

Registration No. 333-74351

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

Radio One, Inc.
(Exact name of Registrant as specified in its charter)

Delaware 52-1166660 4832
(State or other (I.R.S. Employer (Primary Standard Industry
jurisdiction of Identification No.) Classification Number)
incorporation of organization)

5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20706
Telephone: (301) 306-1111
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

ALFRED C. LIGGINS, III
Chief Executive Officer and President
Radio One, Inc.
5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20706
Telephone: (301) 306-1111
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

With copies to:

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Approximate date of commencement of the proposed sale to the public: As soon
as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933 (the "Securities Act"), check the following box.

If this Form is filed to register additional securities for an offering pur-
suant to Rule 462(b) under the Securities Act, please check the following box
and list the Securities Act Registration Statement number of the earlier ef-
fective Registration Statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) un-
der the Securities Act, check the following box and list the Securities Act
Registration Statement number of the earlier effective Registration Statement
for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box.

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Class A Common Stock,				

par value \$0.01 per share.....	Shares	\$	\$126,500,000	\$35,167
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- (1) Includes shares that the underwriters have the option to purchase from the Company to cover over-allotments, if any.
 - (2) Estimated solely for the purpose of calculating the registration fee pursuant to paragraph (o) of Rule 457 of the Securities Act.
 - (3) \$31,970 of this fee was previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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 +The information contained in this prospectus is not complete and may be +
 +changed. We may not sell these securities until the registration statement +
 +filed with the Securities and Exchange Commission is effective. This +
 +prospectus is not an offer to sell these securities and it is not soliciting +
 +an offer to buy these securities in any state where the offer or sale is not +
 +permitted. +
 ++++++

SUBJECT TO COMPLETION, DATED , 1999

Shares

[LOGO OF RADIO ONE APPEARS HERE]

Class A Common Stock

We are selling shares of class A common stock and the selling
 stockholders are selling shares of class A common stock.

Prior to this offering, there has been no public market for our class A
 common stock. The initial public offering price is expected to be between
 \$ and \$ per share. We have applied to list our class A common
 stock on The Nasdaq Stock Market's National Market under the symbol
 "ROIA."

The underwriters have an option to purchase a maximum of additional
 shares to cover over-allotments of shares.

Investing in our class A common stock involves risks. See "Risk Factors" on
 page 7.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Radio One	Proceeds to Selling Stockholders
Per Share.....	\$	\$	\$	\$
Total.....	\$	\$	\$	\$

Delivery of the shares of class A common stock will be made on or about ,
 1999, against payment in immediately available funds.

Neither the Securities and Exchange Commission nor any state securities
 commission has approved or disapproved these securities or determined if this
 prospectus is truthful or complete. Any representation to the contrary is a
 criminal offense.

Credit Suisse First Boston

NationsBanc Montgomery Securities LLC
 Bear, Stearns & Co. Inc.

Prudential Securities

Prospectus dated , 1999.

[Map of Eastern U.S. with ROI radio station logos, call signs and frequencies.]

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Radio One's principal executive offices are located at 5900 Princess Garden Parkway, 8th Floor, Lanham, MD 20706, and our telephone number is (301) 306-1111.

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PROSPECTUS SUMMARY

This summary contains a general discussion of our business, this offering and summary financial information. We encourage you to read the entire prospectus for a more complete understanding of Radio One and this offering. Except where otherwise noted, all share numbers and per share data in this prospectus give effect to the capitalization transactions described in "Capitalization."

RADIO ONE, INC.

Introduction

Radio One was founded in 1980 and is the largest radio broadcasting company in the United States primarily targeting African-Americans. After we complete our pending acquisitions, we will own and operate 25 radio stations. Twenty-four of these stations (seventeen FM and seven AM) are in eight of the top 20 African-American radio markets: Washington, D.C., Baltimore, Atlanta, Philadelphia, Detroit, St. Louis, Cleveland and Richmond. Our strategy is to expand within our existing markets and into new markets that have a significant African-American presence. We believe radio broadcasting primarily targeting African-Americans has significant growth potential. We also believe that we have a competitive advantage in the African-American market, and the radio industry in general, due to our focus on formats primarily targeting African-American audiences, our skill in programming and marketing these formats, and our turnaround expertise.

We have succeeded in increasing ratings, net broadcast revenue and broadcast cash flow of all of the FM stations we have owned or managed for at least one year. Net broadcast revenue consists of revenue from broadcast operations less agency commissions, and broadcast cash flow consists of operating income before depreciation, amortization, local marketing agreement fees and corporate expenses. The radio stations that we owned as of December 31, 1998, grouped by market, were ranked first or second in all of their markets in combined audience and revenue share among radio stations primarily targeting African-Americans. Due to successful implementation of our business strategy, our net broadcast revenue and broadcast cash flow have grown significantly:

- . Net broadcast revenue grew at a compound annual rate of 60.2% from an actual \$23.7 million in 1996 to \$60.8 million in 1998, adjusted to include 1998 results of stations acquired between January 1, 1998 and March 31, 1999.
- . Broadcast cash flow grew at a compound annual rate of 66.0% from an actual \$9.8 million in 1996 to \$27.0 million in 1998, adjusted to include 1998 results of stations acquired between January 1, 1998 and March 31, 1999.
- . Net broadcast revenue and broadcast cash flow of stations we have owned or, in the case of Radio One of Atlanta, managed since 1996, grew at average annual rates of 28.0% and 42.7%, respectively, from 1996 through 1998.
- . After-tax cash flow grew at a compound annual rate of 206.2% from an actual \$0.8 million in 1996 to \$7.5 million in 1998, adjusted to include 1998 results of stations acquired between January 1, 1998 and March 31, 1999.

Radio One is led by our Chairperson and co-founder, Ms. Catherine L. Hughes, and her son, Mr. Alfred C. Liggins, III, our Chief Executive Officer and President, who together have over 40 years of operating experience in radio broadcasting. Ms. Hughes, Mr. Liggins and our strong management team have successfully implemented a strategy of acquiring and turning around underperforming radio stations. We believe that we are well positioned to apply our proven operating strategy to our recently or soon to be acquired stations in Detroit, St. Louis, Cleveland and Richmond, and to other radio stations in existing and new markets as attractive acquisition opportunities arise.

The African-American Market Opportunity

We believe that operating radio stations in large African-American markets, with formats primarily targeting African-American audiences, has significant growth potential for the following reasons:

- . African-Americans are experiencing faster population growth than the population as a whole.
- . African-Americans are experiencing higher income growth than the population as a whole.
- . There is significant growth in advertising targeting the African-American market.
- . We believe there is a growing influence of African-American culture on American society.
- . We believe that radio formats primarily targeting African-Americans are becoming more popular with mainstream audiences.
- . We can reach our target audience with fewer radio stations due to the concentration of African-Americans in the top 30 African-American markets.
- . African-Americans exhibit stronger radio audience listenership and loyalty than the population as a whole.

Station Portfolio

We operate in some of the largest African-American markets. We have acquired or agreed to acquire 17 radio stations since January 1, 1998. These acquisitions diversify our net broadcast revenue, broadcast cash flow and asset bases and increase the number of top 20 African-American markets in which we operate from three to eight. The table below outlines our station operations and summarizes more detailed information provided under "Business".

Radio One and Our Markets

Market	Radio One Including Pending Acquisitions							Market Data		
	Number of Stations		African-American Market		Entire Market		1998 Annual Radio Revenue (\$ millions)	Ranking by Size of African-American Population	1996 MSA Population	
	FM	AM	Audience Share	Revenue Rank	Audience Share	Revenue			Total (in millions)	African-American %
Washington, D.C.....	2	2	1	1	12.0	9.5%	\$257.0	3	4.2	27.2%
Detroit.....	2	2	2	2	4.7	3.6	211.5	5	4.5	22.5
Philadelphia.....	1	--	2	2	3.3	2.2	249.1	6	4.9	19.9
Atlanta.....	2	--	2	3	6.3	4.6	257.7	7	3.6	25.7
Baltimore.....	2	2	1	1	17.0	19.1	100.2	11	2.5	26.0
St. Louis.....	1	--	n/a	n/a	n/a	n/a	114.4	16	2.6	17.2
Cleveland.....	1	1	n/a	n/a	n/a	n/a	97.0	17	2.1	18.7
Richmond.....	6	1	n/a	n/a	n/a	n/a	43.1	19	0.9	30.0

Business Strategy

We focus on making strategic acquisitions of underperforming radio stations, improving the performance of these stations and operating them to maximize profitability.

Acquisitions -- Our acquisition strategy is to acquire and to turn around underperforming radio stations principally in the top 30 African-American markets. We consider acquisitions in existing markets where expanded coverage is desirable and in new markets where we believe it is advantageous to establish a presence. For strategic reasons, or as a result of an acquisition of multiple stations in a market, we may also acquire and operate stations with formats that primarily target non-African-American segments of the population.

Turnarounds -- We typically enter a market by acquiring a station or stations that have little or negative broadcast cash flow. Additional stations we have acquired in existing markets have often been, in our opinion, substantially underperforming. By implementing our operating strategy, we have succeeded in increasing ratings, net broadcast revenue and broadcast cash flow of all the FM stations we have owned or managed for at least one year. We have achieved these improvements while operating against much larger competitors.

Operations -- In order to maximize net broadcast revenue and broadcast cash flow at our radio stations, we strive to achieve the largest audience share of African-American listeners in each market, to convert these audience share ratings to advertising revenue, and to control operating expenses.

Preferred Stock Offering and Redemption

Concurrent with this offering, we intend to sell \$50.0 million of % new preferred stock. The preferred stock offering is being made by a separate prospectus. We intend to use the net proceeds of the preferred stock offering to redeem all of our existing preferred stock, to fund partially pending acquisitions and to repay amounts borrowed to fund our acquisition of WYCB-AM in Washington, D.C.

The Offering

Class A common stock offered(/1/)... shares by Radio One
shares by the selling stockholders

shares of class A common stock

Common stock to be outstanding after this offering(/1/)(/2/)... shares of class A common stock
shares of class B common stock
shares of class C common stock

shares of common stock

Voting Rights..... Holders of class A common stock are entitled to one vote per share and are entitled to elect two independent directors. Holders of class B common stock are entitled to ten votes per share. Holders of class C common stock do not have voting rights, except as required by law.

Other Rights..... Except as to voting and conversion rights, each class of common stock has the same rights.

Use of Proceeds..... Radio One intends to use the net proceeds of this offering and the preferred stock offering to:

. repay amounts under our bank credit facility which will increase debt capacity for pending acquisitions;

. fund partially pending acquisitions;

. repay amounts borrowed to fund our acquisition of WYCB-AM in Washington, D.C.;

. redeem all of our existing preferred stock; and

. increase our working capital.

Proposed NASDAQ Symbol..... ROIA

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(1) Excludes shares of class A common stock that may be issued to cover over-allotments of shares.

(2) Excludes shares of class A common stock issuable upon exercise of stock options with a weighted average price of \$ per share.

Summary Historical and Pro Forma Consolidated Financial Data

The following table contains summary historical financial information derived from the audited consolidated financial statements of Radio One. The table also contains summary unaudited pro forma financial information derived from the unaudited pro forma financial information set forth under "Unaudited Pro Forma Consolidated Financial Information." The summary unaudited pro forma consolidated financial information does not purport to represent what our results of operations or financial condition would actually have been had the transactions described below occurred on the dates indicated or to project our results of operations or financial condition for any future period or date. The summary financial data set forth in the following table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Unaudited Pro Forma Consolidated Financial Information" and the consolidated financial statements of Radio One included elsewhere in this prospectus.

