its stated maturity (or, in the case of any such Indebtedness constituting a Guarantee Obligation, to become payable prior to the stated maturity of the primary obligation covered by such Guarantee Obligation); provided that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not constitute a Default or an Event of Default under this Agreement unless, at the time of such default, event or condition one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $750,000; or

(f) (i) The Borrower or any of the Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Borrower or any of the Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any of the Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any of the Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any of the Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the

Borrower or any of the Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Borrower or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Majority Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Majority Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect; or

(h) One or more judgments or decrees shall be entered against the Borrower or any of the Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance or indemnities) of $1,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days after the entry thereof; or

(i) (i) Any material provision of the Loan Documents shall cease, for any reason, to be in full force and effect, or the Borrower or any other Loan Party shall so assert or (ii) the Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; or

(j) A Change of Control shall occur or the Borrower; or

(k) The occurrence of any of the following: (i) Borrower or any Loan Party shall lose, fail to keep in force, suffer the termination, suspension or revocation of or terminate, forfeit or suffer an amendment to any FCC License or other material license at any time held by it, the loss, termination, suspension or revocation of which could reasonably be expected to have a Material Adverse Effect on the operations of any Loan Party or any Loan Party's ability to perform its obligations under this Agreement or the other Loan Documents; (ii) any proceeding shall be brought by any Person challenging the validity or enforceability of any Necessary Authorization of a Loan Party except when such proceeding could not reasonably be expected to result in the loss of such Necessary Authorization or to have a Material Adverse Effect; (iii) appropriate proceedings for the renewal of any Necessary Authorization shall not be commenced prior to the expiration thereof or if such Necessary Authorization is not renewed or otherwise made available for the use of the applicable Loan Party; (iv) any Loan Party shall fail to comply with the Communications Act or any rule or regulation promulgated by the FCC and such failure to comply results in a fine in excess of $1,000,000; (v) the FCC shall materially and adversely modify any Necessary Authorization or shall suspend, revoke or terminate or shall commence proceedings to materially and adversely modify, suspend, revoke or terminate any Necessary Authorization and such proceedings shall not be dismissed or discharged within the earlier of twelve months from the commencement of such proceeding or 30 days prior to any date set for any suspension, revocation or termination; or (vi) any Contractual Obligation which is materially necessary to the operation of the broadcasting operations of any Loan Party shall be revoked or terminated and not replaced by a substitute reasonably acceptable to the Majority Lenders within 30 days after such revocation or termination; or

(l) Any breach or default shall occur under any of the Senior Subordinated Debt Documents or the Senior Subordinated Indebtedness is accelerated;

(m) The occurrence of any of the following: (i) the Borrower shall redeem, or the Investors shall exercise any right to demand that the Borrower redeem, any shares of the Senior Preferred Stock, except as otherwise expressly permitted hereunder, (ii) the occurrence of a Redemption Event under the Preferred Stockholders' Agreement (unless waived, at any time prior to an Acceleration hereunder, by the requisite Investors thereunder) or (iii) the occurrence of any other event which entitles the Investors to cause a sale of the Borrower; or

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) of this Section 9 with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) shall

immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) with the consent of the Majority Lenders, the Agent may, or upon the request of the Majority Lenders, the Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon such Commitments shall immediately terminate; and (ii) with the consent of the Majority Lenders, the Agent may, or upon the request of the Majority Lenders, the Agent shall, by notice to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) to be due and payable forthwith (an "Acceleration"), whereupon the same shall immediately become due and payable. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an Acceleration pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations of the Borrower hereunder and under the other Loan Documents. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied, all Loans shall have been paid in full and no other Obligations shall be due and payable, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto).

Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 10. THE AGENT

10.1 Appointment. Each Lender hereby irrevocably designates and appoints the Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or any other Loan Document, the Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Agent.

10.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be

entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

10.3 EXCULPATORY PROVISIONS. NEITHER THE AGENT NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS-IN-FACT OR AFFILIATES SHALL BE (I) LIABLE FOR ANY ACTION LAWFULLY TAKEN OR OMITTED TO BE TAKEN BY IT OR SUCH PERSON UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT FOR ITS OR SUCH PERSON'S OWN GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF THIS AGREEMENT) OR (II) RESPONSIBLE IN ANY MANNER TO ANY OF THE LENDERS FOR ANY RECITALS, STATEMENTS, REPRESENTATIONS OR WARRANTIES MADE BY THE BORROWER OR ANY OFFICER THEREOF CONTAINED IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR IN ANY CERTIFICATE, REPORT, STATEMENT OR OTHER DOCUMENT REFERRED TO OR PROVIDED FOR IN, OR RECEIVED BY THE AGENT UNDER OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR FOR THE VALUE, VALIDITY, EFFECTIVENESS, GENUINENESS, ENFORCEABILITY OR SUFFICIENCY OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR FOR ANY FAILURE OF THE BORROWER TO PERFORM ITS OBLIGATIONS HEREUNDER OR THEREUNDER. THE AGENT SHALL NOT BE UNDER ANY OBLIGATION TO ANY LENDER TO ASCERTAIN OR TO INQUIRE AS TO THE OBSERVANCE OR PERFORMANCE OF ANY OF THE AGREEMENTS CONTAINED IN, OR CONDITIONS OF, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR TO INSPECT THE PROPERTIES, BOOKS OR RECORDS OF THE BORROWER.

10.4 Reliance by the Agent. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, facsimile, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Agent. The Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Majority Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Majority Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

10.5 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Agent has received notice from a Lender (except in the case of a Default under Section 9(a)) or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Majority Lenders; provided that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

10.6 Non-Reliance on the Agent and the Other Lenders. Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Agent hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

10.7 INDEMNIFICATION. THE LENDERS AGREE TO INDEMNIFY THE AGENT IN ITS CAPACITY AS SUCH (TO THE EXTENT NOT REIMBURSED BY THE BORROWER AND WITHOUT LIMITING THE OBLIGATION OF THE BORROWER TO DO SO), RATABLY ACCORDING TO THEIR RESPECTIVE SPECIFIED PERCENTAGES IN EFFECT ON THE DATE ON WHICH INDEMNIFICATION IS SOUGHT (OR, IF INDEMNIFICATION IS SOUGHT AFTER THE DATE UPON WHICH THE LOANS SHALL HAVE BEEN PAID IN FULL, RATABLY IN ACCORDANCE WITH THEIR SPECIFIED PERCENTAGES IMMEDIATELY PRIOR TO SUCH DATE), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND WHATSOEVER WHICH MAY AT ANY TIME (INCLUDING, WITHOUT LIMITATION, AT ANY TIME FOLLOWING THE PAYMENT OF THE LOANS) BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST THE AGENT IN ANY WAY RELATING TO OR ARISING OUT OF, THE COMMITMENTS, THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS OR ANY DOCUMENTS CONTEMPLATED BY OR REFERRED TO HEREIN OR THEREIN OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR ANY ACTION TAKEN OR OMITTED BY THE AGENT UNDER OR IN CONNECTION WITH ANY OF THE FOREGOING; PROVIDED THAT NO LENDER SHALL BE LIABLE FOR THE PAYMENT OF ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS RESULTING FROM THE AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE AGREEMENTS IN THIS SECTION SHALL SURVIVE THE PAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

10.8 The Agent in Its Individual Capacity. The Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower as though the Agent were not the Agent hereunder and under the other Loan Documents. With respect to the Loans made by it, the Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Agent, and the terms "Lender" and "Lenders" shall include the Agent in its individual capacity.

10.9 Successor Agent. (a) The Agent may resign as the Agent upon 30 days' notice to the Lenders and the appointment of a successor Agent as hereinafter provided. If the Agent shall resign as the Agent under this Agreement and the other Loan Documents, then, unless an Event of Default shall have occurred and be continuing (in which case, the Majority Lenders shall appoint a successor), the Borrower shall appoint from among the Lenders a successor Agent for the Lenders, which successor Agent shall be approved by the Majority Lenders (which approval shall not be unreasonably withheld). If no successor Agent shall have been so appointed by the Borrower (or in the case of an Event of Default, by the Majority Lenders) and such successor Agent has not accepted such appointment within 30 days after such

resignation, then the resigning Agent may, on behalf of the Lenders, appoint a successor Agent, which successor Agent hereunder shall be either a Lender or, if none of the Lenders is willing to serve as successor Agent, a major international bank having combined capital and surplus of at least $500,000,000. Upon the acceptance of any appointment as the Agent hereunder by a successor Agent, such successor Agent shall succeed to the rights, powers and duties of the Agent, and the term "Agent" shall mean such successor Agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as the Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Loans. After any retiring Agent's resignation as the Agent, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent under this Agreement and the other Loan Documents.

(b) In the event that the Agent shall have breached any of its material obligations to the Lenders hereunder, the Majority Lenders may remove the Agent, effective on the date specified by them, by written notice to the Agent and the Borrower. Upon any such removal, the Borrower, provided that no Event of Default shall have occurred and be continuing (in which case the Majority Lenders shall make the appointment), shall have the right to appoint a successor Agent, which successor Agent shall be approved by the Majority Lenders (which approval shall not be unreasonably withheld). If no successor Agent shall have been so appointed by the Borrower (or in the case of an Event of Default, by the Majority Lenders) and such successor Agent has not accepted such appointment within 30 days after notification to the Agent of its removal, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which successor Agent hereunder shall be either a Lender or, if none of the Lenders is willing to serve as successor Agent, a major international bank having combined capital and surplus of at least $500,000,000. Such successor Agent, provided that no Event of Default shall have occurred and be continuing, shall be reasonably satisfactory to the Borrower. Upon the acceptance of any appointment as the Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. The Borrower and the Lenders shall execute such documents as shall be necessary to effect such appointment. After any retiring Agent's removal hereunder as the Agent, the provisions of this Section 10.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent under this Agreement and the other Loan Documents. If at any time there shall not be a duly appointed and acting Agent, the Borrower agrees to make each payment due hereunder and under the Notes directly to the Lenders entitled thereto during such time.

SECTION 11. MISCELLANEOUS

11.1 Amendments and Waivers. Neither this Agreement nor any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 11.1. The Majority Lenders and each relevant Loan Party may, or, with the written consent of the Majority Lenders, the Agent and each relevant Loan Party may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Majority Lenders or the Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) reduce the amount or extend the scheduled date of maturity of any Loan or of any installment thereof, or reduce the stated rate of any interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Commitment of any Lender, or make any change in the method of application of any payment of the Loans specified in Section 4.2 or Section 4.8, (ii) waive, extend or reduce any mandatory Commitment reduction pursuant to Section 4.2, (iii) amend, modify or waive any provision of, this Section 11.1 or reduce any percentage specified in the definition of Majority Lenders, or consent to the assignment or transfer by any Loan Party of any of its rights and obligations under this Agreement and the other Loan Documents, (iv) release the Collateral except for any Collateral which is permitted to be disposed of pursuant to Section 8.5, which Collateral may be released by the Agent pursuant to Section 8.5, (v) amend, modify or waive any condition precedent to any extension of credit set forth in Section 6, in each case of (i), (ii), (iii), (iv) and (v) above, without the written consent of all of the Lenders, (vi) amend, modify or waive any provision of Section 10 without the written consent of the then Agent or (vii) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lender. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Agent and all future holders of the Notes. In the case of any waiver, the Loan Parties, the Lenders and the Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) in the case of delivery by hand, when delivered, (b) in the case of delivery by mail, three Business Days after being deposited in the mails, postage prepaid, or (c) in the case of delivery by facsimile transmission, when sent and receipt has been confirmed, addressed as follows in the case of the Borrower, the Subsidiaries and the Agent, and as set forth in Schedule 1.1 (or, with respect to

any Lender that is an Assignee, in the applicable Assignment and Acceptance) in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto:

The Borrower:	Radio One, Inc. 5900 Princess Garden Parkway Lanham, Maryland 20706 Attention: Scott R. Royster, Chief Financial Officer Fax: (301) 306-9426 with a copy to: Alfred C. Liggins, President Fax: (301) 306-9426
The Agent/Issuing Lender:	NationsBank of Texas, N.A. 901 Main Street, 64th Floor Dallas, Texas 75202 Attention: Whitney L. Busse Fax: (214) 508-9390

provided that any notice, request or demand to or upon the Agent or the Lenders pursuant to Sections 2 or 3 shall not be effective until received.

11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

11.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Agent for all its reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Agent, (b) to pay or reimburse each Lender and the Agent

for all its costs and expenses reasonably incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including, without limitation, the reasonable fees and disbursements of counsel to each Lender and of counsel to the Agent, (c) without duplication of amounts payable pursuant to Sections 4.9 and 4.10, TO PAY, INDEMNIFY, AND HOLD EACH LENDER AND THE AGENT HARMLESS FROM, ANY AND ALL RECORDING AND FILING FEES AND ANY AND ALL LIABILITIES WITH RESPECT TO, OR RESULTING FROM ANY DELAY IN PAYING, STAMP, EXCISE AND OTHER TAXES, IF ANY, WHICH MAY BE PAYABLE OR DETERMINED TO BE PAYABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF, OR CONSUMMATION OR ADMINISTRATION OF ANY OF THE TRANSACTIONS CONTEMPLATED BY, OR ANY AMENDMENT, SUPPLEMENT OR MODIFICATION OF, OR ANY WAIVER OR CONSENT UNDER OR IN RESPECT OF, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY SUCH OTHER DOCUMENTS, AND (D) WITHOUT DUPLICATION OF AMOUNTS PAYABLE PURSUANT TO SECTIONS 4.9 AND 4.10, TO PAY, INDEMNIFY, AND HOLD EACH LENDER, EACH ISSUING LENDER AND THE AGENT, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, ADVISORS, AGENTS AND CONTROLLING PERSONS (EACH, AN "INDEMNITEE"), HARMLESS FROM AND AGAINST ANY AND ALL OTHER LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WITH RESPECT TO THE EXECUTION, DELIVERY, ENFORCEMENT, PERFORMANCE AND ADMINISTRATION OF THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY SUCH OTHER DOCUMENTS OR THE USE OF THE PROCEEDS OF THE LOANS (ALL THE FOREGOING IN THIS CLAUSE (D), COLLECTIVELY, THE "INDEMNIFIED LIABILITIES"), PROVIDED, THAT IT IS THE INTENTION OF THE BORROWER TO INDEMNIFY THE INDEMNIFIED PARTIES HEREUNDER AGAINST THEIR OWN NEGLIGENCE, AND FURTHER PROVIDED THE BORROWER SHALL HAVE NO OBLIGATION HEREUNDER TO ANY INDEMNITEE WITH RESPECT TO INDEMNIFIED LIABILITIES ARISING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF OR BREACH OF THIS AGREEMENT BY SUCH INDEMNITEE. THE AGREEMENTS IN THIS SECTION SHALL SURVIVE REPAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

11.6 Successors and Assigns; Participations and Assignments. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Agent and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender.

(b) Any Lender may, in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan or L/C Obligation owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents; provided, that no participations shall be in an amount less than $2,500,000 or a whole multiple of $100,000 in excess thereof or, if less than $2,500,000, the entire amount of such Lender's applicable Commitment. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would reduce the principal of, or interest on, the Loans or any fees payable hereunder, or postpone the date of the final scheduled maturity of the Loans, in each case to the extent subject to such participation. The Borrower agrees that if amounts outstanding under this Agreement are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 11.7(a) as fully as if it were a Lender hereunder. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 4.9, 4.10 and 4.11 with respect to its participation in the Commitments and the Loans outstanding from time to time as if it were a Lender; provided that, in the case of Section 4.10, such Participant shall have complied with the requirements of said Section and provided, further, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in accordance with applicable law, at any time and from time to time assign to any Person (an "Assignee") all or any part of its rights and obligations under this Agreement and the other Loan Documents pursuant to an Assignment and Acceptance, substantially in the form of Exhibit A, executed by such Assignee and such assigning Lender and delivered to the Agent for its acceptance and recording in the Register (with a copy to the Borrower) and upon payment to the Agent of a processing fee in the amount of $3,000; provided that, (i) no such assignment shall be in an amount less than $2,500,000 or a whole multiple of $100,000 in excess thereof or, if less than $2,500,000, the entire amount of such Lender's applicable Commitment; (ii) no such assignment shall be made without the prior consent of the Agent and the Borrower (which consent shall not be unreasonably withheld or delayed) unless such assignment is to another Lender or an Affiliate of a Lender, in which event no such consent

shall be required; and (iii) no such assignment may be made unless such assigning Lender assigns an equal percentage of its interest in both the Tranche A Facility and the Tranche B Facility. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Commitment as set forth therein, and (y) the assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement.

(d) Any Non-U.S. Lender that could become completely exempt from withholding of any tax, assessment or other charge or levy imposed by or on behalf of the United States or any taxing authority thereof ("U.S. Taxes") in respect of payment of any Obligations due to such Non-U.S. Lender under this Agreement if the Obligations were in registered form for U.S. federal income tax purposes may request the Borrower (through the Agent), and the Borrower agrees thereupon, to exchange any promissory note(s) evidencing such Obligations for promissory note(s) registered as provided in paragraph (f) below and substantially in the form of Exhibit O (an "Alternative Note"). Alternative Notes may not be exchanged for promissory notes that are not Alternative Notes.

(e) Each Non-U.S. Lender that could become completely exempt from withholding of U.S. Taxes in respect of payment of any Obligations due to such Non-U.S. Lender if the Obligations were in registered form for U.S. Federal income tax purposes and that holds Alternative Note(s) (an "Alternative Noteholder") (or, if such Alternative Noteholder is not the beneficial owner thereof, such beneficial owner) shall deliver to the Borrower prior to or at the time such Non-U.S. Lender becomes an Alternative Noteholder a Form W-8 (Certificate of Foreign Status of the U.S. Department of Treasury) (or any successor or related form adopted by the U.S. taxing authorities), together with an annual certificate stating that (i) such Alternative Noteholder or beneficial owner, as the case may be, is not a "bank" within the meaning of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Company (within the meaning of Section 864(d)(4) of the Code) and (ii) such Alternative Noteholder or beneficial owner, as the case may be, shall promptly notify the Borrower if at any time such Alternative Noteholder or beneficial owner, as the case may be, determines that it is no longer in a position to provide such certification to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purposes).

(f) An Alternative Note and the Obligation(s) evidenced thereby may be assigned or otherwise transferred in whole or in part only by registration of such assignment or transfer of such Alternative Note and the Obligation(s) evidenced thereby on the Register (and each Alternative Note shall expressly so provide). Any assignment or transfer of all or part of such Obligation(s) and the Alternative Note(s) evidencing the same shall be registered on the Register only upon surrender for registration of assignment or transfer of the Alternative Note(s) evidencing such Obligation(s), duly endorsed by (or accompanied by a written instrument of assignment or transfer duly executed by) the Alternative Noteholder thereof, and thereupon one

or more new Alternative Note(s) in the same aggregate principal amount shall be issued to the designated Assignee(s). No assignment of an Alternative Note and the Obligation(s) evidenced thereby shall be effective unless it has been recorded in the Register as provided in this Section 11.6(f).

(g) The Agent, on behalf of the Borrower, shall maintain at the address of the Agent referred to in Section 11.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders (including Alternative Noteholders) and the Commitments of, and principal amounts of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent and the Lenders may (and, in the case of any Loan or other obligation hereunder not evidenced by a Note, shall) treat each Person whose name is recorded in the Register as the owner of a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Loan Documents, notwithstanding any notice to the contrary. Any assignment of any Loan or other obligation hereunder not evidenced by a Note shall be effective only upon appropriate entries with respect thereto being made in the Register. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(h) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee together with payment to the Agent of a registration and processing fee of $3,000, the Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Lenders and the Borrower.

(i) Subject to Section 11.16, the Borrower authorizes each Lender to disclose to any Participant or Assignee (each, a "Transferee") and any prospective Transferee, subject to the Transferee agreeing to be bound by the provisions of Section 11.16, any and all financial information in such Lender's possession concerning the Borrower and the Subsidiaries which has been delivered to such Lender by or on behalf of the Borrower pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Borrower in connection with such Lender's credit evaluation of the Borrower and its Subsidiaries prior to becoming a party to this Agreement.

(j) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law.

11.7 Adjustments; Set-off. (a) If any Lender (a "benefitted Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 9(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount, to the extent permitted by applicable law, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Agent after any such set-off and application made by such Lender, provided that, to the extent permitted by applicable law, the failure to give such notice shall not affect the validity of such set-off and application.

11.8 Counterparts; When Effective. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Agent. This Agreement shall become effective as of May 19, 1997 (such date herein referred to as the "Effective Date"), provided that (i) the Agent has received original counterparts hereof executed by the Borrower, the Agent and each Lender and (ii) each of the conditions precedent set forth in Section 6.1 have been satisfied.

11.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

11.10 Integration. This Agreement and the other Loan Documents represent the agreement of the Borrower, the Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

11.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS.

11.12 VENUE; SERVICE OF PROCESS. THE LENDER, THE BORROWER AND ITS SUBSIDIARIES, FOR THEMSELVES, THEIR SUCCESSORS AND ASSIGNS, HEREBY IRREVOCABLY SUBMIT TO THE NONEXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF TEXAS AND AGREE AND CONSENT THAT SERVICE OF PROCESS MAY BE MADE UPON THEM IN ANY LEGAL PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THE LOAN DOCUMENTS, OR THE OBLIGATIONS BY SERVICE OF PROCESS AS PROVIDED BY TEXAS LAW, IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THE LOAN DOCUMENTS, OR THE OBLIGATIONS BROUGHT IN DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, IRREVOCABLY WAIVE ANY CLAIMS THAT ANY LITIGATION BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AGREE TO DESIGNATE AND MAINTAIN AN AGENT FOR SERVICE OF PROCESS IN DALLAS, TEXAS, IN CONNECTION WITH ANY SUCH LITIGATION AND TO DELIVER TO ADMINISTRATIVE LENDER EVIDENCE THEREOF, IRREVOCABLY CONSENT TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH LITIGATION BY THE MAILING OF COPIES THEREOF BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID, TO THE BORROWER AT THE ADDRESS SET FORTH HEREIN, AND IRREVOCABLY AGREE THAT ANY LEGAL PROCEEDING AGAINST LENDERS ARISING OUT OF OR IN CONNECTION WITH THE LOAN DOCUMENTS, OR THE OBLIGATIONS SHALL BE BROUGHT IN THE DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION. NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDERS TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE BORROWER OR ANY OF ITS SUBSIDIARIES IN ANY JURISDICTION OR TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW.

11.13 Acknowledgements. The Borrower and each Subsidiary hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Agent nor any Lender has any fiduciary relationship with or duty to the Borrower or any Subsidiary arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Agent and the Lenders, on one hand, and the Borrower or any Subsidiary, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower, the Subsidiaries and the Lenders.

11.14 WAIVERS OF JURY TRIAL. THE LENDERS, THE BORROWER AND ITS SUBSIDIARIES, FOR THEMSELVES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY DEALINGS WITH LENDERS RELATING TO THE SUBJECT MATTER OF THE LOAN TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY AND THE RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THE BORROWER AND ITS SUBSIDIARIES ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO LENDERS' AGREEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT LENDERS HAVE ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT LENDERS WILL CONTINUE TO RELY ON THIS WAIVER IN RELATED FUTURE DEALINGS. THE BORROWER AND ITS SUBSIDIARIES FURTHER WARRANT AND REPRESENT THAT THEY HAVE KNOWINGLY AND VOLUNTARILY WAIVED THEIR JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, MODIFICATIONS, RENEWALS, EXTENSIONS, RESTATEMENTS, REARRANGEMENTS, SUPPLEMENTS OR SUBSTITUTIONS TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS OR THE NOTES. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

11.15 Maximum Interest Rate. Regardless of any provision contained in any of the Loan Documents, Lenders shall never be entitled to contract for, charge, take, reserve, receive, or apply, as interest on the Obligations, or any part thereof, any amount in excess of the Highest Lawful Rate, and, in the event any Lender ever contracts for, charges, takes, reserves, receives, or applies as interest any such excess, it shall be deemed a partial prepayment of principal and treated hereunder as such and any remaining excess shall be refunded to the Borrower. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Highest Lawful Rate, the Borrower, its Subsidiaries, and Lenders shall, to the maximum extent permitted under applicable Law, treat all Loans as but a single extension of credit (and Lenders, the Borrower and the Borrower's Subsidiaries agree that such is the case and that provision herein for multiple Loans and for one or more Notes is for convenience only), characterize any nonprincipal payment as an expense, fee, or premium rather than as interest, exclude voluntary prepayments and the effects thereof, and "spread" the total amount of interest throughout the entire contemplated term of the Obligation; provided that, if the Obligation is paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the Highest Lawful Rate, Lenders shall refund such excess, and, in such event, Lenders shall not be subject to any penalties provided by any laws for contracting for, charging, taking, reserving, or receiving interest in excess of the Highest Lawful Rate. To the extent the laws of the State of Texas are applicable for purposes of determining the "Highest Lawful Rate," such term shall mean the "weekly rate ceiling" from time to time in effect under Article 5069-1D, Title 79, Revised Civil Statutes of Texas, as amended, or, if permitted by applicable law and effective upon the giving of the notices required by such Article 5069-1D (or effective upon any other date otherwise specified by applicable law), the "monthly ceiling," the "quarterly ceiling," or "annualized ceiling" from time to time in effect under such Article 5069-1D, whichever that Lenders shall elect to substitute for the "weekly rate ceiling," and vice versa, each such substitution to have the effect provided in such Article 5069-1D; and Lenders shall be entitled to make such election from time to time and one or more times and, without notice to the Borrower, to leave any such substitute rate in effect for subsequent periods in accordance with such Article 5069-1D. Pursuant to Article 15.10(b) of Chapter 15, Subtitle 79, Revised Civil Statutes of Texas, 1925, as amended, the Borrower agrees that such Chapter 15 (which regulates certain revolving credit loan accounts and revolving tri-party accounts) shall not govern or in any manner apply to the Obligations.

11.16 Confidentiality. Each Lender agrees to keep confidential all non-public information provided to it by or on behalf of the Borrower or any of the Subsidiaries pursuant to this Agreement or any other Loan Document; provided that nothing herein shall prevent any Lender from disclosing any such information (i) to the Agent or any other Lender, (ii) to any Assignee or Participant, (iii) to its employees, directors, agents, attorneys, accountants and other professional advisors, (iv) upon demand of any Governmental Authority having jurisdiction over such Lender, (v) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (vi) which has been publicly disclosed other than in breach of this Agreement, or (vii) in connection with the exercise of any remedy hereunder.

11.17 Amendment and Restatement. This Agreement constitutes an amendment and restatement of the Existing Credit Agreement and as such supersedes the Existing Credit Agreement (which Existing Credit Agreement amended and restated the Greyhound Agreement) in its entirety; provided, however, that in no event shall the Liens securing the Existing Credit Agreement or the Greyhound Agreement be deemed affected hereby, it being the intent and agreement of the Loan Parties that the Liens on the Collateral granted to secure the obligations of the Loan Parties under the Existing Credit Agreement and the Greyhound Agreement shall not be extinguished and shall remain legal, valid, binding and enforceable Liens against the Collateral securing the obligations of the Loan Parties under the Existing Credit Agreement and the Greyhound Agreement, as amended, restated and superseded in their entirety hereby.

11.18 FINAL AGREEMENT. THIS WRITTEN AGREEMENT, THE NOTES AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BETWEEN THE PARTIES. THERE ARE NO UNWRITTEN OR ORAL AGREEMENTS BETWEEN THE PARTIES.

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SIGNATURE PAGES FOLLOW.]

EXECUTED as of the day and year first mentioned.