	Fiscal Year Ended December 31,				
	Historical			1998 Pro Forma	
	1996	1997	1998	Completed Transactions	As Adjusted
	(audited)	(audited)	(audited)	(unaudited)	
	(in thousands, except per share data)				
Statement of Operations:					
Net broadcast revenue....	\$23,702	\$32,367	\$46,109	\$ 60,828	\$ 73,043
Station operating expenses.....	13,927	18,848	24,501	34,118	42,135
Corporate expenses.....	1,793	2,155	2,800	3,213	3,213
Depreciation and amortization.....	4,262	5,828	8,445	15,570	20,910
Operating income.....	3,720	5,536	10,363	7,927	6,785
Interest expense.....	7,252	8,910	11,455	16,603	
Other income (expense), net.....	(77)	415	358	329	
Income tax benefit (expense).....	--	--	1,575	2,480	
Income (loss) before extraordinary item....	\$(3,609)	\$(2,959)	\$ 841	\$ (5,867)	\$
Loss applicable to common stockholders before extraordinary item.....	\$(3,609)	\$(4,996)	\$(2,875)	\$ (9,583)	\$
Earnings per common share:					
Basic and diluted.....	\$	\$	\$	\$	\$
Weighted average common shares outstanding:					
Basic and diluted.....					
Other Data:					
Broadcast cash flow.....	\$ 9,775	\$13,519	\$21,608	\$ 27,004	\$ 31,202
Broadcast cash flow margin.....	41.2%	41.8%	46.9%	44.4%	42.7%
EBITDA (before non-cash compensation expense)...	\$ 7,982	\$11,364	\$18,808	\$ 23,791	\$ 27,989
After-tax cash flow.....	806	2,869	7,248	7,517	
Cash interest expense....	4,815	4,413	7,192	12,340	
Accreted preferred stock dividends.....	--	2,037	3,716	3,716	
Capital expenditures....	252	2,035	2,236	3,921	

Ratio of earnings to combined fixed charges and preferred stock dividends*.....	X
Ratio of total debt to EBITDA (before non-cash compensation expense)	X
Ratio of EBITDA (before non-cash compensation expense) to interest expense	X
Ratio of EBITDA (before non-cash compensation expense) to cash interest expense	X

Balance Sheet Data (at period end):			
Cash and cash equivalents.....	\$ 4,455	\$ 1,466	\$
Intangible assets, net.....	127,639	176,786	
Total assets.....	153,856	204,717	
Total debt (including current portion and deferred interest).....	131,739	148,176	
Preferred stock.....	26,684	26,684	
Total stockholders' equity (deficit).....	(24,859)	8,376	

* Earnings were insufficient to cover combined fixed charges and preferred stock dividends for the fiscal years ended December 31, 1996, 1997 and 1998 by approximately \$3.6 million, \$5.0 million, and \$4.5 million, respectively, and on a pro forma as adjusted basis for the year ended December 31, 1998 by approximately \$ million. To date, we have not paid any dividends on our existing preferred stock.

- . The pro forma amounts for the year ended December 31, 1998, in the column "Completed Transactions" are adjusted to give effect to the following acquisitions as if they had occurred as of the beginning of the period:
 - Bell Broadcasting Company;
 - Allur-Detroit, Inc.;
 - Radio One of Atlanta, Inc.; and
 - Dogwood Communications, Inc. (by Radio One of Atlanta, Inc.).
- . The pro forma amounts for the year ended December 31, 1998, in the column "As Adjusted" are adjusted to give effect to the completed transactions described above and the following pending acquisitions and other transactions as if they had occurred as of the beginning of the period:
 - the pending acquisitions:
 - . assets of WFUN-FM in St. Louis (pro forma balance sheet only);
 - . WENZ-FM and WERE-AM in Cleveland;
 - . WDYL-FM in Richmond;
 - . WKJS-FM and WSOJ-FM in Richmond; and
 - . WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM in Richmond.
 - this offering;
 - the preferred stock offering;
 - the redemption of all of our existing preferred stock; and
 - the repayment of debt.
- . The pro forma balance sheet data are adjusted to give effect to the transactions described above as if they had occurred on December 31, 1998.

RISK FACTORS

You should carefully consider the following factors and other information in this prospectus before deciding to invest in shares of class A common stock of Radio One.

Substantial Debt - Due to high principal and interest payments, our substantial level of debt could limit our ability to grow and compete.

As of December 31, 1998, after giving effect to the transactions described under "Unaudited Pro Forma Consolidated Financial Information" as if they had occurred on that date, we would have had outstanding total debt of \$ million (including \$ million bearing interest at variable rates), new preferred stock with an aggregate liquidation preference of \$50 million and stockholders' equity of \$ million.

Our substantial level of indebtedness could adversely affect us for various reasons, including limiting our ability to:

- . obtain additional financing for working capital, capital expenditures, acquisitions, debt payments or other corporate purposes;
- . have sufficient funds available for operations, future business opportunities or other purposes;
- . compete with competitors that have less debt than we do; and
- . react to changing market conditions, changes in our industry and economic downturns.

Restrictions Imposed by Our Debt - The terms of our debt restrict us from engaging in many activities and require us to satisfy various financial tests.

Our bank credit facility and the agreements governing our other outstanding debt and new preferred stock contain covenants that restrict, among other things, our ability to incur additional debt, pay cash dividends, purchase our capital stock, make capital expenditures, make investments or other restricted payments, swap or sell assets, engage in transactions with related parties, secure non-senior debt with our assets, or merge, consolidate or sell all or substantially all of our assets.

Our bank credit facility also requires us to get our banks' consent before we make acquisitions. This restriction may make it more difficult to pursue our acquisition strategy. Our bank credit facility also requires us to maintain specific financial ratios. Events beyond our control could affect our ability to meet those financial ratios, and we cannot assure you that we will meet them.

All of the loans under our bank credit facility are due on December 31, 2003. A breach of any of the covenants contained in our bank credit facility could allow our lenders to declare all amounts outstanding under the bank credit facility to be immediately due and payable. In addition, our lenders could proceed against the collateral granted to them to secure that indebtedness. If the amounts outstanding under the bank credit facility are accelerated, we cannot assure you that our assets will be sufficient to repay in full the money owed to the banks or to our other debt holders.

History of Net Losses - If we have losses in the future, the value of our common stock could be adversely affected.

Since 1994, we have experienced net losses in three out of five years. After giving effect to the transactions described under "Unaudited Pro Forma Consolidated Financial Information," as if they had occurred on January 1, 1998, we had net losses of \$ million for the year ended December 31, 1998.

The primary reasons for these losses are significant charges for depreciation and amortization relating to the acquisition of radio stations and interest charges on our outstanding debt. If we acquire additional stations, these charges will probably increase.

Dependence on Key Personnel - The loss of key personnel could disrupt the management of our business.

Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key employees. We intend to enter into employment agreements with several of our key employees, including Ms. Catherine L. Hughes, Mr. Alfred C. Liggins, III, and other executive officers. We believe that the loss of any of these individuals could have a material adverse effect on us.

Competition - We compete for advertising revenue against radio stations and other media, many of which have greater resources than we do.

Our stations compete for audiences and advertising revenue with other radio stations and with other media such as television, newspapers, direct mail and outdoor advertising. Audience ratings and advertising revenue are subject to change and any adverse change in a market could adversely affect our net broadcast revenue in that market. If a competing station converts to a format similar to that of one of our stations, or if one of our competitors strengthens its operations, our stations could suffer a reduction in ratings and advertising revenue. Other radio companies which are larger and have more resources may also enter markets in which we operate. Although we believe our stations are well positioned to compete, we cannot assure you that our stations will maintain or increase their current ratings or advertising revenue.

Risks of Acquisition Strategy - Our growth depends on successfully executing our acquisition strategy.

We intend to grow by acquiring radio stations primarily in top 30 African-American markets. We cannot assure you that our acquisition strategy will be successful. Our acquisition strategy is subject to a number of risks, including:

- . Our pending acquisitions may not be consummated;
- . Acquired stations may not increase our broadcast cash flow or yield other anticipated benefits;
- . Required regulatory approvals may result in unanticipated delays in completing acquisitions;
- . We may have difficulty managing our rapid growth; and
- . We may be required to raise additional financing and our ability to do so is limited by the terms of our debt instruments.

Controlling Stockholders - Two stockholders have a majority interest in Radio One and have the power to control matters on which Radio One's stockholders may vote.

Upon completion of this offering, Ms. Catherine L. Hughes and her son, Mr. Alfred C. Liggins, III, will collectively hold approximately percent (percent if the underwriters exercise their over-allotment option) of the outstanding voting power of Radio One's common stock. As a result, Ms. Hughes and Mr. Liggins will control most decisions involving Radio One, including transactions involving a change of control of Radio One, such as a sale or merger. In addition, certain covenants in Radio One's debt instruments require that Ms. Hughes and Mr. Liggins maintain specified ownership and voting interests in Radio One, and prohibit other parties' voting interests from exceeding specified amounts. Ms. Hughes and Mr. Liggins have agreed to vote their shares together in elections to the board of directors.

Technology Changes, New Services and Evolving Standards - We must respond to the rapid changes in technology, services and standards which characterize our industry in order to remain competitive.

The radio broadcasting industry is subject to rapid technological change, evolving industry standards and the emergence of new media technologies. We cannot assure you that we will have the resources to acquire new technologies or to introduce new services that could compete with these new technologies. Several new media technologies are being developed, including the following:

- . Audio programming by cable television systems, direct broadcast satellite systems, Internet content providers and other digital audio broadcast formats;
- . Satellite digital audio radio service, which could result in the introduction of several new satellite radio services with sound quality equivalent to that of compact discs; and
- . In-band on-channel digital radio, which could provide multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services.

We recently entered into a programming agreement with a satellite digital audio radio service and have also invested in a developer of digital audio broadcast technology. However, we cannot assure you that these arrangements will be successful or enable us to adapt effectively to these new media technologies.

Importance of the Washington, D.C. and Baltimore Markets - A large portion of our net broadcast revenue and broadcast cash flow comes from these markets.

Based upon the stations we owned or managed at the end of 1998, our radio stations in Washington, D.C. and Baltimore collectively accounted for 62.9% and 70.0% of our net broadcast revenue and broadcast cash flow, respectively, for the year ended December 31, 1998, adjusted to include 1998 results of stations acquired between January 1, 1998 and March 31, 1999. A significant decline in net broadcast revenue or broadcast cash flow from our stations in either of these markets could have a material adverse effect on our financial position and results of operations.

Government Regulation - Our business depends on maintaining our licenses with the FCC. We cannot assure you that we will be able to maintain these licenses.

Radio broadcasters depend upon maintaining radio broadcasting licenses issued by the FCC. These licenses are ordinarily issued for a maximum term of eight years and may be renewed. Our radio broadcasting licenses expire at various times from October 1, 2003 to August 1, 2006. Although we may apply to renew our FCC licenses, interested third parties may challenge our renewal applications. In addition, if Radio One or any of our stockholders, officers, or directors violates the FCC's rules and regulations or the Communications Act of 1934, as amended, or is convicted of a felony, the FCC may commence a proceeding to impose sanctions upon us. Examples of possible sanctions include the imposition of fines; the revocation of our broadcast licenses; or the renewal of one or more of our broadcasting licenses for a term of fewer than eight years. If the FCC were to issue an order denying a license renewal application or revoking a license, we would be required to cease operating the radio station covered by the license only after we had exhausted administrative review without success.

The radio broadcasting industry is subject to extensive and changing federal regulation. Among other things, the Communications Act and FCC rules and policies limit the number of broadcasting properties that any person or entity may own (directly or by attribution) in any market and require FCC approval for transfers of control and assignments. The filing of petitions or complaints against Radio One or any FCC licensee from which we are acquiring a station could result in the FCC delaying the grant of, or refusing to grant or imposing conditions on its consent to the assignment or transfer of licenses. The Communications Act and FCC rules also impose limitations on non-U.S. ownership and voting of the capital stock of Radio One.

Antitrust Matters - We may have difficulty obtaining regulatory approval for acquisitions in our existing markets and, potentially, new markets.