RADIO ONE, INC., the Borrower

By:

Alfred C. Liggins
President

NATIONSBANK OF TEXAS, N.A.,
for itself as a Lender and as Agent

By:

Whitney L. Busse
Vice President

Schedule 1.1

Commitments and Addresses of Lenders

TRANCHE A

FUNDING OFFICE OF AGENT:

NationsBank of Texas, N.A.
901 Main Street, 14th Floor
Dallas, Texas 75202
Attn: Mickey McLean
Fax: (214) 508-2515
Phone: (214) 508-9192

ABA #111000025
Account #1292000883
Attn: Corporate Credit Services
Ref: Radio One

OFFICE OF ISSUING LENDER:

NationsBank of Texas, N.A.
901 Main Street, 9th Floor
Dallas, Texas 75202
Attn: L/C Department
Fax: (214) 508-1814 (confirmation 214-508-3638)

NAME AND ADDRESS OF LENDERS:

NAME AND ADDRESS OF LENDER	TRANCHE A COMMITMENT	TRANCHE A SPECIFIED PERCENTAGE
NationsBank of Texas, N.A. 901 Main Street, 64th Floor Dallas, Texas 75202 Attn: Whitney L. Busse Fax: (214) 508-9390	$5,000,000	100%

TRANCHE B

FUNDING OFFICE OF AGENT:

NationsBank of Texas, N.A.
901 Main Street, 14th Floor
Dallas, Texas 75202
Attn: Mickey McLean
Fax: (214) 508-2515
Phone: (214) 508-9192

ABA #111000025
Account #1292000883
Attn: Corporate Credit Services
Ref: Radio One

NAME AND ADDRESS OF ISSUING LENDER:

NationsBank of Texas, N.A.
901 Main Street, 9th Floor
Dallas, Texas 75202
Attn: L/C Department
Fax: (214) 508-1814 (confirmation 214-508-3638)

NAME AND ADDRESS OF LENDERS:

NAME AND ADDRESS OF LENDER	TRANCHE B COMMITMENT	TRANCHE B SPECIFIED PERCENTAGE
NationsBank of Texas, N.A. 901 Main Street, 64th Floor Dallas, Texas 75202 Attn: Whitney L. Busse Fax: (214) 508-9390	$2,500,000	100%

EXHIBIT A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

RADIO ONE LICENSES, INC.

ARTICLE I - Name

The name of the corporation is Radio One Licenses, Inc. (hereinafter referred to as the "Corporation").

ARTICLE II - Registered Office

The post office address of the registered office of the Corporation in the State of Delaware is 9 East Loockerman Street, Dover, Kent County, Delaware 19901. The name of the registered agent of the Corporation at that address is National Registered Agents, Inc.

ARTICLE III - Purpose

The purpose of the Corporation is to acquire, operate, and maintain radio stations and television stations and to engage in any other lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV - Capital Stock

Section IV.1. General. The total number of shares of capital stock (the "Capital Stock") which the Corporation has authority to issue is 1,000 shares of Common Stock, par value $.01 per share, which shall be entitled to one vote per share on all matters presented for a vote of the stockholders of the Corporation.

ARTICLE V - Existence

The Corporation is to have a perpetual existence.

ARTICLE VI - General Provisions

Section VI.1. Dividends. The Board of Directors of the Corporation shall have authority from time to time to set apart out of any assets of the Corporation otherwise available for dividends a reserve or reserves as working capital or for any other purpose or purposes, and to abolish or add to any such reserve or reserves from time to time as said Board may deem to be in the interest of the Corporation; and said Board shall likewise have power to determine in its discretion, except as herein otherwise provided, what part of the assets of the Corporation available for dividends in

excess of such reserve or reserves shall be declared in dividends and paid to the stockholders of the Corporation.

Section VI.2. Issuance of Stock. The shares of all classes and series of Capital Stock of the Corporation may be issued by the Corporation from time to time for such consideration as from time to time may be fixed by the Board of Directors of the Corporation, provided that shares having a par value shall not be issued for a consideration less than such par value, as determined by the Board. At any time, or from time to time, the Corporation may grant rights or options to purchase from the Corporation any shares of its Capital Stock of any class or series to run for such period of time, for such consideration, upon such terms and conditions, and in such form as the Board of Directors of the Corporation may determine. The Board of Directors of the Corporation shall have authority, as provided by law, to determine that only a part of the consideration which shall be received by the Corporation for the shares of its Capital Stock having a par value be capital provided that the amount of the part of such consideration so determined to be capital shall at least be equal to the aggregate par value of such shares. The excess, if any, at any time, of the total net assets of the Corporation over the amount so determined to be capital, as aforesaid, shall be surplus. All classes and series of Capital Stock of the Corporation shall be and remain at all times nonassessable.

The Board of Directors of the Corporation is hereby expressly authorized, in its discretion, in connection with the issuance of any obligations or Capital Stock of the Corporation (but without intending hereby to limit its general power so to do in other cases), to grant rights or options to purchase Capital Stock of the Corporation of any class or series upon such terms and during such period as the Board of Directors of the Corporation shall determine, and to cause such rights to be evidenced by such warrants or other instruments as it may deem advisable.

Section VI.3. Inspection of Books and Records. The Board of Directors of the Corporation shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or the stockholders of the Corporation.

Section VI.4. Location of Meetings, Books and Records. Except as otherwise provided in the Bylaws, the stockholders of the Corporation and the Board of Directors of the Corporation may hold their meetings and have an office or offices outside of the State of Delaware, and, subject to the provisions of the laws of said State, may keep the books of the Corporation outside of said State at such places as may, from time to time, be designated by the Board of Directors.

Section VI.5. Board of Directors Meeting. The Board of Directors shall be comprised of the number of directors specified in the Corporation's Bylaws, and such directors shall be elected in the manner contemplated by such Bylaws.

ARTICLE VII - Amendments

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereinafter prescribed herein and by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE VIII - Liability

Section VIII.1. Limitation of Liability.

(a) To the fullest extent permitted by the DGCL as it now 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 broader indemnification rights than permitted as of the date this Amended and Restated Certificate of Incorporation is filed with the State of Delaware), and except as otherwise provided in the Corporation's Bylaws, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Section VIII.2. 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 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 this Amended and Restated Certificate of Incorporation is filed with the State of Delaware), 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 8.3 of this ARTICLE VIII 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 8.2 of this ARTICLE VIII 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 8.2 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 VIII.3. Procedure for Indemnification. Any indemnification of a director or officer of the Corporation or advance of expenses under Section 8.2 of this ARTICLE VIII 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 VIII 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 VIII 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 8.2 of this ARTICLE VIII, 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 8.2 of this ARTICLE VIII shall be the same procedure set forth in this Section 8.3 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 VIII.4. 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 VIII.5. 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 this ARTICLE VIII) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section VIII.6. Reliance. Persons who after the date of the adoption of this provision 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 VIII in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VIII 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 VIII.7. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VIII shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation or under any statute, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section VIII.8. Merger or Consolidation. For purposes of this ARTICLE VIII, 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 VIII 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 IX - Alien Ownership of Stock

Section IX.1. Applicability. This ARTICLE IX shall be applicable to the Corporation so long as the provisions of Section 310 of the Communications Act of 1934, as the same may be amended from time to time (the "Communications Act") (or any successor, provisions thereto) are applicable to the Corporation. As used herein, the term "alien" shall have the meaning ascribed thereto by the Federal Communications Commission ("FCC") on the date hereof and in the future as Congress or the FCC may change such meaning form time to time. If the provisions of Section 310 of the Communications Act (or any successor provisions thereto) are amended, the restrictions in this ARTICLE IX shall be amended in the same way, and as so amended, shall apply

to the Corporation. The Board of Directors of the Corporation may make such rules and regulations as it shall deem necessary or appropriate to enforce the provisions of this ARTICLE IX.

Section IX.2. Voting. Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of Capital Stock of the Corporation outstanding in any class or series entitled to vote on any matter before a meeting of stockholders of the Corporation shall at any time be for the account of aliens or their representatives or for the account of a foreign government or representative thereof, or for the account of any corporation organized under the laws of a foreign country.

Section IX.3. Stock Certificates. Shares of Capital Stock issued to or held by or for the account of aliens and their representatives, foreign governments and representatives thereof, and corporations organized under the laws of foreign countries shall be represented by Foreign Share Certificates. All other shares of Capital Stock shall be represented by Domestic Share Certificates. All of such certificates shall be in such form not inconsistent with this Amended and Restated Certificate of Incorporation as shall be prepared or approved by the Board of Directors of the Corporation.

Section IX.4. Limitation on Foreign Ownership. Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of Capital Stock of the Corporation outstanding shall at any time be owned of record by or for the account of aliens or their representatives or by or for the account of a foreign government or representatives thereof, or by or for the account of any corporation organized under the laws of a foreign country. Shares of Capital Stock shall not be transferable on the books of the Corporation to aliens or their representatives, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries if, as a result of such transfer, the aggregate number of shares of Capital Stock owned by or for the account of aliens and their representatives, foreign governments and representatives thereof, and corporations organized under the laws of foreign countries shall be more than twenty percent of the number of shares of Capital Stock then outstanding. If it shall be found by the Corporation that Capital Stock represented by a Domestic Share Certificate is, in fact, held by or for the account of aliens or their representative, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries, then such Domestic Share Certificate shall be canceled and a new certificate representing such Capital Stock marked "Foreign Share Certificate" shall be issued in lieu thereof, but only to the extent that after such issuance the Corporation shall be in compliance with this ARTICLE IX; provided, however, that if, and to the extent, such issuance would violate this ARTICLE IX, then, the holder of such Capital Stock shall not be entitled to vote, to receive dividends, or to have any other rights with regard to such Capital Stock to such extent, except the right to transfer such Capital Stock to a citizen of the United States.

Section IX.5. Transfer of Foreign Share Certificates. Any Capital Stock represented by Foreign Share Certificates may be transferred either to aliens or non-aliens. In the event that any Capital Stock represented by a certificate marked "Foreign Share Certificate" is sold or transferred to a non-alien, then such non-alien shall be required to exchange such certificate for a certificate marked "Domestic Share Certificate." If the Board of Directors of the Corporation reasonably determines that a Domestic Share Certificate has been or is to be transferred to or for the account of

aliens or their representatives, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries, the Corporation shall issue a new certificate for the shares of Capital Stock transferred to the transferee marked "Foreign Shares Certificate", cancel the old Domestic Share Certificate, and record the transaction upon its books, but only to the extent that after such transfer is complete, the Corporation shall be in compliance with this ARTICLE IX.

Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation, the transfer or conversion of the Corporation=s Capital Stock, whether voluntary or involuntary, shall not be permitted, and shall be ineffective, if such transfer or conversion would (i) violate (or would result in violation of) the Communications Act or any of the rules or regulation promulgated thereunder or (ii) require the prior approval of the FCC, unless such prior approval has been obtained.

EXHIBIT A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

RADIO ONE, INC.

ARTICLE I - Name

The name of the corporation is Radio One, Inc. (hereinafter referred to as the "Corporation").

ARTICLE II - Registered Office

The post office address of the registered office of the Corporation in the State of Delaware is 9 East Loockerman Street, Dover, Kent County, Delaware 19901. The name of the registered agent of the Corporation at that address is National Registered Agents, Inc.

ARTICLE III - Purpose

The purpose of the Corporation is to acquire, operate, and maintain radio stations and television stations and to engage in any other lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV - Capital Stock

Section IV.1. General. The total number of shares of capital stock which the Corporation has authority to issue is 292,000 shares, consisting of: (i) 140,000 shares of 15% Series A Cumulative Redeemable Preferred Stock, par value $.01 per share (the "Series A Preferred"), (ii) 150,000 shares of 15% Series B Cumulative Redeemable Preferred Stock, par value $.01 per share (the "Series B Preferred," and together with the Series A Preferred, the "Preferred Stock"), (iii) 1,000 shares of Class A Common Stock, par value $.01 per share (the "Class A Common"), and (iv) 1,000 shares of Class B Common Stock, par value $.01 per share (the "Class B Common," and together with the Class A Common, the "Common Stock"). The Preferred Stock and Common Stock are hereinafter sometimes collectively referred to as "Capital Stock." Certain capitalized terms used herein are defined in Section 4.4(c) of this ARTICLE IV below.

Section IV.2. Preferred Stock. Except as otherwise provided in this Section 4.2 of this ARTICLE IV or as otherwise required by applicable law, all shares of Series A Preferred and Series B Preferred shall be identical in all respects and shall entitle the holders thereof to the same rights and privileges and shall be subject to the same qualifications, limitations and restrictions.

(a) Dividends.

(i) General Obligation. To the extent permitted under the DGCL, the Corporation shall pay preferential cumulative dividends to the holders of the Preferred Stock as provided in this Section 4.2(a)(i) of this ARTICLE IV. Except as otherwise provided herein, dividends on each share of Preferred Stock (a "Preferred Share") shall accrue on a daily basis at the rate of 15% per annum (the "Dividend Rate") on the sum of (A) the Liquidation Value thereof plus (B) all unpaid accumulated dividends thereon, if any, from and including the date of issuance of such Preferred Share to and including the date on which the Liquidation Preference Amount of such Preferred Share is paid. Notwithstanding the foregoing, if the Corporation does not redeem all of the issued and outstanding Preferred Shares on the Mandatory Redemption Date (as defined in Section 4.2(d)(i) of this ARTICLE IV) or, upon the occurrence of an Event of Noncompliance (as defined in the Preferred Stockholders' Agreement) (such failure to redeem or occurrence of an Event of Noncompliance, a "Noncompliance Event"), the Majority Holders may elect, by written notice to the Corporation, to have the Dividend Rate increase to 18% per annum (the "Noncompliance Dividend Rate") and dividends shall accrue on each Preferred Share on a daily basis at the Noncompliance Dividend Rate on the sum of (x) the Liquidation Value thereof plus (y) all unpaid accumulated dividends thereon, if any, commencing on the date of the occurrence of such Noncompliance Event (after the expiration of all applicable cure periods) and continuing until (I) such Default is cured pursuant to the terms of the Preferred Stockholders' Agreement or waived by the Majority Holders or (II) the date on which the Liquidation Preference Amount of such Preferred Share is paid. Dividends on Preferred Shares shall accrue whether or not they have been declared and whether or not there are profits, surplus or other funds of the Corporation legally available for the payment of dividends. The date on which the Corporation initially issues any Preferred Share shall be deemed to be its "date of issuance" regardless of the number of times transfer of such Preferred Share is made on the stock records maintained by or for the Corporation and regardless of the number of certificates which may be issued to evidence such Preferred Share.