An important part of our growth strategy is the acquisition of additional radio stations. After the passage of the Telecommunications Act of 1996, the U.S. Department of Justice has become more aggressive in reviewing proposed acquisitions of radio stations and radio station networks. The Justice Department is particularly aggressive when the proposed buyer already owns one or more radio stations in the market of the station it is seeking to buy. Recently, the Justice Department has challenged a number of radio broadcasting transactions. Some of those challenges ultimately resulted in consent decrees requiring, among other things, divestitures of certain stations. In general, the Justice Department has more closely scrutinized radio broadcasting acquisitions that result in local market shares in excess of 40% of radio advertising revenue. Similarly, the FCC has announced new procedures to review proposed radio broadcasting transactions even if the proposed acquisition otherwise complies with the FCC's ownership limitations. In particular, the FCC may invite public comment on proposed radio transactions that the FCC believes, based on its initial analysis, may present ownership concentration concerns in a particular local radio market.

Shares of Common Stock Eligible for Future Sale - Future sales by existing stockholders could depress the market price of the class A common stock.

Immediately after this offering, the public market for the common stock will include only the shares that we and the selling stockholders are selling in this offering. At that time, there will be an additional shares of common stock outstanding. The shares held by our existing stockholders are subject to "lock-up" agreements that prohibit existing stockholders from selling their shares of common stock in the public market for 180 days after the date of this prospectus. When the 180-day "lock-up" period expires, or if Credit Suisse First Boston consents, in its sole discretion, to an earlier sale, our existing stockholders will be able to sell their shares in the public market, subject to certain legal restrictions. If our existing stockholders sell a large number of shares, the market price of shares of common stock could decline dramatically. Moreover, the perception in the public market that these stockholders might sell shares of common stock could depress the market price of the common stock. Furthermore, our existing stockholders have the right to require us to register their shares, which may facilitate their sale of shares in the public market.

No Prior Public Market - Investors will pay a price for shares of class A common stock that was not established in a competitive market and the price that prevails in the market may be lower.

Prior to this offering, there has been no public market for the class A common stock. We have applied to list the class A common stock for trading on the Nasdaq's National Market. After this offering, an active trading market might not develop or continue. If you purchase shares of class A common stock in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that we negotiated with our underwriters and the selling stockholders, which is substantially greater than the price paid by our existing stockholders. The price of the class A common stock that will prevail in the market after this offering may be higher or lower than the price you pay. For a description of the factors we will consider in negotiating the public offering price, see "Underwriting."

Year 2000 - Computer programs and microprocessors that have date sensitive software may recognize a date using "00" as year 1900 rather than 2000, or not recognize the date at all, which could result in major system failures or miscalculations.

We rely, directly and indirectly, on information technology systems to operate our radio stations, provide our radio stations with up-to-date news and perform a variety of administrative services, including accounting, financial reporting, advertiser spot scheduling, payroll and invoicing. We also use non-information technology systems, such as microchips, for dating and other automated functions. We are in the process of assessing and remediating potential risks to our business related to the Year 2000 problem. Although we believe that, as a result of these efforts, our critical systems are or will be substantially Year 2000 ready, we cannot assure you

that this will be the case. One of our greatest potential Year 2000 risks may be that third parties with whom we deal will fail to be Year 2000 ready. For example, if our programming suppliers or key advertisers experience significant disruptions in their businesses because of the Year 2000 problem, we may lose access to programming and significant advertising revenue.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts, but rather are based on our current expectations, estimates and projections about Radio One's industry, our beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties are described in "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this prospectus. We are not obligated to update these statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

USE OF PROCEEDS

The net proceeds from this offering to Radio One, after deducting underwriting discounts and commissions and estimated offering expenses, based on the assumed initial public offering price of \$ per share, are estimated to be approximately \$ million (\$ million if the underwriters' over-allotment option is exercised in full). The net proceeds from this offering, together with the net proceeds from the preferred stock offering, will be used as set forth below. Pending these uses, the net proceeds from this offering may be temporarily invested in short-term, interest-bearing, investment-grade securities. The following table sets forth the estimated sources and uses of funds for the transactions described above as of , 1999:

	Amount

	(in thousands)
Sources:	
Net proceeds from this offering.....	\$
Net proceeds from the preferred stock offering.....	

Total sources.....	\$ =====
Uses:	
Repayment of amounts borrowed under the bank credit facility.....	\$
Repayment of WYCB acquisition loan.....	
Redemption of all of our existing preferred stock.....	
Increase in working capital.....	

Total uses.....	\$ =====

Radio One will not receive any proceeds from class A common stock sold by the selling stockholders.

DIVIDEND POLICY

We intend to retain future earnings for use in our business and do not anticipate declaring or paying any cash or stock dividends on shares of our common stock in the foreseeable future. In addition, any determination to declare and pay dividends will be made by our board of directors in light of our earnings, financial position, capital requirements, the bank credit facility, the 12% notes indenture and the terms of the new preferred stock, and such other factors as the board of directors deems relevant. See "Description of Indebtedness" and "Description of Capital Stock."

DILUTION

Purchasers of the class A common stock offered by this prospectus will suffer an immediate and substantial dilution in net tangible book value per share. Dilution is the amount by which the initial public offering price paid by the purchasers of the shares of class A common stock will exceed the net tangible book value per share of common stock after the offering. The net tangible book value per share of common stock is determined by subtracting total liabilities from the total book value of the tangible assets and dividing the difference by the number of shares of common stock deemed to be outstanding on the date the book value is determined. As of December 31, 1998, Radio One had a pro forma negative tangible book value of \$ or \$ per share after giving effect to the completed and pending acquisitions and capital transactions described under "Capitalization," excluding this offering. Assuming the sale of shares at an initial public offering price of \$ per share and deducting underwriters' discounts and commissions and estimated offering expenses, Radio One's pro forma tangible book value as of December 31, 1998 would have been a negative \$ or \$ per share. This represents an immediate increase in pro forma net tangible book value to existing stockholders of \$ per share and an immediate dilution to new investors of \$ per share. The following table illustrates this per share dilution:

	Per Share

Assumed initial public offering price.....	\$
Pro forma net negative tangible book value before this offering.....	\$
Increase in net tangible book value per share attributable to this offering.....	----
Pro forma net negative tangible book value after this offering..	---
Dilution to new investors.....	\$ ===

The following table summarizes, on a pro forma as adjusted basis as of December 31, 1998, the number of shares of common stock purchased from Radio One, the estimated value of the total consideration paid for or attributed to such common stock, and the average price per share paid by or attributable to existing stockholders and the new investors purchasing shares in this offering at an assumed initial offering price of \$ per share.

	Shares of Common Stock Purchased		Total Consideration		Average Price Per Share of Common Stock
	Number	Percent	Amount	Percent	
	-----	-----	-----	-----	-----
Existing stockholders.....		%	\$	%	\$
New investors.....					
Total.....	-----	100.0%	\$	100.0%	
	=====	=====	=====	=====	

As of , 1999 there were outstanding options to purchase an additional shares of class A common stock at an exercise price of \$ per share. To the extent these options are exercised, there may be further dilution to new investors.

CAPITALIZATION

The table below sets forth our capitalization as of December 31, 1998, on an actual basis, on a pro forma basis giving effect to the acquisitions identified in the first bullet below, and on a pro forma as adjusted basis giving effect to those acquisitions and the transactions identified in the second bullet below. The actual amounts give effect to the following 1999 capital transactions as if they had occurred as of December 31, 1998: the stock split of common stock, the exchange of certain shares of class A common stock for shares of class B and class C common stock, the issuance of shares of class A common stock upon the exercise of the warrants, and the issuance of shares of class C common stock to an employee.

. The column "Pro forma for Completed and Pending Transactions" gives effect to the acquisition of:

- Radio One of Atlanta, Inc. ("ROA");
- Dogwood Communications, Inc. ("Dogwood") by ROA;
- the assets of WFUN-FM in St. Louis;
- WENZ-FM and WERE-AM in Cleveland;
- WDYL-FM in Richmond ("Richmond I");

- WKJS-FM and WSOJ-FM in Richmond ("Richmond II"); and

- WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM in Richmond ("Richmond III").

. The column "Pro Forma as Adjusted" gives effect to:

- the above transactions;
- this offering;

- the offering of \$50.0 million of % senior cumulative exchangeable preferred stock due June 30, 2011, (the "new preferred stock");

- the redemption of all of our existing preferred stock; and
- the repayment of debt.

The information in this table should be read in conjunction with "Use of Proceeds," "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements included elsewhere in this prospectus.

	As of December 31, 1998		
	Actual	Pro Forma for Completed and Pending Transactions	Pro Forma as Adjusted
	(audited)	(unaudited)	(unaudited)
	(in thousands)		
Cash and cash equivalents.....	\$ 4,455	(82,734)	\$
	=====	=====	===
Long-term debt (including current portion):			
Bank credit facility.....	\$ 49,350	\$ 65,787	\$
12% senior subordinated notes due May 15, 2004.....	78,458	78,458	
WYCB acquisition debt.....	3,841	3,841	
Other long-term debt.....	90	90	
	-----	-----	---
Total debt.....	131,739	148,176	---
	-----	-----	---
Senior Cumulative Redeemable Preferred Stock:			
Series A, \$0.01 par value, 140,000 shares authorized, 84,843 shares, 84,843 shares, and no shares issued and outstanding.....	10,816	10,816	--
Series B, \$0.01 par value, 150,000 shares authorized, 124,467 shares, 124,467 shares, and no shares issued and outstanding....	15,868	15,868	--
New preferred stock, \$0.01 par value, shares authorized, no shares, no shares and shares issued and outstanding.....	--	--	---
	-----	-----	---
Stockholders' equity (deficit):			
Class A common stock, \$0.01 par value, shares authorized, shares, shares and shares, issued and outstanding, respectively.....			
Class B common stock, \$0.01 par value, shares authorized, shares, shares, and shares, issued and outstanding, respectively.....			
Class C common stock, \$0.01 par value, shares authorized, shares, shares and shares issued and outstanding, respectively.....			
Additional paid-in capital.....			
Accumulated equity (deficit).....	(24,859)	8,376	---
	-----	-----	---
Total stockholders' equity (deficit).....	(24,859)	8,376	---
	-----	-----	---
Total capitalization.....	\$133,564	\$183,236	\$
	=====	=====	===

RECENT AND PENDING TRANSACTIONS

ACQUISITIONS

We have acquired or agreed to acquire 17 radio stations since January 1, 1998. These acquisitions diversify our net broadcast revenue, broadcast cash flow and asset bases and increase the number of top 20 African-American markets in which we operate from three to eight. See "Business" for a more detailed description of the following transactions.

The table below sets forth information regarding each of the recently completed or pending acquisitions as of March 31, 1999.

Market	No. of Stations	Call Letters	Approximate Purchase Price	Date Completed
-----	-----	-----	-----	-----
			(in millions)	
Completed Transactions				
Washington, D.C. (Broadcast Holdings, Inc.).....	1	WYCB-AM	\$ 3.8	3/98
Detroit/Kingsley (Bell Broadcasting Company)...	3	WDTJ-FM WCHB-AM WJZZ-AM	34.2	6/98
Detroit (Allur-Detroit, Inc.).....	1	WWBR-FM	26.5	12/98
Atlanta (ROA and Dogwood).....	2	WHTA-FM WAMJ-FM	(1)	3/99
Subtotal.....	7		64.5(/2/)	
Pending Transactions				
St. Louis.....	1	WFUN-FM	13.6	--
Cleveland.....	2	WENZ-FM WERE-AM	20.0	--
Richmond I.....	1	WDYL-FM	4.6	--
Richmond II.....	2	WKJS-FM WSOJ-FM	12.0	--
Richmond III.....	4	WJRV-FM WCDX-FM WPLZ-FM WGCV-AM	34.0	--
Subtotal.....	10		84.2	
Total.....	17		\$148.7(/2/)	
	===		=====	

(1) Radio One issued shares of our common stock and assumed approximately \$16.3 million of debt in this transaction.