(ii) Special WPHI-FM Dividend. Notwithstanding the provisions of Section 4.2(a)(i) of this ARTICLE IV, in the event the Corporation does not meet any performance target listed below relating exclusively to the operation of WPHI-FM, the Dividend Rate for each Preferred Share shall be increased to 17% per annum (the "Retroactive Dividend Rate") and dividends shall accrue on each Preferred Share on a daily basis at the Retroactive Dividend Rate on the sum of (A) the Liquidation Value thereof plus (B) all unpaid accumulated dividends thereon, if any, for the period commencing on the date of issuance of such Preferred Share until (x) such time as the Corporation first meets a performance target at a subsequent date or such noncompliance is waived by the Majority Holders or (y) the date on which the Liquidation Preference Amount of such Preferred Share is paid:

AS OF THE TWELVE-MONTH PERIOD ENDING	BROADCAST CASH FLOW ($)
12/31/98	1,517
3/31/99	1,669
6/30/99	1,878
9/30/99	2,097

AS OF THE TWELVE-MONTH PERIOD ENDING	BROADCAST CASH FLOW ($)
12/31/99	2,346
3/31/00	2,446
6/30/00	2,583
9/30/00	2,727
12/31/00	2,891
3/31/01	2,987
6/30/01	3,121
9/30/01	3,261
12/31/01	3,419
3/31/02	3,451
6/30/02	3,494
9/30/02	3,539
12/31/02	3,590
3/31/03	3,623
6/30/03	3,669
9/30/03	3,716
12/31/03	3,770
and in each calendar quarter thereafter for the immediately prior twelve-month period through the Mandatory Redemption	

Any right to receive dividends on a Preferred Share at the Retroactive Dividend Rate shall transfer with each such Preferred Share.

(iii) Dividend Reference Date. To the extent not paid on December 31 of each year, beginning December 31, 1997 (the "Dividend Reference Date"), all dividends which have accrued on each Preferred Share issued and outstanding during the one-year period (or other period in the case of the initial Dividend Reference Date) ending upon each such Dividend Reference Date shall be accumulated and shall remain accumulated dividends with respect to such Preferred Share until paid. All dividends paid on a Preferred Share shall be applied first to, and to the extent of, unpaid dividends that have accrued (but which have not been accumulated) and then to, and to the extent of, accumulated dividends, if any.

(iv) Distribution of Partial Dividend Payments. Except as otherwise provided herein, if at any time the Corporation pays less than the total amount of unpaid dividends accrued on the Preferred Shares then outstanding, such payment shall be distributed ratably among the holders thereof based upon the aggregate amount of accumulated and accrued but unpaid dividends on the Preferred Shares held by each such holder.

(b) Liquidation. Upon any Liquidation of the Corporation, provided all indebtedness for money borrowed of the Corporation (including, without limitation, the Senior Indebtedness) has been finally and indefeasibly paid in full in cash, each holder of Preferred Shares

shall be entitled to be paid in cash, before and in preference to any distribution or payment of any asset, capital, surplus or earnings of the Corporation is made to the holders of other Capital Stock, an amount equal to the aggregate Liquidation Preference Amount of the Preferred Shares held by such holder, and the holders of Preferred Shares shall not be entitled to any other payment in respect of their Preferred Shares. If upon any such Liquidation of the Corporation, the funds to be distributed among the holders of the Preferred Shares are insufficient to permit payment to such holders of the aggregate Liquidation Preference Amount for such Preferred Shares in cash, then the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders based on the aggregate Liquidation Preference Amount of the Preferred Shares held by each such holder. The Corporation shall provide written notice of any such Liquidation, not less than 60 days prior to the payment date stated therein, to each record holder of Preferred Shares.

(c) Priority of Preferred Stock. So long as any Preferred Share remains outstanding, neither the Corporation nor any Subsidiary of the Corporation shall redeem, purchase or otherwise acquire directly or indirectly, or set apart funds for the redemption, purchase or acquisition of, any other Capital Stock, nor shall the Corporation directly or indirectly pay or declare any dividend or make any distribution upon any other Capital Stock (other than a dividend payable solely in Junior Securities); provided, however, notwithstanding the foregoing, the Corporation may purchase Junior Securities in accordance with the provisions of the Warrantholders' Agreement.

(d) Redemptions.

(i) Mandatory Redemption. On May 29, 2005 (the "Mandatory Redemption Date"), the Company will be required, subject to applicable law, to redeem all issued and outstanding Preferred Shares, together with any and all accumulated and accrued but unpaid dividends thereon.

(ii) Redemptions at the Option of the Corporation. The Corporation shall have the right (but not the obligation) to redeem issued and outstanding Preferred Shares, subject to applicable law, as follows:

(A) the Corporation may at any time, and from time to time, redeem all or a portion of the issued and outstanding shares of Series A Preferred; provided, however, that upon the timely delivery of a Participation Notice as set forth in clause (v) of this Section 4.2(d), any holder of shares of Series B Preferred shall have the right to participate in such redemption and the number of Preferred Shares to be redeemed from each holder of Series A Preferred and each holder of Series B Preferred that has delivered a timely Participation Notice shall be the number of Preferred Shares determined by multiplying the total number of Preferred Shares the Corporation has elected to redeem as specified in the Final Redemption Notice by a fraction, the numerator of which shall be the total number of shares of Series A Preferred held by such holder or the total number of shares of Series B Preferred specified in such holder's timely delivered Participation Notice, as the case may be, and the denominator of which shall be the sum of the total number of outstanding shares of Series A Preferred and the number of shares of Series B Preferred that are the subject of timely delivered Participation Notices;

(B) the Corporation may at any time, and from time to time, redeem issued and outstanding Preferred Shares having an aggregate Liquidation Value of up to $2,000,000, provided that the Corporation has paid all accumulated and accrued but unpaid dividends on all of the outstanding Preferred Shares in full simultaneously with or prior to such redemption; and

(C) on or after June 6, 1999, the Corporation may at any time, and from time to time, redeem all or any portion of the issued and outstanding Preferred Shares.

(iii) Redemption at the Option of the Holders of Preferred Shares. The Majority Holders shall have the right (but not the obligation) to require the Corporation (and if the Majority Holders exercise such right, the Corporation shall be obligated) to redeem issued and outstanding Preferred Shares, subject to applicable law, as follows:

(A) if permitted by the terms of the Debt Agreements, upon the consummation of an Initial Public Offering, the Majority Holders may require the Company to apply an amount not to exceed the Net Cash Proceeds received by the Corporation from the Initial Public Offering to redeem the maximum number of Shares of Preferred Stock that may be redeemed given the amount elected by the Majority Holders to be so applied; and

(B) after all outstanding indebtedness for money borrowed of the Corporation (including, without limitation, the Senior Indebtedness) has been finally and indefeasibly paid in full in cash and any commitment to fund related thereto shall have been terminated, if a Redemption Event (as defined in the Preferred Stockholders' Agreement) is existing, the Majority Holders may require the Company to redeem all or any portion of the outstanding Preferred Shares.

(iv) Redemption Payment. For each Preferred Share which is to be redeemed, the Corporation shall pay to the holder thereof on the Redemption Date (upon surrender by such holder at the Corporation's principal office of the certificate representing such Preferred Share) an amount in immediately available funds equal to the Liquidation Preference Amount. If the funds of the Corporation legally available for redemption of Preferred Shares on any Redemption Date are insufficient to redeem the total number of Preferred Shares to be redeemed on such date, those funds which are legally available shall be used to redeem the maximum possible number of Preferred Shares ratably among the holders of the Preferred Shares to be redeemed based upon the aggregate Liquidation Preference Amount held by each such holder. At any time thereafter when additional funds of the Corporation are legally available for the redemption of Preferred Shares, such funds shall immediately be used to redeem the balance of the Preferred Shares which the Corporation has become obligated to redeem on any Redemption Date but which it has not redeemed.

(v) Notice of Redemption on the Mandatory Redemption Date. After September 1, 2004, and on or prior to November 29, 2004, the Corporation shall give written notice (a "Mandatory Redemption Notice") by mail, postage prepaid, overnight courier or facsimile to the holders of the then outstanding Preferred Shares at the address of each such holder appearing on the books of the Corporation or given by such holder to the Corporation, which notice shall set forth the

Mandatory Redemption Date and the Liquidation Preference Amount for each Preferred Share. The Mandatory Redemption Notice shall further call upon such holders to surrender to the Corporation on or before the Mandatory Redemption Date at the place designated in the notice such holder's certificate or certificates representing the Preferred Shares to be redeemed on the Mandatory Redemption Date or an indemnification and loss certificate therefor. On or before the Mandatory Redemption Date, each holder of Preferred Shares to be redeemed shall surrender the certificate evidencing such shares, or such indemnification and loss certificate, to the Corporation.

(vi) Notice of Redemption at the Election of the Corporation. The Corporation shall provide prior written notice (the "Redemption Notice") of any redemption of Preferred Shares to each record holder of Preferred Shares not more than 60 nor less than 30 days prior to the date on which a redemption of Preferred Shares is expected to be made pursuant to Section 4.2(d)(ii), and which shall set forth the series and number of Preferred Shares to be redeemed, the date on which such redemption is to take place and the Liquidation Preference Amount for each Preferred Share on such date. Such Redemption Notice shall be sent by mail, postage prepaid, overnight courier or facsimile to the address of each such holder appearing on the books of the Corporation or given by such holder to the Corporation for the purpose of notice. The Redemption Notice shall further call upon such holders to surrender to the Corporation or before the applicable Redemption Date at the place designated in the Redemption Notice such holder's certificate or certificates representing the shares to be redeemed on the applicable Redemption Date or an indemnification and loss certificate therefor. On or before the applicable Redemption Date, each holder of Preferred Shares called for redemption shall surrender the certificate evidencing such Preferred Shares, or such indemnification and loss certificate, to the Corporation. With respect to any election by the Corporation to redeem all or any portion of the Series A Preferred pursuant to Section 4.2(d)(ii)(A) of this ARTICLE IV, (A) any holders of Series B Preferred that intend to participate in such redemption shall provide written notice of such intention to the Corporation (the "Participation Notice") within five days of receipt of a Redemption Notice, and such Participation Notice shall set forth the number of shares of Series B Preferred that such holder desires to have redeemed by the Corporation, and (B) if the Corporation receives any timely Participation Notices, the Corporation may elect either (a) to redeem the number of Preferred Shares originally set forth in its Redemption Notice or (b) to redeem a greater number of Preferred Shares. Upon making such election, the Corporation shall provide written notice to each holder of Preferred Shares setting forth the total number of Preferred Shares the Corporation has so elected to redeem and the Series and number of Preferred Shares that shall be redeemed from each holder of Series A Preferred and each holder of Series B Preferred that has delivered a timely Participation Notice no later than two days prior to the applicable Redemption Date (the "Final Redemption Notice").

(vii) Notice of Redemption at the Election of the Holders. With respect to any election by the Majority Holders to cause the Corporation to redeem all or any portion of the issued and outstanding Preferred Shares pursuant to Section 4.2(d)(iii) of this ARTICLE IV, the Majority Holders shall provide written notice of such election to the Corporation not more than 60 nor less than 30 days prior to the date on which such redemption is to be made and such notice shall set forth the number of Preferred Shares to be redeemed and the date on which such redemption is to take place (the "Put Notice"). The Corporation shall notify the record holders of Preferred Shares promptly of (A) the commencement of the Initial Public Offering (and the amount of Net Cash

Proceeds received therefrom) and (B) the first date on which all outstanding indebtedness for money borrowed of the Corporation (including, without limitation, the Senior Indebtedness) has been finally and indefeasibly paid in full in cash and any commitment to fund related thereto shall have been terminated.

(viii) Determination of the Number of Each Holder's Preferred Shares to be Redeemed. Except in redemptions pursuant to Section 4.2(d)(ii)(A) of this ARTICLE IV, the number of Preferred Shares to be redeemed from each holder thereof in redemptions hereunder shall be the number of Preferred Shares determined by multiplying the total number of Preferred Shares to be redeemed by a fraction, the numerator of which shall be the total number of Preferred Shares then held by such holder and the denominator of which shall be the total number of Preferred Shares then issued and outstanding. In case fewer than the total number of Preferred Shares represented by any certificate are redeemed, a new certificate representing the number of unredeemed Preferred Shares shall be issued to the holder thereof without cost to such holder within three business days after surrender of the certificate representing the redeemed Preferred Shares.

(ix) Dividends After Redemption Date. No Preferred Share is entitled to any dividends that accrue after the date on which the Liquidation Preference Amount of such Preferred Share is paid to the holder thereof. On such date all rights of the holder of such Preferred Share shall cease, and such Preferred Share shall not be deemed to be issued and outstanding.

(x) Redeemed or Otherwise Acquired Preferred Shares. Any Preferred Shares which are redeemed or otherwise acquired by the Corporation shall be canceled and shall not be reissued, sold or transferred.

(xi) Other Redemptions or Acquisitions. Neither the Corporation nor any Subsidiary shall redeem or otherwise acquire any Preferred Stock, except as expressly authorized herein or pursuant to a purchase offer made pro rata to all holders of Preferred Stock on the basis of the number of Preferred Shares owned by each such holder.

(e) Voting Rights. Except as provided in ARTICLE VII of this Amended and Restated Certificate of Incorporation or as otherwise required by applicable law, the holders of Preferred Shares shall have no right to vote on any matters to be voted on by the Corporation's stockholders.

(f) Restrictions and Limitations. For so long as any Preferred Share is outstanding, without the written consent of the Majority Holders, the Corporation shall not fail to comply with Sections 6.1, 6.3, 6.4, 6.7 and 6.11 of the Preferred Stockholders' Agreement.

Section IV.3. Common Stock. Except as otherwise provided in Section 4.3 of this ARTICLE IV or as otherwise required by applicable law, all shares of Class A Common and Class B Common shall be identical in all respects and shall entitle the holders thereof to the same rights and privileges and shall be subject to the same qualifications, limitations and restrictions.