(2) Excludes ROA and Dogwood.

Completed Transactions

Washington, D.C.--WYCB-AM Acquisition

On March, 16, 1998, Radio One acquired, through an Unrestricted Subsidiary, Broadcast Holdings, Inc. ("BHI"), the owner of WYCB-AM, for approximately \$3.8 million. Following this acquisition, we integrated the operations of WYCB-AM into our existing radio station operations in Washington, D.C.

Detroit--Bell Broadcasting Acquisition

On June 30, 1998, Radio One acquired Bell Broadcasting Company ("Bell Broadcasting") for approximately \$34.2 million in cash. Bell Broadcasting owns three radio stations, WDTJ-FM (formerly WCHB-FM) and WCHB-AM, located in the Detroit, Michigan market, and WJZZ-AM, located in Kingsley, Michigan.

Detroit--Allur-Detroit Acquisition

On December 28, 1998, Radio One acquired Allur-Detroit, Inc. ("Allur-Detroit"), owner of WWRB-FM, for approximately \$26.5 million in cash. Allur-Detroit's stockholders included Syndicated Communications Venture Partners II, L.P. ("Syncom Venture Partners"), which is an affiliate of one of Radio One's stockholders, Syncom Capital Corporation ("Syncom").

Atlanta--Radio One of Atlanta and Dogwood Communications Acquisitions

On March 30, 1999, Radio One acquired ROA, an affiliate of Radio One, for shares of Radio One common stock. Radio One also assumed and retired approximately \$16.3 million of indebtedness of ROA and Dogwood. At the time, ROA owned approximately 33% of Dogwood. On March 30, 1999, ROA acquired the remaining approximate 67% of Dogwood for \$3.6 million. Founded in 1995, ROA owns and operates WHTA-FM. Dogwood owns WAMJ-FM which, prior to ROA's acquisition of 100% of Dogwood, ROA operated under a local marketing agreement ("LMA"). Upon the completion of these acquisitions, ROA became a wholly owned subsidiary of Radio One, and Dogwood became a wholly owned subsidiary of ROA. See "Certain Relationships and Related Transactions."

Pending Transactions

St. Louis--WFUN-FM Acquisition

On November 23, 1998, Radio One entered into an asset purchase agreement to acquire the assets of WFUN-FM, licensed to Bethalto, Illinois, for approximately \$13.6 million in cash. We expect to move WFUN-FM to a broadcast tower site closer to downtown St. Louis, reformat the station and upgrade its signal from 6 kw to 25 kw. We expect this acquisition to close during the second quarter of 1999.

Cleveland--WENZ-FM and WERE-AM Acquisition

On March 29, 1999, Radio One entered into an asset purchase agreement to acquire WENZ-FM and WERE-AM, both of which are licensed to Cleveland, Ohio, for approximately \$20.0 million in cash. We expect this acquisition to close by the end of the third quarter of 1999.

Richmond--WDYL-FM Acquisition, WKJS-FM and WSOJ-FM Acquisition and WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM Acquisition

On February 10, 1999, Radio One entered into an asset purchase agreement to acquire WDYL-FM, licensed to Chester, Virginia, for approximately \$4.6 million in cash. We expect this acquisition to close by the end of the third quarter of 1999.

On February 26, 1999, Radio One entered into an asset purchase agreement to acquire WKJS-FM, licensed to Crewe, Virginia, and WSOJ-FM, licensed to Petersburg, Virginia, for approximately \$12.0 million in cash, subject to purchase price adjustments. We expect this acquisition to close in the third quarter of 1999.

On April , 1999, Radio One entered into an asset purchase agreement to acquire WCDX-FM, licensed to Mechanicsville, Virginia, WPLZ-FM, licensed to Petersburg, Virginia, WJRV-FM, licensed to Richmond, Virginia, and WGCV-AM, licensed to Petersburg, Virginia, for approximately \$34.0 million in cash. We expect to operate these stations under an LMA beginning in June 1999 and to complete the acquisition no later than the second half of 2000.

FINANCINGS

Preferred Stock Offering and Redemption

Concurrent with this offering, we intend to sell \$50.0 million of % new preferred stock. The preferred stock offering is being made by a separate prospectus. We intend to use the proceeds of the preferred stock

offering to redeem all of our existing preferred stock, to fund partially pending acquisitions and to repay amounts borrowed to fund our acquisition of WYCB-AM in Washington, D.C. See "Use of Proceeds" and "Description of Capital Stock."

Credit Agreement

On February 26, 1999, we entered into an amended and restated credit agreement under which we may borrow up to \$100 million on a revolving basis from a group of banking institutions, subject to financial ratio restrictions. See "Description of Indebtedness."

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated financial statements (the "Pro Forma Consolidated Financial Statements") are based on the historical Consolidated Financial Statements of Radio One included elsewhere in this prospectus, adjusted to give effect to the following:

The pro forma amounts for the year ended December 31, 1998, in the column "Completed Transactions" are adjusted to give effect to the following completed acquisitions as if they had occurred as of January 1, 1998:

- . Bell Broadcasting;
- . Allur-Detroit;
- . ROA; and
- . Dogwood by ROA.

The pro forma amounts for the year ended December 31, 1998, in the column "Completed and Pending Transactions" are adjusted to give effect to the completed transactions described above and to the following pending acquisitions as if they had occurred as of January 1, 1998:

- . the assets of WFUN-FM in St. Louis (pro forma balance sheet only);
- . WENZ-FM and WERE-AM in Cleveland;
- . WDYL-FM in Richmond;
- . WKJS-FM and WSOJ-FM in Richmond; and
- . WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM in Richmond.

The pro forma amounts in the column "As Adjusted" are further adjusted to give effect to the pending and completed transactions described above and to the following transactions as if they had occurred as of January 1, 1998:

- . this offering;
- . the redemption of all of our existing preferred stock;
- . the preferred stock offering; and
- . the repayment of debt.

The pro forma balance sheet data are adjusted to give effect to the transactions described above as if they had occurred on December 31, 1998.

The Unaudited Pro Forma Consolidated Statements of Operations and Other Data gives effect to these transactions as if they had occurred as of January 1, 1998, and the Unaudited Pro Forma Consolidated Balance Sheet gives effect to these transactions as if they had occurred as of December 31, 1998. These transactions are described in the accompanying notes to the Pro Forma Consolidated Financial Statements. The pro forma data are based upon available information and certain assumptions that management believes are reasonable. The Pro Forma Consolidated Financial Statements do not purport to represent what Radio One's results of operations or financial condition would actually have been had these transactions occurred on the dates indicated or to project Radio One's results of operations or financial condition for any future period or date. The Pro Forma Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements of Radio One and the historical consolidated financial statements of ROA, Bell Broadcasting, Allur-Detroit, Richmond II and Richmond III included elsewhere in this prospectus, and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The pending acquisitions of the assets of WFUN-FM in St. Louis, and the operations of the stations in Cleveland and Richmond, will be accounted for using the purchase method of accounting. After an acquisition, the total consideration of such acquisition will be allocated to the tangible and intangible assets acquired and liabilities assumed, if any, based upon their respective estimated fair values. The allocation of the aggregate

total consideration included in the Pro Forma Consolidated Financial Statements is preliminary as we believe further refinement is impractical at this time. However, we do not expect that the final allocation of the total consideration will materially differ from the preliminary allocations.

Unaudited Pro Forma Consolidated Statement of Operations and Other Data

Year Ended December 31, 1998							
(in thousands)							
Historical(a)	Completed Transactions Adjustments(b)	Pro Forma for Completed Transactions	Pending Transactions Adjustments(c)	Pro Forma for Completed and Pending Transactions	Offerings Adjustments	Pro Forma as Adjusted	
Statement of Operations:							
Net broadcast revenue...	\$46,109	\$14,719	\$60,828	\$12,215	\$ 73,043	\$ --	\$73,043
Station operating expenses.....	24,501	9,617	34,118	8,017	42,135	--	42,135
Corporate expenses.....	2,800	413	3,213	--	3,213	--	3,213
Depreciation and amortization.....	8,445	7,125	15,570	5,340	20,910	--	20,910
Operating income.....	10,363	(2,436)	7,927	(1,142)	6,785		6,785
Interest expense.....	11,455	5,148	16,603	5,613	22,216	(d)	
Other income (expense), net.....	358	(29)	329	122	451		
Income tax benefit (expense).....	1,575	905	2,480	2,450	4,930	(e)	
Net income (loss).....	\$ 841	\$(6,708)	\$(5,867)	\$(4,183)	\$(10,050)	\$	\$
Net loss applicable to common stockholders....	\$(2,875)	\$	\$(9,583)	\$	\$(13,766)	\$	\$
Earnings per common share:							
Basic and diluted.....	\$		\$		\$		\$
Weighted average common shares outstanding:							
Basic and diluted.....							
Other Data:							
Broadcast cash flow(f)..	\$21,608		\$27,004		\$ 31,202		\$31,202
Broadcast cash flow margin(g).....	46.9%		44.4%		42.7%		42.7%
EBITDA (before non-cash compensation expense)(f).....	\$18,808		\$23,791		\$ 27,989		\$27,989
After-tax cash flow(f)..	7,248		7,517		6,224		
Cash interest expense(h).....	7,192		12,340		18,748		
Accreted preferred stock dividends.....	3,716		3,716		3,716		(i)
Capital expenditures....	2,236		3,921		4,534		
Ratio of earnings to combined fixed charges and preferred stock dividends(j).....							x
Ratio of total debt to EBITDA (before non-cash compensation expense).....							x
Ratio of EBITDA (before non-cash compensation expense) to interest expense.....							x
Ratio of EBITDA (before non-cash compensation expense) to cash interest expense.....							x

Footnotes for the Unaudited Pro Forma Consolidated Statement of Operations and Other Data for the Year Ended December 31, 1998

(a) See the consolidated financial statements included elsewhere in this prospectus.

(b) The table below gives effect to the acquisitions completed during the period from January 1, 1998 through March 31, 1999 as if they had occurred on January 1, 1998:

	Bell Broadcasting Historical(/1/)	Allur-Detroit Historical(/2/)	ROA Historical(/3/)	Pro Forma Adjustments	Total
(in thousands)					
Statement of Operations:					
Net broadcast revenue...	\$2,025	\$ 2,854	\$10,140	\$ (300)(/4/)	\$14,719
Station operating expenses.....	1,423	3,239	5,529	(574)(/5/)	9,617
Corporate expenses.....	663	336	667	(1,253)(/6/)	413
Depreciation and amortization.....	63	194	896	5,972 (/7/)	7,125
Operating income (loss).....	(124)	(915)	3,048	(4,445)	(2,436)

Interest expense.....	52	383	2,007	2,706 (/8/)	5,148
Other income (expense), net.....	(28)	(50)	7	42 (/9/)	(29)
Income tax benefit (expense).....	(14)	--	(499)	1,418 (/10/)	905
	-----	-----	-----	-----	-----
Net income (loss).....	<u>\$ (218)</u>	<u>\$(1,348)</u>	<u>\$ 549</u>	<u>\$(5,691)</u>	<u>\$(6,708)</u>
	=====	=====	=====	=====	=====