(a) Voting Rights. At every meeting of the stockholders, except as specifically otherwise required by law, the holders of Class A Common shall be entitled to one vote per share on all matters presented for a vote of the stockholders of the Corporation. Except to the extent provided in ARTICLE VII of this Amended and Restated Certificate of Incorporation or as required by applicable law, the holders of Class B Common shall have no right to vote on any matter presented for a vote of the stockholders of the Corporation (including, without limitation, the election or removal of directors of the Corporation), and Class B Common shall not be included in determining the number of shares voting or entitled to vote on such matters. The Board of Directors of the Corporation shall have concurrent power with the holders of Class A Common to adopt, amend or repeal the Bylaws of the Corporation. A consolidation or merger, or the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, of the property or assets of the Corporation, if not made in the usual and regular course of its business, shall require a resolution adopted by a majority of the Board of Directors of the Corporation and the authorization of an affirmative vote of at least two-thirds of the outstanding shares of Class A Common.

(b) Dividends. As and when dividends are declared or paid with respect to shares of Common Stock, whether in cash, property or securities of the Corporation, the holders of Class A Common and the holders of Class B Common shall be entitled to receive such dividends pro rata at the same rate per share for each such class of Common Stock; provided that (i) if dividends are declared or paid in shares of Common Stock, the dividends payable to the holders of Class A Common shall be payable in shares of Class A Common and the dividends payable to the holders of Class B Common shall be payable in shares of Class B Common and (ii) if the dividends consist of other voting securities of the Corporation, the Corporation shall make available to each holder of Class B Common, at such holder's request, dividends consisting of non-voting securities (except as otherwise required by law) of the Corporation which are otherwise identical to the voting securities and which are convertible into such voting securities on the same terms as the Class B Common is convertible into the Class A Common. The rights of the holders of Common Stock to receive dividends are subject to the provisions of the Preferred Stock.

(c) Reservation. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock Class A Common and Class B Common in a quantity sufficient to provide for the conversion of all outstanding shares of the Class A Common and Class B Common into Class B Common and Class A Common, respectively.

(d) Conversion of Common Stock.

(i) General Provisions. Subject to the terms and conditions stated herein, the holder of any shares of either Class A Common or Class B Common shall have the right at any time, at such holder=s option, to convert all or a portion of the shares of the class of Common Stock so held into the same number of shares of the other class of Common Stock. Such right of conversion shall be exercised (A) by giving written notice (the "Notice") to the Corporation at least ten (10) days prior to the Conversion Date (as defined below) specified therein that the holder elects to convert a stated number of shares of Class A Common or Class B Common into shares of the other class of Common Stock on the date specified in such Notice or on such later date following any Deferral Period (as defined below) on which conversion may occur (the "Conversion Date") and

(B) by surrendering the certificate or certificates representing at least the number of shares of Class A Common or Class B Common to be converted to the Corporation at its principal office at any time during the usual business hours on or before the Conversion Date, duly endorsed in blank by the owner of the certificate so surrendered, together with a statement of the name or names (with addresses) of the Person or Persons in whose name or names the certificate or certificates for shares issued on conversion shall be registered. Promptly after receipt of the Notice, the Corporation shall send written notice of such holder=s intent to convert to each other registered holder of any shares of Class A Common or Class B Common at such other holder=s address as shown on the stock transfer records of the Corporation. The Corporation shall not convert or directly or indirectly redeem, purchase or otherwise acquire any share of Class A Common or take any other action affecting the voting rights of such share if such action will increase the percentage of outstanding voting securities owned or controlled by any Regulated Stockholder (other than any Regulated Stockholder which requested that the Corporation take such action) and the effect thereof would cause such Regulated Stockholder and its Affiliates to hold in the aggregate 5% or more of the outstanding shares of Class A Common unless the Corporation gives written notice (the "Deferral Notice") of such action to each such Regulated Stockholder. The Corporation will defer making any such conversion, redemption, purchase or other acquisition, or taking any such other action, for a period of 30 days (the "Deferral Period") after giving the Deferral Notice in order to allow each such Regulated Stockholder to determine whether it wishes to convert or take any other action with respect to the Common Stock it owns, controls or has the power to vote. If any such Regulated Stockholder then elects to convert any shares of Class A Common into shares of Class B Common, it shall notify the Corporation in writing within 20 days of the issuance of the Deferral Notice, in which case the Corporation shall promptly notify from time to time each other Regulated Stockholder holding shares of Common Stock of each proposed conversion and the proposed transaction and each Regulated Stockholder may notify the Corporation in writing of its election to convert shares of Class A Common into Class B Common at any time prior to the end of the Deferral Period. The Corporation shall effect the conversions requested by all Regulated Stockholders in response to the Deferral Notice and the notices issued pursuant to the immediately proceeding sentence at the end of the Deferral Period.

(ii) Regulated Stockholders. No Regulated Stockholder shall exercise its rights as a holder of shares of Class B Common to convert such shares into shares of Class A Common, or otherwise acquire shares of Class A Common, if, after giving effect to such exercise, such Regulated Stockholder and its Affiliates would own 5% or more of the outstanding Class A Common; provided, however, that the foregoing restrictions shall cease and terminate as to any shares of Class B Common or any Regulated Stockholder, when, in the opinion of counsel reasonably satisfactory to the Corporation, such restrictions are no longer required in order to assure compliance with Regulation Y or when Regulation Y shall cease to be in effect. The Corporation shall rely conclusively on a certificate of a Regulated Stockholder as to whether or not a conversion of shares of Class B Common into, or an acquisition of, shares of Class A Common will be in compliance with the provisions of the immediately preceding sentence, and, notwithstanding the immediately preceding sentence, to the extent not inconsistent with Regulation Y, such conversion rights may be exercised or shares of Class A Common may be so acquired in the event that: (A) the Corporation shall vote to merge or consolidate with or into any other Person and, after giving effect to such merger or consolidation, such Regulated Stockholder and its Affiliates would not own 5%

or more of the outstanding voting securities of the surviving Person; (B) such Regulated Stockholder desires to sell shares of Class A Common into which all or part of its shares of Class B Common are to be converted in connection with any proposed purchase of Class A Common by another Person (other than a Regulated Stockholder or an Affiliate thereof); or (C) such Regulated Stockholder intends to sell shares of Class A Common into which all or part of its shares of Class B Common are to be converted pursuant to a registration statement under the Securities Act of 1933, as amended (the "1933 Act"), which has been declared effective.

(iii) Surrender of Certificates. Subject to the other provisions of this Section 4.3 of this ARTICLE IV and of ARTICLE IX of this Amended and Restated Certificate of Incorporation, promptly after (A) the Conversion Date and (B) the surrender of such certificate or certificates representing the share or shares of Class A Common or Class B Common to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the holder requesting conversion, registered in such name or names as such holder may direct, a certificate or certificates for the number of shares of the class of Common Stock issuable upon the conversion of such share or shares, together with a certificate or certificates evidencing any balance of the shares of the class surrendered to the Corporation but not then being converted. To the extent permitted by law, such conversion shall be deemed to have been effected as of the close of business on the later of the Conversion Date or the date upon which the Corporation shall have received the certificate or certificates representing the shares to be converted, and at such time the rights of the holder of such share or shares as such holder shall cease, and the person or person in whose name or names any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of such shares of Class A Common or Class B Common, as the case may be.

(e) Listing. If the shares of Class A Common required to be reserved for the purpose of conversion hereunder require listing on any national securities exchange, before such shares are issued upon conversion, the Corporation will, at its expense and as expeditiously as possible, use its commercially reasonable best efforts to cause such shares to be listed or duly approved for listing on such national securities exchange.

(f) No Charge. The issuance of certificates representing Common Stock upon conversion of Class A Common or Class B Common as hereinabove set forth shall be made without charge or any expense or issuance tax in respect thereof; provided, however, that the Corporation shall not be required to pay any taxes which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the shares converted.

(g) No Interference. Except as otherwise provided in ARTICLE IX of this Amended and Restated Certificate of Incorporation, the Corporation will not close its books against the transfer of any share of Common Stock or of any of the shares of Common Stock issued or issuable upon the conversion of such shares of Common Stock in any manner which interferes with the timely conversion of any of such shares.

(h) Mergers, Consolidations. In the case of a merger or consolidation which reclassifies or changes the shares of Common Stock, or in the case of the consolidation or merger of the Corporation with or into another corporation or corporations or the transfer of all or substantially all of the assets of the Corporation to another corporation or corporations, each share of Class B Common shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of shares of Class A Common would have been entitled upon such reclassification, change, consolidation, merger or transfer, and, in any such case, appropriate adjustment (as determined in good faith by the Corporation's Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the Class B Common to the end that the provisions set forth herein shall thereafter be applicable, as nearly as reasonably may be practicable, in relation to any shares of stock or other securities on property thereafter deliverable upon the conversion of shares of Class B Common. In case of any such merger or consolidation, the resulting or surviving corporation (if not the Corporation) shall expressly assume the obligation to deliver, upon conversion of the Class B Common, such stock or other securities or property as the holders of the Class B Common remaining outstanding shall be entitled to receive pursuant to the provisions hereof, and to make provisions for the protection of the conversion rights provided for in this ARTICLE IV. The Corporation shall not be party to any merger, consolidation or recapitalization pursuant to which any Regulated Stockholder would be required to take (A) any voting securities which would cause such holder to violate any law, regulation or other requirement of any governmental body applicable to such Regulated Stockholder, or (B) any securities convertible into voting securities which if such conversion took place would cause such Regulated Stockholder to violate any law, regulation or other requirement of any governmental body applicable to such Regulated Stockholder other than securities which are specifically provided to be convertible only in the event that such conversion may occur without any such violation.

(i) Liquidation, Dissolution or Winding Up. Subject to the provisions of the Preferred Stock, in the event of any Liquidation of the Corporation, all remaining assets of the Corporation shall be distributed to holders of the Common Stock pro rata at the same rate per share of each class of Common Stock according to their respective holdings of shares of the Common Stock.

Section IV.4. Miscellaneous. Subject to the provisions of ARTICLE IX of this Amended and Restated Certificate of Incorporation:

(a) Registration of Transfer. The Corporation shall keep at its principal office a register for the registration of Capital Stock. Upon the surrender of any certificate representing Capital Stock at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Capital Stock represented by such new certificate from the date to which dividends have been fully paid on such Capital Stock represented by the surrendered certificate. The issuance of new certificates shall be

made without charge to the original holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

(b) Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of any class or series of Capital Stock, and in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class or series represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Capital Stock represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

(c) Definitions. The following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person (it being understood that for purposes of this definition, the term "control" (including with correlative meaning the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise).

"Broadcash Cash Flow" has the meaning given to such term in the Preferred Stockholders' Agreement.

"Debt Agreements" means, collectively, the Indenture, the Senior Loan Agreement, and any other agreement governing indebtedness for borrowed money of the Corporation permitted by the Preferred Stockholders' Agreement.

"Indenture" means that certain Indenture, dated as of May 15, 1997, pursuant to which the Corporation issued 12% Senior Subordinated Notes due 2004.

"Initial Public Offering" means the first sale by the Corporation of Common Stock of the Corporation to the public in an offering pursuant to an effective registration statement filed with the Securities and Exchange Commission pursuant to the 1933 Act, as then in effect; provided that an Initial Public Offering shall not include an offering made in connection with a business acquisition or combination or an employee benefit plan.

"Investors" means the New Investors and the Original Investors.

"Junior Securities" means (i) any class or series of Capital Stock of the Corporation, whether now existing or hereafter authorized, that is junior to any of the Series A Preferred or the Series B Preferred in priority with respect to dividends or distributions or upon Liquidation, and (ii) any rights, warrants, options, convertible or exchangeable securities, exercisable for or convertible or exchangeable into, directly or indirectly, any class or series of capital stock described in clause (i) of this definition, whether at the time of issuance or upon the passage of time or the occurrence of some future event.

"Liquidation" with respect to the Corporation, means the liquidation, dissolution or winding up of the Corporation. Except as permitted under the Preferred Stockholders' Agreement, a consolidation, merger or capital reorganization of the Corporation (except (i) into or with a wholly-owned subsidiary of the Corporation with requisite stockholder approval or (ii) a merger in which the beneficial owners of the Corporation's outstanding Capital Stock immediately prior to such transaction (assuming for this purpose that all outstanding warrants, options and other securities convertible into Capital Stock that are outstanding at such time have been exercised or converted, as applicable) hold no less than fifty-one percent (51%) of the voting power of the resulting entity) or a sale, transfer or other disposition of all or substantially all of the assets of the Corporation shall be regarded as a liquidation, dissolution or winding up of the affairs of the Corporation, and shall constitute a Liquidation.

"Liquidation Preference Amount" means, with respect to a Preferred Share, the Liquidation Value for such Preferred Share plus all accumulated and accrued but unpaid dividends on such Preferred Share.

"Liquidation Value" of any Preferred Share shall be equal to $100.00.

"Majority Holders" means, collectively, the holders of a majority of the issued and outstanding Preferred Shares as of the date of determination.

"Management Investors" means, collectively, Alfred C. Liggins, Catherine L. Hughes, and Jerry A. Moore III.

"Net Cash Proceeds" means the gross cash proceeds actually received by the Corporation from an Initial Public Offering, net of attorneys' fees, accountants' fees, all discounts, underwriters' commissions, brokerage, consultant or other customary fees and commissions, and all other reasonable fees and expenses actually incurred by the Corporation in connection with such Initial Public Offering.

"New Investors" means, collectively, Alta Subordinated Debt Partners III, L.P., BancBoston Investments Inc. and Grant Wilson.

"Original Investors" means, collectively, Syncom Capital Corporation, Alliance Enterprise Corporation, Greater Philadelphia Venture Capital Corporation, Inc., Opportunity Capital Corporation, Capital Dimensions Venture Fund, Inc., TSG Ventures Inc. and Fulcrum Venture Capital Corporation.

"Person" means an individual, a partnership, a joint venture, a corporation, an association, a joint stock company, a limited liability company, a trust, an unincorporated association and any other entity or organization.

"Preferred Stockholders' Agreement" means that certain Preferred Stockholders' Agreement, dated as of May 14, 1997, by and among the Corporation, the Original Investors, the New Investors and the Management Investors, as the same may be amended from time to time.

"Redemption Date" as to any Preferred Share means the date specified in any Redemption Notice or Put Notice, as applicable; provided, that no such date shall be a Redemption Date unless the Liquidation Preference Amount is actually paid in full on such date, and if not so paid in full, the Redemption Date shall be the date on which such amount is fully paid.

"Regulated Stockholder" means any stockholder that is subject to the provisions of Regulation Y and which holds shares of Common Stock of the Corporation, so long as such stockholder shall hold, and only with respect to, such shares of Common Stock or shares issued upon conversion of such shares.

"Regulation Y" means Regulation Y of the Board of Governors of the Federal Reserve System (12 C.F.R. Part 225) or any successor to such regulation.

"Senior Indebtness" has the meaning given to such term in that certain Standstill Agreement, effective as of May 19, 1997, among the Companies, Liggins, Hughes, Moore, Syncom Capital Corporation, Alliance Enterprise Corporation, Greater Philadelphia Venture Capital Corporation, Inc., Opportunity Capital Corporation, Capital Dimensions Venture Fund, Inc., TSG Ventures Inc., Fulcrum Venture Capital Corporation, Alta Subordinated Debt Partners III, L.P., BancBoston Investments Inc., Grant M. Wilson, NationsBank of Texas, N.A., and United States Trust Company of New York.

"Senior Loan Agreement" has the meaning given to such term in the Preferred Stockholders' Agreement.

"Subsidiary" means any corporation with respect to which another specified corporation has the power to vote or direct the voting of sufficient securities to elect directors having a majority of the voting power of the board of directors of such corporation.

"Warrantholders' Agreement" means that certain Warrantholders= Agreement, dated as of June 6, 1995, by and among the Corporation, the Subsidiaries of the Corporation party thereto, the Original Investors, the New Investors and the Management Investors, as amended by the First Amendment to Warrantholders' Agreement dated as of May 19, 1997, and as thereafter amended from time to time.

ARTICLE V - Existence

The Corporation is to have a perpetual existence.

ARTICLE VI - General Provisions

Section VI.1. Dividends. The Board of Directors of the Corporation shall have authority from time to time to set apart out of any assets of the Corporation otherwise available for dividends a reserve or reserves as working capital or for any other purpose or purposes, and to abolish or add to any such reserve or reserves from time to time as said Board may deem to be in the interest of the Corporation; and said Board shall likewise have power to determine in its discretion, except as herein otherwise provided, what part of the assets of the Corporation available for dividends in excess of such reserve or reserves shall be declared in dividends and paid to the stockholders of the Corporation.

Section VI.2. Issuance of Stock. The shares of all classes and series of Capital Stock of the Corporation may be issued by the Corporation from time to time for such consideration as from time to time may be fixed by the Board of Directors of the Corporation, provided that shares having a par value shall not be issued for a consideration less than such par value, as determined by the Board. At any time, or from time to time, the Corporation may grant rights or options to purchase from the Corporation any shares of its Capital Stock of any class or series to run for such period of time, for such consideration, upon such terms and conditions, and in such form as the Board of Directors of the Corporation may determine. The Board of Directors of the Corporation shall have authority, as provided by law, to determine that only a part of the consideration which shall be received by the Corporation for the shares of its Capital Stock having a par value be capital provided that the amount of the part of such consideration so determined to be capital shall at least be equal to the aggregate par value of such shares. The excess, if any, at any time, of the total net assets of the Corporation over the amount so determined to be capital, as aforesaid, shall be surplus. All classes and series of Capital Stock of the Corporation shall be and remain at all times nonassessable.

The Board of Directors of the Corporation is hereby expressly authorized, in its discretion, in connection with the issuance of any obligations or Capital Stock of the Corporation (but without intending hereby to limit its general power so to do in other cases), to grant rights or options to purchase Capital Stock of the Corporation of any class or series upon such terms and during such period as the Board of Directors of the Corporation shall determine, and to cause such rights to be evidenced by such warrants or other instruments as it may deem advisable.

Section VI.3. Inspection of Books and Records. The Board of Directors of the Corporation shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or the stockholders of the Corporation.

Section VI.4. Location of Meetings, Books and Records. Except as otherwise provided in the Bylaws, the stockholders of the Corporation and the Board of Directors of the Corporation may

hold their meetings and have an office or offices outside of the State of Delaware, and, subject to the provisions of the laws of said State, may keep the books of the Corporation outside of said State at such places as may, from time to time, be designated by the Board of Directors.

Section VI.5. Board of Directors Meeting. The Board of Directors shall be comprised of the number of directors specified in the Corporation's Bylaws, and such directors shall be elected in the manner contemplated by such Bylaws.

ARTICLE VII - Amendments

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereinafter prescribed herein and by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding the foregoing or anything contained in this Amended and Restated Certificate of Incorporation to the contrary, no amendment, modification or waiver shall be binding or effective with respect to any provision of (i) Section 4.2 of ARTICLE IV (or any definitions used therein) or clause (i) of this ARTICLE VII without the prior written consent of the Majority Holders at the time such action is taken, (ii) Section 4.3 of ARTICLE IV (or any definitions used therein) or clause (ii) of this ARTICLE VII without the prior written consent of the Majority Holders and holders of a majority of the Common Stock outstanding at the time such action is taken, or (iii) ARTICLE VIII or clause (iii) of this ARTICLE VII without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Class A Common of the Corporation and the prior written consent of the Majority Holders; provided, that no such action under clause (iii) of this ARTICLE VII shall change (A) the redemption, conversion, voting or other rights of any class or series of Preferred Stock without the prior written consent of the holders of a majority of each such class or series of Preferred Stock then outstanding, (B) the conversion or voting rights of any class of Common Stock without the prior written consent of the holders of a majority of each class of Common Stock then outstanding, and (C) the percentage required to approve any amendment, modification or waiver described herein, without the prior written consent of holders of that percentage of the class or series of Capital Stock then required to approve such amendment, modification or waiver.

ARTICLE VIII - Liability

Section VIII.1. Limitation of Liability.

(a) To the fullest extent permitted by the DGCL as it now 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 broader indemnification rights than permitted as of the date this Amended and Restated Certificate of Incorporation is filed with the State of Delaware), and except as otherwise provided in the Corporation's Bylaws, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Section VIII.2. 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 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 this Amended and Restated Certificate of Incorporation is filed with the State of Delaware), 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 8.3 of this ARTICLE VIII 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 8.2 of this ARTICLE VIII 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 8.2 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 VIII.3. Procedure for Indemnification. Any indemnification of a director or officer of the Corporation or advance of expenses under Section 8.2 of this ARTICLE VIII 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 VIII 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 VIII 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 8.2 of this ARTICLE VIII, 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 8.2 of this ARTICLE VIII shall be the same procedure set forth in this Section 8.3 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 VIII.4. 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 VIII.5. 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 this ARTICLE VIII) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section VIII.6. Reliance. Persons who after the date of the adoption of this provision 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 VIII in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VIII 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 VIII.7. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VIII shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation or under any statute, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section VIII.8. Merger or Consolidation. For purposes of this ARTICLE VIII, 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 VIII 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 IX - Alien Ownership of Stock

Section IX.1. Applicability. This ARTICLE IX shall be applicable to the Corporation so long as the provisions of Section 310 of the Communications Act of 1934, as the same may be amended from time to time (the "Communications Act") (or any successor, provisions thereto) are applicable to the Corporation. As used herein, the term "alien" shall have the meaning ascribed thereto by the Federal Communications Commission ("FCC") on the date hereof and in the future as Congress or the FCC may change such meaning form time to time. If the provisions of Section 310 of the Communications Act (or any successor provisions thereto) are amended, the restrictions in this ARTICLE IX shall be amended in the same way, and as so amended, shall apply to the Corporation. The Board of Directors of the Corporation may make such rules and regulations as it shall deem necessary or appropriate to enforce the provisions of this ARTICLE IX.

Section IX.2. Voting. Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of Capital Stock of the Corporation outstanding in any class or series entitled to vote on any matter before a meeting of stockholders of the Corporation shall at any time be for the account of aliens or their representatives or for the account of a foreign government or representative thereof, or for the account of any corporation organized under the laws of a foreign country.

Section IX.3. Stock Certificates. Shares of Capital Stock issued to or held by or for the account of aliens and their representatives, foreign governments and representatives thereof, and corporations organized under the laws of foreign countries shall be represented by Foreign Share Certificates. All other shares of Capital Stock shall be represented by Domestic Share Certificates. All of such certificates shall be in such form not inconsistent with this Amended and Restated

Certificate of Incorporation as shall be prepared or approved by the Board of Directors of the Corporation.

Section IX.4. Limitation on Foreign Ownership. Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of Capital Stock of the Corporation outstanding shall at any time be owned of record by or for the account of aliens or their representatives or by or for the account of a foreign government or representatives thereof, or by or for the account of any corporation organized under the laws of a foreign country. Shares of Capital Stock shall not be transferable on the books of the Corporation to aliens or their representatives, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries if, as a result of such transfer, the aggregate number of shares of Capital Stock owned by or for the account of aliens and their representatives, foreign governments and representatives thereof, and corporations organized under the laws of foreign countries shall be more than twenty percent of the number of shares of Capital Stock then outstanding. If it shall be found by the Corporation that Capital Stock represented by a Domestic Share Certificate is, in fact, held by or for the account of aliens or their representative, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries, then such Domestic Share Certificate shall be canceled and a new certificate representing such Capital Stock marked "Foreign Share Certificate" shall be issued in lieu thereof, but only to the extent that after such issuance the Corporation shall be in compliance with this ARTICLE IX; provided, however, that if, and to the extent, such issuance would violate this ARTICLE IX, then, the holder of such Capital Stock shall not be entitled to vote, to receive dividends, or to have any other rights with regard to such Capital Stock to such extent, except the right to transfer such Capital Stock to a citizen of the United States.

Section IX.5. Transfer of Foreign Share Certificates. Any Capital Stock represented by Foreign Share Certificates may be transferred either to aliens or non-aliens. In the event that any Capital Stock represented by a certificate marked "Foreign Share Certificate" is sold or transferred to a non-alien, then such non-alien shall be required to exchange such certificate for a certificate marked "Domestic Share Certificate." If the Board of Directors of the Corporation reasonably determines that a Domestic Share Certificate has been or is to be transferred to or for the account of aliens or their representatives, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries, the Corporation shall issue a new certificate for the shares of Capital Stock transferred to the transferee marked "Foreign Shares Certificate", cancel the old Domestic Share Certificate, and record the transaction upon its books, but only to the extent that after such transfer is complete, the Corporation shall be in compliance with this ARTICLE IX.

Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation, the transfer or conversion of the Corporation=s Capital Stock, whether voluntary or involuntary, shall not be permitted, and shall be ineffective, if such transfer or conversion would (i) violate (or would result in violation of) the Communications Act or any of the rules or regulation promulgated thereunder or (ii) require the prior approval of the FCC, unless such prior approval has been obtained.

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 X - 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 (l) 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 cancelled, and no new certificate shall be issued in replacement until the former certificate for a like number of shares shall have been surrendered or cancelled, 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 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.

EXHIBIT 10.27

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "First Amendment"), dated as of December 31, 1997, is entered into by and among RADIO ONE, INC., a Delaware corporation (the "Borrower"), and NATIONSBANK OF TEXAS, N.A., as Agent (in such capacity, the "Agent") for the lenders (the "Lenders") from time to time parties to the hereinafter described Credit Agreement and as a Lender under such Credit Agreement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in such Credit Agreement.

RECITALS

A. The Borrower and NationsBank of Texas, N.A., as Agent and as the sole initial Lender, entered into that certain Amended and Restated Credit Agreement dated effective May 19, 1997 (as amended, modified, restated, supplemented, renewed, extended, increased, rearranged or substituted from time to time, the "Credit Agreement").

B. Borrower has requested that NationsBank of Texas, N.A., as Agent and as Lender, amend the Credit Agreement in certain respects and, subject to performance and observance in full of each of the covenants, conditions and other terms set forth below, NationsBank of Texas, N.A., as Agent and as Lender, is willing to agree to such amendments.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENTS TO CREDIT AGREEMENT

Subject to the terms and conditions set forth herein, and in reliance upon the representations of the Borrower herein contained, the Borrower and NationsBank of Texas, N.A., as Agent and as Lender, hereby amend the Credit Agreement as follows:

(a) DEFINITION AMENDED. The definition of "Permitted Investments" set forth in Section 1.1 of the Credit Agreement is amended by (i) deleting the word "and" at the end of clause (iii) thereof, (ii) replacing the punctuation mark "." at the end of clause (iv) thereof with the punctuation mark and word "; and" and (iii) adding the following new clause (v) at the end of such definition:

" (v) loans and advances to employees of the Borrower or any of its Restricted Subsidiaries for travel, entertainment and relocation expenses in the ordinary course of business, in an aggregate principal amount for the Borrower and its Restricted Subsidiaries for all loans and advances described in this clause (v) not to exceed $50,000 at any time outstanding, provided that the making of any such loan or advance is at the time permitted under Section 4.05 of the Senior Subordinated Notes Indenture."

(b) AMENDMENT TO ARTICLE VII. Section 7.2 of the Credit Agreement is amended by deleting subsection (e) thereof in its entirety and replacing it with the following:

"(e) not later than 30 days after the beginning of each fiscal year (or, with respect to fiscal year 1998, not later than 60 days after the beginning of such fiscal year), the budget for the Borrower and the Restricted Subsidiaries, prepared on a monthly basis (the "Budget") for such fiscal year setting forth in satisfactory detail the projected revenues and expenses, including, without limitation, Capital Expenditures, Broadcast Cash Flow, Corporate Overhead Expense and Operating Cash Flow and the underlying assumptions therefor; and"

SECTION 2. CONDITIONS PRECEDENT

The amendments to the Credit Agreement set forth above in Section 1 shall not be effective until satisfaction in full of each of the following conditions precedent, each in a manner satisfactory to the Agent:

(a) AMENDMENT TO PREFERRED STOCKHOLDERS' AGREEMENT. The parties to the Preferred Stockholders' Agreement shall have duly executed and delivered a written amendment, in form and substance satisfactory to the Agent and substantially identical to the draft amendment previously reviewed by the Agent, amending certain affirmative and negative covenants set forth therein, and the Agent shall have been provided with a copy of such executed amendment.