- (/1/See)the unaudited financial statements of Bell Broadcasting for the six months ended June 30, 1998, included elsewhere in this prospectus, which is the period during 1998 that Bell Broadcasting was not owned by Radio One.
- (/2/Derived)from the unaudited financial statements of Allur-Detroit for the period from January 1, 1998 to December 28, 1998, which is the period during 1998 that the entity was not owned by Radio One.
- (/3/See)the consolidated financial statements of ROA included elsewhere in the prospectus.
- (/4/To)reflect the elimination of the management fee paid by ROA to Radio One for administrative services provided by Radio One.
- (/5/To)record compensation expense of \$105 for a manager and a general manager Radio One will need to hire to manage the Detroit market, eliminate bonuses of \$115 paid by Allur-Detroit to employees because of the sale, and eliminate the salary, bonus and benefits of \$564 paid to the previous Allur-Detroit general manager who was not retained by Radio One.
- (/6/To)eliminate corporate expenses which Radio One does not expect to incur going forward which consist primarily of compensation of \$617 to officers and former owners of Bell Broadcasting who were not retained by Radio One, the management fee of \$300 paid by ROA to Radio One, and charitable contributions and management fees of \$336 paid by the former owners of Allur-Detroit that would not have been distributed if the station had been owned by Radio One.
- (/7/To)record the additional depreciation and amortization expense that would have been recognized if the Bell Broadcasting, Allur-Detroit, 20% of Dogwood, and ROA acquisitions had occurred.
- (/8/To)record interest expense on acquisition financing, calculated as follows:

Interest on Bell Broadcasting financing of \$33,241 at 7.95% for six months.....	\$1,343
Amortization of Bell Broadcasting deferred financing costs of \$651 over 5.5 years for six months.....	59
Less: Interest expense previously recorded by Bell Broadcasting...	52
Interest on Allur-Detroit purchase price of \$26,500 at 7.95%.....	2,107
Amortization of Allur-Detroit deferred financing costs of \$358 over 5 years.....	72
Less: Interest expense previously recorded by Allur-Detroit.....	383
Interest on Dogwood purchase price of \$3,500 at 7.95%.....	278
Interest on ROA's debt paid at the acquisition of \$16,212 at 7.95%.....	1,289
Less: Interest expense previously recorded by ROA.....	2,007
Pro forma adjustment.....	\$2,706
	=====

- (/9/To)eliminate tax penalties incurred by Bell Broadcasting that are not expected to be incurred by Radio One on a going-forward basis.
- (/10/To)record additional tax benefit related to additional loss as a result of the acquisitions.
- (c) The table below gives effect to the acquisitions pending as of March 31, 1999:

	Cleveland Historical(/1/)	Richmond I Historical(/1/)	Richmond II Historical(/2/)	Richmond III Historical(/2/)	Pro Forma Adjustments(/3/)	Total
	----- (in thousands) -----					
Statement of Operations:						
Net broadcast revenue...	\$3,295	\$400	\$1,062	\$7,458	\$ --	\$12,215
Station operating expenses.....	1,979	368	1,002	4,668	--	8,017
Corporate expenses.....	--	14	15	413	(442) (/4/)	--
Depreciation and amortization.....	811	4	416	648	3,461 (/5/)	5,340
Operating income (loss).....	505	14	(371)	1,729	(3,019)	(1,142)
Interest expense.....	600	--	500	--	4,513 (/6/)	5,613
Other income (expense), net.....	101	--	21	--	--	122
Income tax benefit (expense).....	(2)	(6)	--	--	2,458 (/7/)	2,450
Net income (loss).....	\$ 4	\$ 8	\$ (850)	\$1,729	\$(5,074)	\$(4,183)
	=====	=====	=====	=====	=====	=====

(/1/The)column represents the historical results of operations of the stations to be acquired for the year ended December 31, 1998. As these stations to be acquired did not prepare stand-alone financial statements, these financial statements were carved out from a larger entity and include the direct revenue and expenses charged to the stations and an allocation of those expenses which benefited the stations but were not directly charged

to the stations. As these results of operations include allocated expenses, these financial statements do not represent what the results from operations would have been if the stations operated on a stand-alone basis or what they would have been if they were owned by Radio One.

- (/2/The)column represents the historical results of operations for the year ended December 31, 1998 that were obtained from carveout audited financial statements. See the financial statements included elsewhere in this prospectus.
- (/3/Historical)financial statements and pro forma adjustments related to the St. Louis acquisition have not been included in this pro forma income statement, because Radio One has determined that this acquisition is a purchase of assets. Income statement activity would not be relevant, because Radio One plans to take the current station off the air, reformat the station, and move it to a new location.
- (/4/To)eliminate corporate management fees which would not be incurred by Radio One.
- (/5/To)record additional amortization of \$3,461 for intangibles related to the excess purchase price of \$66,733 over 15 years, less the amortization previously recorded by the acquired companies.
- (/6/To)record interest expense, calculated as follows:

Total acquisition cost for Cleveland and Richmond I, II and III	\$70,600
	=====
Interest expense on total acquisition cost at 7.95% for one year	\$ 5,613
Less: Interest expense previously recorded by acquired companies	1,100

Pro forma adjustment	\$ 4,513
	=====

(/7/)To record additional tax benefit related to additional loss as a result of the acquisitions.

(d) To record the decrease in interest expense related to the use of proceeds of this offering and the preferred stock offering, calculated as follows:

Proceeds of this offering	\$
Proceeds of the preferred stock offering	-----
Total	-----
Less: Retirement of preferred stock	-----
Less: Underwriting discounts and commissions, and offering cost expenses	-----
Subtotal	\$
	=====
Pro forma adjustment	\$
	=====

(e) To record the tax effect of the reduction in interest expense.

(f) Broadcast cash flow consists of operating income before depreciation, amortization, local marketing agreement fees and corporate expenses. EBITDA (before non-cash compensation expense) consists of operating income before depreciation, amortization, non-cash compensation expense and local marketing agreement fees. After-tax cash flow consists of income before income tax benefit (expense) and extraordinary items, minus net gain on sale of assets (net of tax) and the current income tax provision, plus depreciation and amortization expense and non-cash compensation expense. Although broadcast cash flow, EBITDA (before non-cash compensation expense), and after-tax cash flow are not measures of performance or liquidity calculated in accordance with GAAP, we believe that these measures are useful to an investor in evaluating Radio One because these measures are widely used in the broadcast industry as a measure of a radio broadcasting company's performance. Nevertheless, broadcast cash flow, EBITDA (before non-cash compensation expense) and after-tax cash flow should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Moreover, because broadcast cash flow, EBITDA (before non-cash compensation expense) and after-tax cash flow are not measures calculated in accordance with GAAP, these performance measures are not necessarily comparable to similarly titled measures employed by other companies.

(g) Broadcast cash flow margin is defined as broadcast cash flow divided by net broadcast revenue.

(h) Cash interest expense is calculated as interest expense less non-cash interest, including the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs, for the indicated period.

- (i) The accreted preferred stock dividend is calculated based on an assumed rate of .
- (j) For purposes of this calculation, earnings consist of income (loss) before income taxes, extraordinary items and fixed charges without including any activities relating to the acquisition of WYCB-AM, an Unrestricted Subsidiary. Fixed charges consist of interest expense, including the amortization of discounts on debt and the amortization of deferred financing costs. Earnings were insufficient to cover combined fixed charges and preferred stock dividends for the fiscal year ended December 31, 1998, by approximately \$4.5 million and on a pro forma as adjusted basis for the year ended December 31, 1998, by approximately \$ million.

Unaudited Pro Forma Consolidated Balance Sheet

As of December 31, 1998

	Historical	Completed Transactions Adjustments (a)	Pro Forma for Completed Transactions (b)	Pending Transactions Adjustments (c)	Pro Forma for Completed and Pending Transactions	Offerings Adjustments	Pro Forma as Adjusted
(in thousands)							
ASSETS							
Current assets:							
Cash and cash equivalents.....	\$ 4,455	\$(2,989)	\$ 1,466	\$(84,200)	\$(82,734)	\$(d)	\$
Trade accounts receivable, net.....	12,026	2,479	14,505	703	15,208	--	
Prepaid expenses and other.....	334	202	536	31	567	--	
Deferred taxes.....	826	164	990	--	990	--	
Total current assets.....	17,641	(144)	17,497	(83,466)	(65,969)		
Property and equipment, net.....	6,717	1,758	8,475	3,133	11,608	--	
Intangible assets, net.....	127,639	49,147	176,786	80,333	257,119	--	
Deferred taxes.....	--	60	60	--	60	--	
Other assets.....	1,859	40	1,899	--	1,899	--	
Total assets.....	\$153,856	\$50,861	\$204,717	\$ --	\$204,717	\$	\$
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts payable and accrued expenses....	\$ 4,898	\$ 1,189	\$ 6,087	\$ --	\$ 6,087	\$--	\$
Income taxes payable.....	143	--	143	--	143	--	
Total current liabilities.....	5,041	1,189	6,230	--	6,230	--	
Bank credit facility..	49,350	16,437	65,787	--	65,787	(e)	
12% notes due 2004....	78,458	--	78,458	--	78,458	--	
WYCB acquisition debt.....	3,841	--	3,841	--	3,841	--	
Other long-term debt..	90	--	90	--	90	--	
Deferred tax liability.....	15,251	--	15,251	--	15,251	--	
Total liabilities..	152,031	17,626	169,657	--	169,657		
Existing preferred stock:							
Series A.....	10,816	--	10,816	--	10,816	(f)	--
Series B.....	15,868	--	15,868	--	15,868	(f)	--
New Preferred Stock.....	--	--	--	--	--	(f)	--
	26,684	--	26,684	--	26,684		
Stockholders' equity (deficit):							
Class A common stock.....	--	--	--	--	--	(g)	
Class B common stock.....	--	--	--	--	--		
Class C common stock.....	--	--	--	--	--		
Additional paid in capital.....	--	33,235	33,235	--	33,235	(g)	
Accumulated (deficit).....	(24,859)	--	(24,859)	--	(24,859)	--	
Total stockholders' equity (deficit)..	(24,859)	33,235	8,376	--	8,376		
Total liabilities and stockholders' equity (deficit)..	\$153,856	\$50,861	\$204,717	\$ --	\$204,717	\$	\$

Footnotes for the Unaudited Pro Forma Consolidated Balance Sheet as of December 31, 1998

- (a) See the Consolidated Financial Statements included elsewhere in this prospectus.
- (b) The table below gives effect to the acquisition of ROA, the retirement of ROA's outstanding debt and the purchase of the remaining 20% of Dogwood.

As of December 31, 1998			
	ROA Historical(/1/)	Pro Forma Adjustments	Total
(in thousands)			
ASSETS			
Current Assets:			
Cash and cash equivalents.....	\$ 1,711	\$(4,700) (/2/)	\$(2,989)
Trade accounts receivable, net..	2,479	--	2,479
Prepaid expenses and other.....	202	--	202
Deferred taxes.....	164	--	164
	-----	-----	-----
Total current assets.....	4,556	(4,700)	(144)
Property and equipment, net.....	1,758	--	1,758
Intangible assets, net.....	10,867	38,280 (/3/)	49,147
Deferred taxes.....	60	--	60
Other assets.....	40	--	40
	-----	-----	-----
Total assets.....	\$17,281	\$33,580	\$50,861
	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Account payable and accrued expenses.....	\$ 1,189	\$ --	\$ 1,189
Current portion of long-term debt.....	327	(327) (/4/)	--
	-----	-----	-----
Total current liabilities.....	1,516	(327)	1,189
Long-term debt and deferred interest.....	15,525	912 (/4/)	16,437
	-----	-----	-----
Total liabilities.....	17,041	585	17,626
	-----	-----	-----
Stockholders' Equity (Deficit):			
Common stock.....	10	(10) (/5/)	--
Additional paid in capital.....	1,390	31,845 (/5/)	33,235
Accumulated earnings (deficit)..	(1,160)	1,160 (/5/)	--
	-----	-----	-----
Total stockholders' equity ...	240	32,995	33,235
	-----	-----	-----
Total liabilities and stockholders' equity	\$17,281	\$33,580	\$50,861
	=====	=====	=====

- (1) See the Consolidated Financial Statements included elsewhere in this prospectus.
- (2) To reflect the \$3,500 payment for the remaining 20% interest in Dogwood and a \$1,200 fee paid by ROA to a stockholder for arranging the acquisition.
- (3) To reflect the acquisition of the remaining 20% interest in Dogwood for \$3,500 and the step up of the assets from the acquisition of ROA. Radio One applied step up accounting to the portion of ROA owned by non-Radio One stockholders and non-controlling stockholders of ROA. The portion of ROA owned by the controlling stockholder of ROA and stockholder of Radio One was accounted for based on historical cost. The valuation of ROA for purposes of the step-up adjustment was based on Radio One's estimate of ROA's value as of the date the parties agreed in principle to the acquisition.
- (4) To record the refinancing of ROA's outstanding debt of \$15,852 plus unamortized discount of \$360 and deferred financing costs of \$225 related to the bank credit facility.
- (5) To eliminate the stockholders' equity accounts of ROA, reflect the Radio One common stock issued as part of the acquisition, record the increase to additional paid in capital for the step up of the assets related to the ROA acquisition, reduce net equity for the write-off of the unamortized discount and deferred financing costs on ROA's debt and to record a \$1,200 fee paid by ROA to a stockholder for arranging the acquisition.

(c) The table below gives effect to the pending transactions as of March 31, 1999 as if they had occurred on December 31, 1998.

As of December 31, 1998							
	Cleveland Historical(/1/)	Richmond I Historical(/1/)	Richmond II Historical(/3/)	Richmond III Historical(/3/)	St. Louis Historical(/2/)	Acquisitions Adjustments	Total
(in thousands)							
ASSETS							
Current Assets:							
Cash and cash equivalents.....	\$ --	\$ --	\$ 34	\$ 142	\$ --	\$(84,376)(/4/)	\$(84,200)
Trade accounts receivable, net.....	315	62	326	1,400	--	(1,400)(/5/)	703
Prepaid expenses and other.....	--	--	--	31	--	--	31
Total current assets.....	315	62	360	1,573	--	(85,776)	(83,466)
Property and equipment, net....	825	27	1,079	1,202	--	--	3,133
Intangible assets, net.....	4,788	--	3,343	3,692	--	68,510 (/6/)	80,333
Other assets.....	--	--	--	--	--	--	--
Deferred taxes.....	--	--	--	--	--	--	--
Total assets....	\$5,928	\$ 89	\$4,782	\$6,467	\$ --	\$(17,266)	\$ --
LIABILITIES AND STATION EQUITY							
Current Liabilities:							
Accounts payable and accrued expenses.....	\$ --	\$ --	\$ 168	\$ 566	\$ --	\$ (734)(/7/)	\$ --
Current portion of long-term debt.....	--	--	13	--	--	(13)(/7/)	--
Total current liabilities....	--	--	181	566	--	(747)(/7/)	--
Long-term debt and deferred interest.....	--	--	5,049	--	--	(5,049)(/7/)	--
Total liabilities....	--	--	5,230	566	--	(5,796)	--
Station equity (deficit).....	5,928	89	(448)	5,901	--	(11,470)(/8/)	--
Total liabilities and station equity (deficit).....	\$5,928	\$ 89	\$4,782	\$6,467	\$ --	\$(17,266)	\$ --

(1) The column represents the historical balance sheet of the stations acquired. As the stations acquired did not prepare stand-alone financial statements, these financial statements were carved out from a larger entity and include the assets and liabilities of the stations to be acquired.

(2) Historical financial statements related to the St. Louis acquisition have not been included in this pro forma balance sheet because Radio One has determined that this acquisition is a purchase of the license only.

(3) See Financial Statements included elsewhere in this prospectus.

(4) To reflect the cash paid by Radio One of \$84,200 for the St. Louis, Cleveland and Richmond I, II and III acquisitions and to reflect cash not assumed from acquired companies.

(5) To eliminate the trade accounts receivable not purchased in the Richmond III acquisition.

(6) To record intangible assets booked as a result of the acquisitions, calculated as follows:

	Purchase Price	Net Tangible Assets Acquired	Intangibles Acquired
Total.....	\$84,200	\$3,867	\$80,333
Less: Intangibles recorded on historical books.....			11,823

Pro forma adjustment..... \$68,510
=====

- (7) To eliminate accounts payable, accrued expenses and debt that will not be assumed by Radio One.
- (8) To eliminate the station equity from the entities acquired.

- (d) To reflect the net proceeds of this offering at an assumed public offering price of \$ per share and to reflect the preferred stock offering less underwriting discounts and commissions, offering expenses of \$, redemption of the existing preferred stock and retirement of debt.

- (e) To reflect the retirement of debt with the proceeds from this offering.
- (f) To reflect proceeds of \$50,000 from the preferred stock offering, and the redemption of the existing preferred stock.
- (g) To reflect the net proceeds of this offering assuming the sale of shares of common stock at an estimated offering price of \$ per share, less underwriting discounts, commissions and offering costs of \$ for this offering and the preferred stock offering.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table contains selected historical consolidated financial data with respect to Radio One. The selected historical consolidated financial data have been derived from the Consolidated Financial Statements of Radio One for each of the fiscal years for the five year period ended December 31, 1998, which have been audited by Arthur Andersen LLP, independent public accountants. The selected historical consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements of Radio One included elsewhere in this prospectus.

The following table includes information regarding broadcast cash flow, EBITDA, and after-tax cash flow. Broadcast cash flow consists of operating income before depreciation, amortization, local marketing agreement fees and corporate expenses. EBITDA consists of operating income before depreciation, amortization, and local marketing agreement fees. After-tax cash flow consists of income before income tax benefit (expense) and extraordinary items, minus net gain on sale of assets (net of tax) and the current income tax provision, plus depreciation and amortization expense. Although broadcast cash flow, EBITDA, and after-tax cash flow are not measures of performance or liquidity calculated in accordance with GAAP, we believe that these measures are useful to an investor in evaluating Radio One because these measures are widely used in the broadcast industry as a measure of a radio broadcasting company's performance. Nevertheless, broadcast cash flow, EBITDA and after-tax cash flow should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. Moreover, because broadcast cash flow, EBITDA and after-tax cash flow are not measures calculated in accordance with GAAP, these performance measures are not necessarily comparable to similarly titled measures employed by other companies.

Fiscal Year Ended(/1/)

	Dec. 25, 1994	December 31, 1995	December 31, 1996	December 31, 1997	December 31, 1998
(in thousands, except per share data)					
Statement of Operations:					
Net broadcast revenue.....	\$15,541	\$ 21,455	\$ 23,702	\$ 32,367	\$ 46,109
Station operating expenses...	8,506	11,736	13,927	18,848	24,501
Corporate expenses.....	1,128	1,995	1,793	2,155	2,800
Depreciation and amortization.....	2,027	3,912	4,262	5,828	8,445
Operating income.....	3,880	3,812	3,720	5,536	10,363
Interest expense(/2/)	2,665	5,289	7,252	8,910	11,455
Other income (expense), net..	38	89	(77)	415	358
Income tax benefit (expense)(/3/)	(30)	--	--	--	1,575
Income (loss) before extraordinary item.....	1,223	(1,388)	(3,609)	(2,959)	841
Extraordinary loss.....	--	468	--	1,985	--
Net income (loss).....	\$ 1,223	\$ (1,856)	\$ (3,609)	\$ (4,944)	\$ 841
Net income (loss) applicable to common stockholders.....	\$ 1,223	\$ (1,856)	\$ (3,609)	\$ (6,981)	\$ (2,875)
Earnings per common share:(/4/)					
Basic and diluted.....	\$	\$	\$	\$	\$
Weighted average common shares outstanding:(/4/)					
Basic and diluted.....					
Other Data:					
Broadcast cash flow.....	\$ 7,035	\$ 9,719	\$ 9,775	\$ 13,519	\$ 21,608
Broadcast cash flow margin(/5/)	45.3%	45.3%	41.2%	41.8%	46.9%
EBITDA (before non-cash compensation).....	\$ 5,907	\$ 7,724	\$ 7,982	\$ 11,364	\$ 18,808
After-tax cash flow.....	2,763	2,524	806	2,869	7,248
Cash interest expense(/6/)	2,356	5,103	4,815	4,413	7,192
Accreted preferred stock dividends.....	--	--	--	2,037	3,716
Capital expenditures.....	639	224	252	2,035	2,236
Balance Sheet Data (at period end):					
Cash and cash equivalents.....					\$ 4,455
Intangible assets, net.....					127,639
Total assets.....					153,856
Total debt (including current portion and deferred interest)....					131,739
Preferred stock.....					26,684
Total stockholders' deficit.....					24,859

(/1/Year-to-year)comparisons are significantly affected by Radio One's acquisition of various radio stations during the periods covered. See "Management's Discussion and Analysis of Financial Condition and Results of Operations." Prior to the fiscal year ended December 31, 1996, Radio One's accounting reporting period was based on a fifty-two/fifty-three week period ending on the last Sunday of the calendar year. During 1996, we changed our fiscal year end to December 31.

(/2/Interest)expense includes non-cash interest, such as the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs.

(/3/From)January 1, 1996 to May 19, 1997, Radio One elected to be treated as an S corporation for U.S. federal and state income tax purposes and, therefore, generally was not subject to income tax at the corporate level during that period.

(/4/Assumes)a for one stock split, the exercise of warrants to acquire shares of common stock and shares of common stock issued to an employee were effective for all periods presented.

(/5/Broadcast)cash flow margin is defined as broadcast cash flow divided by net broadcast revenue.

(/6/Cash)interest expense is calculated as interest expense less non-cash interest, including the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs, for the indicated period.

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

The following information should be read in conjunction with "Selected Historical Consolidated Financial Data" and the Financial Statements and the notes thereto included elsewhere in this prospectus.

Introduction

The net broadcast revenue of Radio One is derived from local and national advertisers and, to a much lesser extent, ticket and other revenue related to special events sponsored by Radio One throughout the year. Our 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. We strive to control these expenses by centralizing certain functions such as finance, accounting, legal, human resources and management information systems and the overall programming management function, as well as using our multiple stations, market presence and purchasing power to negotiate favorable rates with certain vendors and national representative selling agencies. Depreciation and amortization of costs associated with the acquisition of the stations and interest carrying charges are significant factors in determining Radio One's overall profitability.

Radio One's net broadcast revenue is affected primarily by the advertising rates our 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 (1) a radio station's audience share in the demographic groups targeted by advertisers, as measured principally by quarterly reports developed by Arbitron, (2) the number of radio stations in the market competing for the same demographic groups, and (3) the supply of and demand for radio advertising time. Advertising rates are generally highest during morning and afternoon commuting hours. In 1998, approximately 67.4% of Radio One's revenue was generated from local advertising and 30.3% was generated from national spot advertising. The balance of 1998 revenue was generated primarily from network advertising, tower rental income and ticket and other revenue related to Radio One sponsored events.

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 broadcast revenue and broadcast cash flow, although broadcast cash flow is not a measure utilized under GAAP. 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 GAAP, nor as a measure of Radio One'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 net broadcast revenue in the period in which such expenses are incurred. We generally incur 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.

In the broadcasting industry, radio stations often utilize trade or barter agreements to reduce expenses by exchanging advertising time for goods or services. In order to maximize cash revenue from our spot inventory, we minimize the use of trade agreements and have reduced trade revenue to approximately 1.2% of our gross revenue in 1998, down from approximately 4.2% in 1996.

Radio One calculates same station growth over a particular period by comparing performance of stations owned or operated under an LMA during the current period with the performance of the same stations for the

corresponding period in the prior year. However, no station will be included in such a comparison unless it has been owned or operated under an LMA for at least one month of every quarter included in each of the current and corresponding prior-year periods.

From January 1, 1996, to December 31, 1998, Radio One acquired six radio stations. On May 19, 1997, Radio One acquired WPHI-FM (formerly WDRE-FM), in Philadelphia, for approximately \$20.0 million, after having operated the station under an LMA since February 8, 1997. On March 16, 1998, Radio One, through an Unrestricted Subsidiary, acquired BHI, owner and operator of WYCB-AM, in Washington, D.C., for approximately \$3.8 million. On June 30, 1998, Radio One acquired Bell Broadcasting, owner and operator of WDTJ-FM (formerly WCHB-FM) and WCHB-AM in Detroit, and WJZZ-AM in Kingsley, Michigan, for approximately \$34.2 million. On December 28, 1998, Radio One acquired Allur-Detroit, owner and operator of WWBR-FM, in Detroit, for approximately \$26.5 million.