(b) REPRESENTATIONS AND WARRANTIES. After giving effect to this First Amendment, all representations and warranties made in this First Amendment, the Credit Agreement and the other Loan Documents shall be true, correct and complete in all material respects.

(c) FEES AND EXPENSES. Borrower shall have paid to the Agent an amount equal to (i) the fees and expenses of the Agent's counsel incurred in connection with the preparation, negotiation, execution and delivery of this First Amendment and (ii) the other unpaid fees and expenses previously incurred by such counsel in connection with the consummation, documentation and administration of the transactions contemplated by the Credit Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES

In order to induce NationsBank of Texas, N.A., as Agent and as Lender, to enter into this First Amendment, the Borrower represents and warrants that the following statements are true, correct and complete on and as of the date of this First Amendment:

(a) NO CONFLICTS WITH OTHER DOCUMENTS. The execution and delivery of this First Amendment, the performance of the Credit Agreement as amended hereby and the consummation of the transactions contemplated hereby will not conflict with, violate or result in a default under any of the Senior Subordinated Debt Documents, the Preferred Stock Documents or any other material agreement to which the Borrower is a party or by which it or any of its properties or assets are bound.

(b) NO DEFAULT. After giving effect to this First Amendment, no Default or Event of Default exists under the Credit Agreement.

(c) ENFORCEABILITY. This First Amendment constitutes a legal, valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with the terms hereof.

SECTION 4. MISCELLANEOUS

(a) RATIFICATION AND CONFIRMATION OF LOAN DOCUMENTS. Except as specifically amended hereby, the Credit Agreement and other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed, and the execution, delivery and performance of this First Amendment shall not, except as expressly provided herein, operate as an amendment of any provision of the Credit Agreement and other Loan Documents or a waiver of any right, power or remedy of the Agent or the Lenders under the Credit Agreement or other Loan Documents.

(b) HEADINGS. Section and subsection headings in this First Amendment are included herein for convenience of reference only and shall not constitute a part of this First Amendment for any other purpose or be given any substantive effect.

(c) APPLICABLE LAW. THIS FIRST AMENDMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

(d) COUNTERPARTS. This First Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

(e) FINAL AGREEMENT. THIS FIRST AMENDMENT, TOGETHER WITH THE CREDIT AGREEMENT AND OTHER LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

RADIO ONE, INC.

By:

Name:
Title:

NATIONSBANK OF TEXAS, N.A., for itself as a sole Lender and as Agent

By:

Whitney L. Busse
Vice President

EXHIBIT 10.28

AMENDMENT

THIS AMENDMENT (this "Amendment") is executed to be effective as of December 31, 1997 (the "Effective Date") among ALTA SUBORDINATED DEBT PARTNERS III, L.P., BANCBOSTON INVESTMENTS INC., GRANT M. WILSON, SYNCOM CAPITAL CORPORATION, ALLIANCE ENTERPRISE CORPORATION, ALFRED C. LIGGINS, III, as successor in interest to Greater Philadelphia Venture Capital Corporation, Inc., OPPORTUNITY CAPITAL CORPORATION, CAPITAL DIMENSIONS VENTURE FUND, INC., TSG VENTURES L.P. and FULCRUM VENTURE CAPITAL CORPORATION (collectively, the "Investors"), RADIO ONE, INC. (the "Company") and RADIO ONE LICENSES, INC., a subsidiary of the Company, and ALFRED C. LIGGINS, CATHERINE L. HUGHES and JERRY A. MOORE III (the "Management Stockholders"), with reference to that certain Preferred Stockholders' Agreement (as amended, supplemented and otherwise modified from time to time, the "Agreement") entered into as of May 14, 1997 by and among the Investors, the Company, and the Management Shareholders. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

R E C I T A L S:

WHEREAS, the Agreement imposes certain affirmative and negative covenants on the Company;

WHEREAS, the Company seeks to amend several covenants of the Agreement for calendar year 1997;

WHEREAS, after reviewing certain information provided by the Company the Investors are willing to amend the Agreement to provide for modifications to the covenants subject to performance and observance in full of each of the covenants, conditions and other terms set forth below.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENTS TO AGREEMENT

Subject to the terms and conditions set forth herein, and in reliance upon the representations of the Company herein contained, the Agreement is hereby amended as follows:

(a) Section 4.2 of the Agreement is hereby amended by substituting the number "$2,155,000" - for the number "$1,800,000".

(b) Section 5.2 of the Agreement is hereby amended to delete the section in its entirety and substitute the following:

"Except for fiscal year 1998, not later than thirty (30) days after the beginning of each fiscal year, senior management will prepare and submit to the Board of Directors of the Company, with a copy to each of the Investors, (a) a monthly budget for such fiscal year of the Company, with together with management's written discussion and analysis of such budget and (b) five (5) year projections in similar form to the projections delivered to each of the Investors prior to the date hereof. The Company shall review its budget periodically and shall advise the Investors of all material changes therein and all material deviations therefrom."

(c) Section 6.4 of the Agreement is hereby amended to delete subsection (c) in its entirety and substitute the following:

"(c) make any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting a business unit of, or make any other investment in, any Person (including without limitation any employees (except loans to employees in the aggregate outstanding principal amount of $50,000 at any one time) or Affiliates of the Company, except that an amount not to exceed $155,000 related to management fees and reimbursable expenses may be accrued from Radio One of Atlanta, Inc., during fiscal year 1997 provided that such amount is paid to the Company by Radio One of Atlanta, Inc., within sixty (60) days of the end of the fiscal year) or entity, except for (i) capital expenditures as and to the extent specifically permitted hereunder, (ii) cash and cash equivalents, (iii) Permitted Investments (as defined in the Indenture) and (iv) intercompany Indebtedness,"

(d) Appendix A of the Agreement is hereby amended to substitute the phrase "$1.760 million" for the phrase "$1.3 million".

SECTION 2. REPRESENTATIONS AND WARRANTIES.

In order to induce the Investors to enter into this Amendment, Company represents and warrants to the Investors that the representations and warranties contained in Section 2 of the Agreement are true, correct and complete in all material respects on and as of the date hereof to the same extent as though made on and as of such date, except for changes that were consented to in writing by

the Investors.

SECTION 3. MISCELLANEOUS

(a) RATIFICATION AND CONFIRMATION OF AGREEMENT. Except as specifically amended hereby, the Agreement shall remain in full force and effect and is hereby ratified and confirmed, and the execution, delivery and performance of this Amendment shall not, except as expressly provided herein, operate as an amendment of any provision of the Agreement or as a waiver of any right, power or remedy of the Investors under the Agreement. Without limiting the generality of the foregoing, the amendments set forth in Section 1 above shall be limited precisely as set forth above, and nothing in this Amendment shall be deemed (i) to constitute a waiver of compliance by the Company with respect to any other provision or condition of the Agreement or (ii) to prejudice any right or remedy that the Investors may now have or may have in the future under or in connection with the Agreement.

(b) HEADINGS. Section and subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.

(c) APPLICABLE LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

(d) COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

RADIO ONE, INC.

By:

Name:
Title:

RADIO ONE LICENSES, INC.

By:

Name:
Title:

ALTA SUBORDINATED DEBT PARTNERS III, L.P.

By: Alta Subordinated Debt Management III, L.P., its General Partner

By:

Name: Brian W. McNeill
Title: General Partner

BANCBOSTON INVESTMENTS INC.

By:

Name: Lars A. Swanson
Title: Assistant Vice President

Grant M. Wilson, individually

SYNCOM CAPITAL CORPORATION

By:

Name:
Title:

ALLIANCE ENTERPRISE CORPORATION

By:

Name:
Title:

ALFRED C. LIGGINS, III

By:

Name: Alfred C. Liggins, III
Title: Individual

OPPORTUNITY CAPITAL CORPORATION

By:

Name:
Title:

CAPITAL DIMENSIONS VENTURE FUND, INC.

By:

Name:
Title:

TSG VENTURES L.P.
By:

Name:
Title:

FULCRUM VENTURE CAPITAL CORPORATION

By:

Name:
Title:

MANAGEMENT STOCKHOLDERS

Alfred C. Liggins, individually

Catherine L. Hughes, individually

Jerry A. Moore III, individually

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement ("Agreement") is entered into as of October 23, 1997, by and among Greater Philadelphia Venture Capital Corporation, Inc. ("Assignor") and Alfred C. Liggins ("Assignee").

WITNESSETH:

1. Assignment. Assignor for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, does hereby CONVEY, ASSIGN, TRANSFER and SET OVER unto Assignee, and Assignee's successors and assigns, all of Assignor's right, title and interest in and to (collectively, the "Assigned Interests") (i) that certain Preferred Stockholders' Agreement, made as of May 14, 1997, by and among the Investors named therein (the "Investors"), Radio One, Inc., a Delaware corporation (the "Company"). Radio One Licenses, Inc., a Delaware corporation ("ROL") and Alfred C. Liggins, Catherine L. Hughes and Jerry A. Moore, III (hereinafter referred to collectively as the "Management Stockholders") as amended from time to time (the "Preferred Stockholders' Agreement") and (ii) that certain Warrantholders' Agreement, dated as of June 6, 1995, among the Company, the Management Stockholders and the Investors, as amended by that certain First Amendment to Warrantholders' Agreement, dated as of May 19, 1997 and as otherwise amended from time to time (the "Warrant Agreement"). The Preferred Stockholders' Agreement and the Warrant Agreement are hereinafter sometimes collectively referred to as, the "Assigned Documents". From and after the date hereof, Assignee shall have all of the rights, liabilities and obligations of a "Series A Preferred Investor" or an "Investor" (as such terms are defined in the Warrant Agreement), as applicable, under the Assigned Documents, including the right to vote or make any election allowed under the Assigned Documents, and Assignor shall have no further rights thereunder.

2. Representations of Assignor. Assignor hereby represents and warrants to Assignee as follows:

(a) Assignor is (i) the owner and holder of 2,359.67 shares of 15% Series A Cumulative Redeemable Preferred Stock of the Company, par value $.01 per share (the "Preferred Stock") and a warrant (the "Warrant") for .97 shares of common stock in the Company (the "Securities"), (ii) a party to the Assigned Documents with all rights thereunder in favor of a Series A Preferred Investor, Investor or Original Investor, as the case may be, and (iii) has full legal and equitable title to the Securities and has full right and authority to transfer the Securities and to assign the Assigned Interests, to Assignee. Assignor has the right to assign the Assigned Documents as contemplated hereby and Assignor has in no way heretofore encumbered Assignor's rights in connection with the Securities or the Assigned Documents.

(b) No other person has any interest of any kind in the Securities or in the Assigned Interests, and there is no security interest or other encumbrance presently

outstanding against the Securities (other than to NationsBank of Texas, N.A. with respect to the Warrant).

(c) The Securities constitute the entire interest of Assignor in the Company.

(d) To the best of Assignor's Knowledge, each of the Assigned Documents is a valid and binding agreement of the parties thereto enforceable against them in accordance with their respective terms, and no breach or default exists with respect to either of them, and no event has occurred which, after the giving of notice or the passage of time or otherwise, will result in any such breach or default.

3. Warranty. Assignor hereby agrees that Assignor will warrant and defend title to the Securities and the Assigned Interests against the claims of all persons whomsoever claiming or to claim the same or any part thereof.

4. Indemnification. Assignor hereby agrees to indemnify, defend and hold harmless Assignee and Assignee's heirs, legal representatives, successors and assigns (collectively, the "Indemnified Parties") and individually, an ("Indemnified Party"), from and against, and to reimburse any Indemnified Party with respect to, any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and court costs) asserted against or incurred by any Indemnified Party by reason or arising out of, Assignor's ownership of the Assigned Interests.

5. Further Assurances. In addition to the obligations required to be performed hereunder by Assignor, Assignor further covenants and agrees that Assignor shall do or cause to be done all such further acts and shall execute, acknowledge and deliver, or shall cause to be executed, acknowledged and delivered, any and all such further assignments, transfers, conveyances, assurances, and other instruments as Assignee may reasonably require (i) for the better assuring, assigning, transferring and conveying unto Assignee the Securities and the Assigned Interests; and (ii) to protect the right, title and interest of Assignee in and to, and Assignee's enjoyment of, the Securities and the Assigned Interests; all such further acts, deeds, assignments, transfers, conveyances, assurances and other instruments shall be effective as of and retroactive to the effective date hereof.

6. Miscellaneous.

(a) Entire Agreement. This Agreement supersedes any prior understandings or oral agreements among the parties respecting the subject matter hereof and constitutes the entire understanding and agreement among the parties with respect to the subject matter hereof. This Agreement may be amended or modified only by written agreement executed by all parties hereto.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

(c) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives successors, partners, transferees and assigns.

(d) Gender. Whenever the context of this Agreement requires, all words of any gender herein shall be deemed to include each other gender, and all singular words shall include the plural and vice versa.

(e) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all in the aggregate shall constitute but one agreement.

[REMAINDER OR PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement is executed by Assignor and Assignee as of the date first above written.

ASSIGNOR:

GREATER PHILADELPHIA VENTURE
CAPITAL CORPORATION, INC.

By: ______________________________
Name: ___________________________
Title: __________________________

ASSIGNEE:

Alfred C. Liggins

AGREEMENT

This Agreement is made and entered into this 20th day of February, 1998 by and between Radio One, Inc. (hereafter "Radio One"), and WUSQ License Limited Partnership (hereafter "Partnership").

W I T N E S S E T H

WHEREAS, Radio One Licenses, Inc., a wholly-owned subsidiary of Radio One, Inc., is the licensee of Class A FM broadcast station WMMJ, Bethesda, Maryland, which operates on Channel 272 (102.3 MHz);

WHEREAS, Partnership is the licensee of Class B FM broadcast station WUSQ-FM, Winchester, Virginia, which operates on Channel 273 (102.5 MHz);

WHEREAS, by the Second Report and Order, FCC 89-232, released August 18, 1989 (MM Docket No. 88-375), the Federal Communications Commission (hereafter Commission or FCC) amended its rules to increase the maximum permitted effective radiated power (hereafter ERP) for Class A FM broadcast stations from 3,000 to 6,000 watts;

WHEREAS, in the Second Report and Order, the Commission also increased the minimum distance separation requirements for a Class A station which is a first adjacent channel to a Class B station from 105 kilometers to 113 kilometers;

WHEREAS, the distance between the WMMJ and WUSQ-FM main transmitter sites is approximately 105 kilometers;

WHEREAS, as a condition for the acceptance of applications to modify the facilities of a Class A station for which the requirements of Section 73.207 will not be met, the FCC rules require that an exhibit be submitted demonstrating the consent of a licensee such as Partnership which operates on a first adjacent channel; and

WHEREAS, the purpose of this Agreement is to state the consent of Partnership to a modification of the WMMJ facilities and an extension of WMMJ's contour in the direction of WUSQ-FM; and

WHEREAS, Radio One and Partnership desire to cooperate with one another to further the public interest.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of

which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

1. Cooperation by Partnership. Partnership hereby consents to Radio One applying for an authorization from the FCC to modify WMMJ's facility to specify maximum Class A facilities and thereby extend WMMJ's contour in the direction of WUSQ-FM in substantially the manner specified in either Exhibit A-1 or Exhibit A-2 hereto. Exhibit A-1 depicts a contour for WMMJ from a site known as the "WKYS Site", located at the coordinates of 38(Degree) 56' 24"/77(Degree) 04' 54" Exhibit A-2 depicts a contour for WMMJ from a site known as the "WMMJ Site" located at the coordinates of 38(Degree) 56' 09"/77(Degree) 05' 33". The application to be filed with the FCC specifying either the WKYS Site or the WMMJ Site is hereinafter referred to as the "Contour Extension Application", and shall be filed within ninety (90) days of the execution of this Agreement. Partnership hereby consents to Radio One filing the attached Statement in support of the Contour Extension Application. Partnership acknowledges that the decision to pursue any modification of facilities of WMMJ is within the sole discretion of Radio One. Partnership agrees that so long as this Agreement is in effect, Partnership will cooperate with Radio One's effort to pursue the proposed modification, will provide such further information concerning the application(s) filed by Radio One to implement the change as the FCC may reasonably require, including the filing of this Agreement if required, and will not take action at any time which is inconsistent with such cooperation. Notwithstanding Partnership's agreement to cooperate, the parties expressly acknowledge that the burden of prosecuting the Contour Extension Application shall remain at all times with Radio One.

2. Frequency Allocation Fee. In exchange for Partnership's cooperation and agreement to undertake the obligations described herein, Radio One agrees to pay to Partnership by certified check or wire transfer the total sum of Three Hundred Seventy Five Thousand Dollars ($375,000) in the manner and at the times described below:

(a) Simultaneously with the execution and delivery of this Agreement, Radio One shall deliver the sum of One Hundred Twenty Five Thousand Dollars ($125,000) to an Escrow Agent. So long as this Agreement is in effect, Radio One shall cause the Escrow Agent to send copies to Partnership of the monthly bank statements evidencing the escrow deposit.

(b) Radio One shall direct that the Escrow Agent pay to Partnership the sum of One Hundred Twenty Five Thousand Dollars ($125,000) by certified check or wire transfer in one of the three circumstances described below:

(i) Should the Contour Extension Application filed by Radio One be granted by the Commission or the Commission's staff pursuant to delegated authority and should that action become a Final Order, then the sum of One Hundred Twenty Five Thousand Dollars ($125,000) (the "Partnership Payment") shall be paid to Partnership within ten (10) business days of the date that the action becomes a Final Order. For purposes of this Agreement the term "Final Order" shall mean an action that has been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which no timely request for stay, petition for reconsideration, rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be pending, and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have expired or otherwise terminated.

OR

(ii) Should the Contour Extension Application filed by Radio One be granted by the Commission or the Commission's staff pursuant to delegated authority, then Radio One in its sole discretion may waive the requirement that the action shall have become a Final Order prior to making said payment. Should Radio One decide to waive the requirement that the action become a Final Order, then the Partnership Payment shall be paid to Partnership no later than two (2) business days after the commencement of program test authority for the facilities specified in the construction permit issued pursuant to the Contour Extension Application filed by Radio One. For purposes of this provision, Radio One's operation of the station pursuant to program test authority shall be deemed a waiver of the Final Order requirement and the Partnership Payment shall be due and payable as set forth above.

OR

(iii) Should the Contour Extension Application filed by Radio One be granted by the Commission or the Commission's staff pursuant to delegated authority, and if such a grant has conditions adverse to Radio One that are not reasonably acceptable to Radio One, then Radio One may, in its sole discretion, notify Partnership within ten (10) business days of the date of public notice of such grant that Radio One either will appeal the grant and seek to modify or remove the conditions or seek to have the construction permit cancelled. If Radio One provides such notification to Partnership pursuant to this section and such notification states that Radio One will appeal the grant, then the Partnership Payment shall not be due until ten (10) business days after the order modifying the grant in a manner reasonably

acceptable to Radio One becomes a Final Order. If Radio One provides such notification to Partnership pursuant to this section and such notification states that Radio One will seek to have the construction permit cancelled, then, subject to the following sentence, the Partnership Payment shall not be made, provided, however, that this Agreement shall remain in effect until such construction permit is cancelled by Final Order. Notwithstanding the foregoing, if Radio One or any of its successors or assigns commences construction or operation of the facilities contemplated by the construction permit referenced in this paragraph, the Partnership Payment shall be due and payable immediately.

(c) In the event that the payment of One Hundred Twenty Five Thousand Dollars ($125,000) has been made to Partnership pursuant to Section 2(b)(i) or 2(b)(ii) or 2(b)(iii) above, or Section 8 below then two additional payments of One Hundred Twenty Five Thousand Dollars each shall be made by Radio One to Partnership. The first such payment of $125,000 shall be made on the one year anniversary of the date that the payment in Section 2(b) or Section 8 is made or should have been made, whichever is earlier. The second such payment of $125,000 shall be made on the second anniversary of the date that the payment in Section 2(b) or Section 8 is made or should have been made, whichever is earlier.

(d) Partnership acknowledges that the consideration specified herein in conjunction with the consideration specified in Section 7 is sufficient to induce it to undertake the obligations specified in this Agreement and that it shall not be entitled to receive any additional consideration for the performance of its obligations hereunder.

3. Representations and Warranties.

(a) Representations and Warranties of Partnership. Partnership represents and warrants to Radio One as follows:

(i) Agreements re WUSQ-FM. As of the date hereof, no agreements, understandings or discussions are underway or contemplated regarding the sale of WUSQ-FM, assignment of the FCC licenses or transfer of any ownership interest, other than pro forma transfers or assignments that may be accomplished using FCC Form 316, or any modification of the facilities of WUSQ-FM .

(b) Representations, Warranties and Agreements of Radio One. Radio One represents and warrants to Partnership as follows:

(i) No Further Contour Extension or Interference. Radio One agrees that, except as set forth in Exhibits A-1 and A-2, Radio One shall not extend its contours in the direction of WUSQ-FM or otherwise modify its facilities in a manner that would create

additional interference to WUSQ-FM, nor shall it seek FCC authorization for any such modification or contour extension, without the prior consent of Partnership.

4. Successors and Assigns.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Except as provided for in Section 4(b), no party hereto 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.

(b) Partnership agrees to include as a condition of any proposed assignment, sale or transfer of ownership or control of Partnership's license for WUSQ-FM a contractually binding provision that the assignee or transferee of WUSQ-FM shall assume and become bound by this Agreement. Partnership agrees to procure and deliver in writing to Radio One the agreement of the proposed assignee or transferee that, upon consummation of the assignment or transfer of control of the license for WUSQ-FM, the assignee or transferee will assume and perform this Agreement in its entirety without limitation of any kind. Partnership acknowledges that any such assignment, sale or transfer which does not provide for such assumption will cause irreparable injury to Radio One for which damages are not an adequate remedy. Therefore, Partnership agrees that Radio One shall be entitled to seek an injunction or other appropriate equitable relief, including specific performance, from any court of competent jurisdiction. Partnership agrees to waive the defense in any such suit that Radio One has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy.

5. Amendments; Waivers. The terms and conditions of this Agreement may be changed, amended, modified, waived, discharged or terminated only by a written instrument executed by both parties. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision or term contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision or term of this Agreement.

6. 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:

(1) If to Partnership, then to:

Mr. William Banowsky
Executive Vice President
Capstar Broadcasting
600 Congress Avenue
Suite 1400
Austin, TX 78701

Mr. Joe Mathias
Capstar Broadcasting
3340 Peachtree Road NE
Suite 1800
Atlanta, GA 30326

with a copy given in the manner prescribed above to:

Michael Wortley, Esq.
Vinson & Elkins
3700 Trammell Crowe Center
2001 Ross Avenue
Dallas, TX 75201

(2) If to Radio One, then to:

Mr. Alfred Liggins
Radio One, Inc.
5900 Princess Garden Parkway
8th Floor
Lanham, MD 20706

with a copy given in the manner prescribed above to:

Linda J. Eckard, Esq.
Radio One, Inc.
5900 Princess Garden Parkway
8th Floor
Lanham, MD 20706

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this section providing for the giving of notice.

7. Expenses. Radio One shall pay all of its expenses incurred in connection with the obligations specified by this Agreement, including without limitation, legal fees incurred in

connection herewith and the engineering studies in support of a modification of WMMJ. Radio One shall also reimburse reasonable legal and engineering expenses incurred by Partnership in reviewing and negotiating this Agreement. Radio One shall make such payment within thirty (30) days of the execution of this Agreement.

8. Termination of Agreement. This Agreement may be terminated by Radio One: (a) if Partnership should materially default in the performance of its obligations hereunder or (b) if at any time Radio One decides not to pursue the Contour Extension Application, provided that if the Contour Extension Application has been filed, no such termination shall be effective until the Contour Extension Application has been dismissed by Final Order. This Agreement may be terminated by Partnership if (a) Radio One materially defaults in the performance of the obligations hereunder; or (b) Radio One fails to file the Contour Extension Application within ninety (90) days of the execution of this Agreement; or (c) the Partnership Payment has not been made by the date which is twenty-one (21) months after the date that the Contour Extension Application is filed ("Termination Date"). Partnership may not terminate this Agreement pursuant to Section 8(c) unless Partnership has provided written notice to Radio One. Such notice may be given at any time beginning on the 60th day prior to the Termination Date. If Radio One pays the Partnership Payment within sixty (60) days of receipt of the notice, then Partnership shall have no right to terminate this Agreement. If this Agreement is properly terminated by Partnership, then Partnership's consent shall be considered revoked and Radio One shall have no authority to construct the facilities specified in the Contour Extension Application even if the FCC has issued a construction permit for such facilities. No payment shall be due Partnership upon Partnership's or Radio One's proper termination of this Agreement and the $125,000 held by the Escrow Agent, if it has not already been paid to Partnership, shall be returned to Radio One. Notwithstanding the above sentence, Partnership's right to be reimbursed for its expenses as provided in Section 7 shall survive termination of this Agreement.

9. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Maryland.

10. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable, and in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and

be legal, valid and enforceable. This Agreement shall then be construed and enforced as so modified.

11. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof.

12. Execution; 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.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

WUSQ License Limited Partnership

Name:
Title:

RADIO ONE, INC.

Name: Alfred C. Liggins, III
Title: President

EXHIBIT 12.1

RADIO ONE, INC. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
FOR THE YEARS ENDED DECEMBER 26, 1993, DECEMBER 25, 1994,
AND DECEMBER 31, 1995, 1996 AND 1997
(IN THOUSANDS)

	1993	1994	1995	1996	1997
Net income (loss)	$ 14	$ 1,223	$ (1,856)	$ (3,609)	$ (4,944)
Add:					
Provision for income taxes	92	30	--	--	--
Extraordinary item	138	--	468	--	1,985
Fixed charges (a)	2,086	2,783	5,588	7,762	9,180
Earnings available for fixed charges	2,330	4,036	4,200	4,153	6,221
Fixed charges (a)	2,086	2,783	5,588	7,762	9,180
Ratio of earnings to fixed charges	1.12	1.45	0.75	0.54	0.68

- ----------

(a) Fixed charges represent interest expense, including amortization of discounts and the component of rent expense believed by management to be representative of the interest factor (one-third of rent expense).

Subsidiaries

Radio One Licenses, Inc., a Delaware corporation, is a restricted subsidiary of Radio One, Inc. and does business under the following call letters:

WKYS-FM
WMMJ-FM
WOL-AM
WYCB-AM
WERQ-FM
WOLB-AM
WWIN-FM
WWIN-AM
WPHI-FM

WYCB Acquisition Corporation, a Delaware corporation, and Broadcast Holdings, Inc., a District of Columbia corporation, are unrestricted subsidiaries of Radio One, Inc., and does business under the following call letters:

WYCB-AM

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included in this form 10-K.

Arthur Andersen LLP

Baltimore, Maryland,
February 19, 1998

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE THREE YEARS IN THE PERIOD ENDED DECEMBER 31, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1
US DOLLARS

YEAR	YEAR	YEAR
DEC-31-1995	DEC-31-1996	DEC-31-1997
JAN-01-1995	JAN-01-1996	JAN-01-1997
DEC-31-1995	DEC-31-1996	DEC-31-1997
1	1	1
0	1,708,000	8,500,000
0	0	0
0	7,185,000	9,626,000
0	(765,000)	(904,000)
0	0	0
0	8,245,000	17,537,000
0	5,648,000	7,819,000
0	(2,641,000)	(3,387,000)
0	51,777,000	79,225,000
0	7,475,000	3,287,000
0	64,938,000	74,954,000
0	0	22,968,000
0	0	0
0	1	0
0	(15,002,757)	(21,984,000)
0	51,777,000	79,225,000
24,626,000	27,027,000	36,955,000
24,626,000	27,027,000	36,955,000
(3,171,000)	(3,325,000)	(4,588,000)
(3,171,000)	(3,325,000)	(4,588,000)
17,643,000	19,982,000	26,831,000
545,000	1,105,000	894,000
5,289,000	7,252,000	8,910,000
(1,388,000)	(3,609,000)	(2,959,000)
0	0	0
(1,388,000)	(3,609,000)	(2,959,000)
0	0	0
(468,000)	0	0
0	0	0
(1,856,000)	(3,609,000)	(4,944,000)
0	0	0
0	0	0