The consolidated financial statements of Radio One included elsewhere in this prospectus set forth the results of operations of: WPHI-FM for approximately 11 months of fiscal year 1997, including the LMA period, and for fiscal year 1998; WYCB-AM from March 16, 1998, through the end of fiscal year 1998; Bell Broadcasting from July 1, 1998, through the end of fiscal year 1998; and Allur-Detroit from December 29, 1998, through the end of fiscal year 1998. The discussion below concerning results of operations reflects the operations of radio stations Radio One owned and/or managed during the periods presented. As a result of the acquisition of WPHI-FM in May 1997, WYCB-AM in March 1998, Bell Broadcasting in June 1998, and Allur-Detroit in December 1998, Radio One's historical financial data prior to such times are not directly comparable to Radio One's historical financial data for subsequent periods. Additionally, due to recent acquisition activity, our 1998 pro forma results differ materially from our actual 1998 results. For the year ended December 31, 1998, pro forma for completed transactions, net broadcast revenue and broadcast cash flow were approximately \$60.8 million and \$27.0 million, respectively, compared to actual net broadcast revenue and broadcast cash flow of \$46.1 million and \$21.6 million, respectively.

Results of Operations

The following table summarizes Radio One's historical consolidated results of operations.

	Year Ended December 31,		
	1996	1997	1998
(in thousands)			
Statement of Operations:			
Net broadcast revenue.....	\$23,702	\$32,367	\$46,109
Station operating expenses.....	13,927	18,848	24,501
Corporate expenses.....	1,793	2,155	2,800
Depreciation and amortization.....	4,262	5,828	8,445
Operating income.....	3,720	5,536	10,363
Interest expense.....	7,252	8,910	11,455
Other income (expense), net.....	(77)	415	358
Loss before benefit for income taxes and extraordinary item.....	(3,609)	(2,959)	(734)
Income tax benefit.....	--	--	1,575
Income (loss) before extraordinary item.....	(3,609)	(2,959)	841
Extraordinary loss.....	--	1,985	--
Net income (loss).....	\$(3,609)	\$(4,944)	\$ 841
Broadcast cash flow.....	\$ 9,775	\$13,519	\$21,608
Broadcast cash flow margin.....	41.2%	41.8%	46.9%
EBITDA.....	\$ 7,982	\$11,364	\$18,808
After-tax cash flow.....	806	2,869	7,248

Fiscal Year Ended December 31, 1998 Compared to Fiscal Year Ended December 31, 1997

Net Broadcast Revenue. Net broadcast revenue increased to approximately \$46.1 million for the fiscal year ended December 31, 1998, from approximately \$32.4 million for the fiscal year ended December 31, 1997, or 42.3%. Approximately \$3.8 million of the increase was attributable to stations acquired during 1998. On a same station basis, net revenue for the period increased approximately 30.6% to approximately \$42.3 million in 1998 from approximately \$32.4 million in 1997. This increase was the result of continuing broadcast revenue growth in Radio One's Washington, D.C., Baltimore, and Philadelphia markets as we benefitted from ratings increases at certain of our radio stations, improved power ratios at these stations and radio market growth.

Station Operating Expenses. Station operating expenses excluding depreciation and amortization increased to approximately \$24.5 million for the fiscal year ended December 31, 1998, from approximately \$18.8 million for the fiscal year ended December 31, 1997, or 30.3%. Approximately \$2.5 million of the increase was attributable to stations acquired during 1998. On a same station basis, station operating expenses for the period increased approximately 17.0% to approximately \$22.0 million in 1998 from approximately \$18.8 million in 1997. This increase was primarily related to increases in sales commissions and license fees due to significant revenue growth, as well as additional programming costs related to ratings gains at some of our larger radio stations.

Corporate Expenses. Corporate expenses increased to approximately \$2.8 million for the fiscal year ended December 31, 1998, from approximately \$2.2 million for the fiscal year ended December 31, 1997, or 27.3%. This increase was due primarily to growth in the corporate staff consistent with our overall expansion, annual costs associated with the 12% notes due 2004 and costs associated with our public reporting requirements.

Depreciation and Amortization. Depreciation and amortization increased to approximately \$8.4 million for the fiscal year ended December 31, 1998, from approximately \$5.8 million for the fiscal year ended December 31, 1997, or 44.8%. This increase was due primarily to our asset growth as well as our acquisitions in 1998.

Operating Income. Operating income increased to approximately \$10.4 million for the fiscal year ended December 31, 1998, from approximately \$5.5 million for the fiscal year ended December 31, 1997, or 89.1%. This increase was attributable to the increases in broadcast revenues partially offset by higher operating expenses and higher depreciation and amortization expenses as described above.

Interest Expense. Interest expense increased to approximately \$11.5 million for the fiscal year ended December 31, 1998, from approximately \$8.9 million for the fiscal year ended December 31, 1997, or 29.2%. This increase was primarily due to the 12% notes offering, the retirement of our approximately \$45.6 million bank credit facility and borrowings under our bank credit facility associated with the Bell Broadcasting acquisition.

Other Income. Other income decreased to \$358,000 for the fiscal year ended December 31, 1998, from \$415,000 for the fiscal year ended December 31, 1997, or 13.7%. This decrease was primarily attributable to lower interest income due to lower cash balances as we used a portion of our cash balances to help fund the Bell Broadcasting acquisition.

Loss before Benefit from Income Taxes. Loss before benefit from income taxes decreased to \$734,000 for the fiscal year ended December 31, 1998, from approximately \$3.0 million for the fiscal year ended December 31, 1997, or 75.5%. This decrease was due to higher operating income partially offset by higher interest expense and lower other income. The income tax benefit of approximately \$1.6 million for the year ended December 31, 1998, was the result of reversing our valuation allowance recorded in prior years related to our net operating loss carryforward and other deferred tax assets, offset by an income tax provision of \$483,000 as we had net income for tax reporting purposes as a result of non-deductible amortization expense for income tax purposes. Certain intangible assets acquired as a result of the Bell Broadcasting acquisition maintained their old income tax basis because the Bell Broadcasting acquisition was a stock purchase.

Net Income (Loss). Net income increased to \$841,000 for the fiscal year ended December 31, 1998, from a net loss of approximately \$4.9 million for the fiscal year ended December 31, 1997. The increase was due to higher operating income and an income tax benefit, partially offset by higher interest expense as described above and an approximate \$2.0 million extraordinary loss related to the refinancing of debt.

Broadcast Cash Flow. Broadcast cash flow increased to approximately \$21.6 million for the fiscal year ended December 31, 1998, from approximately \$13.5 million for the fiscal year ended December 31, 1997, or 60.0%. Approximately \$1.3 million of the increase was attributable to stations acquired during 1998. On a same station basis, broadcast cash flow for the period increased approximately 50.4% to approximately \$20.3 million in 1998 from approximately \$13.5 million in 1997. This increase was attributable to the increase in net broadcast revenue partially offset by higher station operating expenses as described above.

Our broadcast cash flow margin increased to approximately 46.9% for the fiscal year ended December 31, 1998, from 41.8% for the fiscal year ended December 31, 1997. On a same station basis, broadcast cash flow margin for the period increased to approximately 48.0% in 1998 from approximately 41.8% in 1997. This increase was the result of strong revenue gains in our more mature markets partially offset by slower expense growth in those markets. The lower actual broadcast cash flow margin versus that reported on a same station basis for 1998 was the result of our recent entrance into the Detroit market where we acquired underperforming stations with profit margins lower than those of many of the radio stations we own in markets in which we have operated for a longer period of time.

EBITDA. EBITDA increased to approximately \$18.8 million for the fiscal year ended December 31, 1998, from approximately \$11.4 million for the fiscal year ended December 31, 1997, or 64.9%. This increase was attributable to the increase in net broadcast revenue partially offset by higher station operating and corporate expenses as described above.

After-Tax Cash Flow. After-tax cash flow increased to approximately \$7.2 million for the fiscal year ended December 31, 1998, from approximately \$2.9 million for the fiscal year ended December 31, 1997, or 148.3%. This increase was attributable to higher net income and depreciation and amortization as described above.

Fiscal Year Ended December 31, 1997 Compared to Fiscal Year Ended December 31, 1996

Net Broadcast Revenue. Net broadcast revenue 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%. Approximately \$2.6 million of the increase was attributable to the station acquired during 1997. On a same station basis, net revenue for the period increased approximately 25.7% to approximately \$29.8 million in 1997 from approximately \$23.7 million in 1996. This increase was primarily the result of significant net broadcast revenue growth in our Washington, D.C. and Baltimore markets as we benefitted from ratings increases at our larger radio stations as well as radio market growth.

Station Operating Expenses. Station operating expenses excluding depreciation and amortization increased to approximately \$18.8 million for the fiscal year ended December 31, 1997, from approximately \$13.9 million for the fiscal year ended December 31, 1996, or 35.3%. Approximately \$2.4 million of the increase was attributable to stations acquired during 1997. On a same station basis, station operating expenses for the period increased approximately 18.0% to approximately \$16.4 million in 1997 from approximately \$13.9 million in 1996. This increase was due to higher sales, programming and administrative costs associated with the significant net broadcast revenue growth and ratings gains at our radio stations.

Corporate 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 consistent with our overall expansion, annual costs associated with the 12% notes due 2004 and the costs associated with our public reporting requirements.

Depreciation and Amortization. Depreciation and amortization increased to approximately \$5.8 million for the fiscal year ended December 31, 1997, from approximately \$4.3 million for the fiscal year ended December 31, 1996, or 34.9%. This increase was due primarily to our acquisition of WPHI-FM (formerly WDRE-FM) in 1997.

Operating Income. 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 net broadcast revenue partially offset by higher operating expenses, higher depreciation and amortization expenses and start-up losses incurred earlier in 1997 related to the acquisition of WPHI-FM.

Interest Expense. 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 12% notes offering and the associated retirement of our \$45.6 million bank credit facility at that time.

Other Income (Loss). Other income increased to approximately \$415,000 for the fiscal year ended December 31, 1997, from a loss of 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 our cash flow growth and capital raised in the 12% notes offering.

Loss before Benefit for Income Taxes. 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 12% notes offering.

Net Loss. 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 a loss of approximately \$2.0 million on the early retirement of the indebtedness under a former bank credit facility with the proceeds from the 12% notes offering, as well as the exchange of our 15% subordinated promissory notes due 2004 for existing preferred stock.

Broadcast Cash Flow. 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%. Approximately \$0.2 million of the increase was attributable to stations acquired during 1997. On a same station basis, broadcast cash flow for the period increased approximately 35.7% to approximately \$13.3 million in 1997 from approximately \$9.8 million in 1996. This increase was attributable to the increases in net broadcast revenue partially offset by higher station operating expenses.

Our broadcast cash flow margin increased to approximately 41.8% for the fiscal year ended December 31, 1997 from 41.2% for the fiscal year ended December 31, 1996. On a same station basis, broadcast cash flow margin for the period increased to approximately 44.6% in 1997 from approximately 41.2% in 1996. This increase was the result of strong revenue gains in our more mature markets partially offset by slower expense growth in those markets. The lower actual broadcast cash flow margin versus that reported on a same station basis for 1997 is the result of our entry into the Philadelphia market where we acquired an underperforming station with profit margins lower than those of many of the radio stations we own in markets in which we have operated for a longer period of time.

EBITDA. EBITDA increased to approximately \$11.4 million for the fiscal year ended December 31, 1997, from approximately \$8.0 million for the fiscal year ended December 31, 1996, or 42.5%. This increase was attributable to the increase in net broadcast revenue partially offset by higher operating and corporate expenses.

After-Tax Cash Flow. After-tax cash flow increased to approximately \$2.9 million for the fiscal year ended December 31, 1997, from approximately \$806,000 for the fiscal year ended December 31, 1996, or 259.8%. This increase was attributable to higher net income and depreciation and amortization as described above.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations and, to the extent necessary, undrawn commitments available under the bank credit facility. Our ability to borrow in excess of the commitments set forth in the credit agreement is limited by the terms of the indenture and our preferred stock. Additionally, such terms place restrictions on Radio One 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.

We have used a significant portion of our capital resources to consummate acquisitions. These acquisitions were or will be funded from (1) the bank credit facility, (2) the proceeds of this offering and the preferred stock offering, and (3) internally generated cash flow. A portion of the net proceeds from these offerings will be used to repay our outstanding indebtedness under the bank credit facility. See "Use of Proceeds."

Radio One's balance of cash and cash equivalents was approximately \$4.5 million as of December 31, 1998, and approximately \$8.5 million as of December 31, 1997. This decrease in cash resulted primarily from

our use of approximately \$9.5 million of our then available cash to fund partially the Bell Broadcasting acquisition, offset by an increase in cash from operations. The balance of the purchase price and expenses related to the Bell Broadcasting acquisition was funded with approximately \$25.4 million drawn on a \$32.5 million bank credit facility that we entered into concurrent with the closing of the acquisition of Bell Broadcasting. We subsequently increased the bank credit facility to \$57.5 million from which we drew down an additional \$24.0 million to fund partially the acquisition of Allur-Detroit. On December 31, 1998, approximately \$8.1 million was available to be drawn down from the bank credit facility. On February 26, 1999, we entered into an amended and restated credit agreement under which we may borrow up to \$100 million on a revolving basis from a group of banking institutions, subject to financial ratio restrictions. Immediately following the acquisition of ROA, approximately \$72.0 million was outstanding under our bank credit facility.

Concurrent with this offering, we anticipate issuing \$50 million in new preferred stock. The proceeds of the preferred stock offering will be used in part to increase availability under our bank credit facility. This availability is expected to be used in part to fund pending acquisitions. In the event the preferred stock offering is not consummated, we believe we have adequate liquidity and access to other financing sources to fund these acquisitions.

Net cash flow from operating activities increased to approximately \$9.3 million for the fiscal year ended December 31, 1998, from approximately \$4.9 million for the fiscal year ended December 31, 1997, or 89.8%. This increase was primarily due to net income (versus a net loss in 1997) and non-cash expenses. Non-cash expenses of depreciation and amortization increased to approximately \$8.4 million for fiscal year ended December 31, 1998, from approximately \$5.8 million for the fiscal year ended December 31, 1997, or 44.8% due to our recent acquisitions, as well as leasehold improvements made to our new headquarters and Washington, D.C. radio studios in the second half of 1997. Non-cash expenses of amortization of debt financing costs, unamortized discount and deferred interest increased to approximately \$4.1 million for the fiscal year ended December 31, 1998, from approximately \$3.3 million for the fiscal year ended December 31, 1997, or 24.2%, due to the 12% notes offering. We also incurred a non-cash expense of approximately \$2.0 million related to the loss on extinguishment of debt during the fiscal year ended December 31, 1997.

Net cash flow used in investing activities increased to approximately \$61.2 million for the fiscal year ended December 31, 1998, compared to approximately \$23.2 million for the fiscal year ended December 31, 1997, or 163.8%. During the fiscal year ended December 31, 1998, we acquired Bell Broadcasting for approximately \$34.2 million plus the cost of additional assets and expenses related to the transaction, and acquired Allur-Detroit for approximately \$26.5 million. Additionally, we made purchases of capital equipment totaling approximately \$2.2 million. During the fiscal year ended December 31, 1997, we acquired WPHI-FM for approximately \$20.0 million and made purchases of capital equipment totaling approximately \$2.0 million.

Net cash flow from financing activities was approximately \$47.8 million for the fiscal year ended December 31, 1998. During the fiscal year ended December 31, 1998, Radio One entered into a \$57.5 million bank credit facility, of which, approximately \$49.4 million was used to finance partially the acquisitions of Bell Broadcasting and Allur-Detroit. In conjunction with this facility, we incurred approximately \$1.0 million in deferred debt financing costs. Additionally, during the fiscal year ended December 31, 1998, a wholly-owned Unrestricted Subsidiary of Radio One financed the acquisition of WYCB-AM with a promissory note due to the seller for approximately \$3.8 million. Net cash flow from financing activities was approximately \$25.1 million for the fiscal year ended December 31, 1997. During the fiscal year ended December 31, 1997, we completed the 12% notes offering and raised net proceeds of approximately \$72.8 million. We used approximately \$19.1 million of these proceeds to acquire WPHI-FM (formerly WDRE-FM) and approximately \$45.6 million of the proceeds to retire the outstanding indebtedness under our then existing bank credit facility. In conjunction with the 12% notes offering we incurred approximately \$2.1 million in deferred debt financing costs. As a result, cash and cash equivalents decreased by approximately \$4.0 million during the fiscal year ended December 31, 1998, compared to an increase of approximate \$6.8 million during the fiscal year ended December 31, 1997.

We continuously review, and are currently reviewing, opportunities to acquire additional radio stations, primarily in the top 30 African-American markets. Although we engage in discussions regarding potential acquisitions from time to time in the ordinary course of business, as of the date of this prospectus, other than the pending transactions, we have no written or oral understandings, letters of intent or contracts to acquire radio stations. We anticipate 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 of these sources. However, there can be no assurance that financing from any of these sources, if available, will be available on favorable terms.

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 Radio One's indebtedness, to fund anticipated capital expenditures and working capital requirements and to enable us to comply with the terms of our debt agreements. Our ability to meet our debt service obligations and reduce our total debt, and our ability to refinance the 12% notes due 2004, at or prior to their scheduled maturity date in 2004, will depend upon our future performance which, in turn, will be subject to general economic conditions and to financial, business and other factors, including factors beyond our control. For 1999, we anticipate maintenance capital expenditures to be between \$1.0 million and \$2.0 million and total capital expenditures to be between \$4.0 million and \$6.0 million. During 1997, Radio One converted from a S corporation to a C corporation.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for each of our fiscal years in the three-year period ended December 31, 1998. However, there can be no assurance that future inflation would not have an adverse impact on our operating results and financial condition.

Seasonality

Seasonal net broadcast revenue fluctuations are common in the radio broadcasting industry and are due primarily to fluctuations in advertising expenditures by local and national advertisers. Radio One's first fiscal quarter generally produces the lowest net broadcast revenue for the year.

Year 2000 Compliance

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

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

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

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

BUSINESS

Radio One was founded in 1980 and is the largest radio broadcasting company in the United States primarily targeting African-Americans. After we complete our pending acquisitions, we will own and operate 25 radio stations. Twenty-four of these stations (seventeen FM and seven AM) are in eight of the top 20 African-American radio markets: Washington, D.C., Baltimore, Atlanta, Philadelphia, Detroit, St. Louis, Cleveland and Richmond. Our strategy is to expand within our existing markets and into new markets that have a significant African-American presence. We believe radio broadcasting primarily targeting African-Americans has significant growth potential. We also believe that we have a competitive advantage in the African-American market and the radio industry in general, due to our primary focus on urban formats, our skill in programming and marketing these formats, and our turnaround expertise.

We have succeeded in increasing ratings, net broadcast revenue and broadcast cash flow of all of the FM stations we have owned or managed for at least one year. The radio station clusters that we owned as of December 31, 1998, were ranked first or second in all of their markets in combined audience and net broadcast revenue share among radio stations targeting African-Americans. Our net broadcast revenue and broadcast cash flow have grown significantly on both a total and same station basis:

- Net broadcast revenue grew at a compound annual rate of 60.2% from an actual \$23.7 million in 1996 to \$60.8 million in 1998, pro forma for completed transactions.
- Broadcast cash flow grew at a compound annual rate of 66.0% from an actual \$9.8 million in 1996 to \$27.0 million in 1998, pro forma for completed transactions.
- Same station net broadcast revenue and broadcast cash flow grew at average annual rates of 28.0% and 42.7%, respectively, from 1996 through 1998, pro forma for Radio One of Atlanta, Inc., which was managed by us during this period.
- After-tax cash flow grew at a compound annual rate of 206.2% from an actual \$0.8 million in 1996 to \$7.5 million in 1998, pro forma for completed transactions.

Radio One is led by our Chairperson and co-founder, Ms. Catherine L. Hughes, and her son, Mr. Alfred C. Liggins, III, our Chief Executive Officer and President, who together have over 40 years of operating experience in radio broadcasting. Ms. Hughes, Mr. Liggins and our strong management team have successfully implemented a strategy of acquiring and turning around underperforming radio stations. We believe that we are well positioned to apply our proven operating strategy to our recently or soon to be acquired stations in Detroit, St. Louis, Cleveland and Richmond, and to other radio stations in existing and new markets as attractive acquisition opportunities arise.

The African-American Market Opportunity

We believe that operating urban formatted radio stations primarily targeting African-Americans has significant growth potential for the following reasons:

- Rapid African-American Population Growth. 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 20.0% increase from 1995, compared to an expected increase of 13.0% for the population as a whole. (Source: 1996 U.S. Census Bureau Current Population Report)
- Higher African-American Income Growth. According to the U.S. 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. African-American buying power is estimated to reach \$533 billion in 1999, up 73.0% from 1990 compared to a 57.0% increase for all Americans, and to account for 8.2% of total buying power in 1999, compared to 7.4% in 1990. (Source: "African-American Buying Power by Place of Residence: 1990-1999," Dr. Jeffrey M. Humphreys). In addition, the African-American consumer tends to have a different consumption profile than non-African-Americans. For example, 31% of African-Americans purchased

a TV, VCR or stereo in the past year compared to 25% of average U.S. households. African-Americans' higher than average rate of consumption is a powerful reason for U.S. retailers to increase targeted advertising spending toward this consumer group. (Source: Pricewaterhouse Coopers, LLP 1998 Study)

- . Growth in Advertising Targeting the African-American Market. We believe that large corporate advertisers are becoming more focused on reaching minority consumers in the United States. The African-American and Hispanic communities are viewed as an emerging growth market within the mature domestic market. A 1997 study estimated that major national advertisers spent \$881 million on advertising targeting African-American consumers, up from \$463 million in 1985. (Source: Target Market News (Chicago, IL-1997)). For example, Ford Motor Company reportedly plans to increase its spending targeting African-Americans and Hispanics by 20% in the 1998-99 model year. (Source: Ad Week Midwest September 28, 1998). We believe Ford is one example of many large corporations currently expanding their commitment to ethnic advertising.
- . Growing Influence of African-American Culture. We believe that there is an ongoing "urbanization" of many facets of American society as evidenced by the influence of African-American culture in the areas of music (for example, hip-hop and rap music), film, fashion, sports and urban-oriented television shows and networks. We believe that companies as disparate as the News Corporation's Fox television network, the sporting goods manufacturer Nike(R), the fast food chain McDonald's(R), and prominent fashion designers have embraced this urbanization trend in their products as well as their advertising messages.
- . Growing Popularity of Radio Formats Primarily Targeting African-Americans. We believe that urban programming has been expanded to target a more diverse urban listener base and has become more popular with listeners and advertisers over the past ten years. The number of urban radio stations has increased from 294 in 1990 to an estimated 371 in 1998, or 26%, and is expected to increase an additional 10% to 409 by 2002. In 1998, urban formats were one of the top three formats in nine of the top ten radio markets nationwide and the top format in five of these markets. (Source: INTEREP, Research Division, 1998 Urban Radio Study)
- . Concentrated Presence of African-Americans in Urban Markets. In 1996, approximately 58.0% of the African-American population was located in the top 30 African-American markets. Relative to radio broadcasters targeting a broader audience, we believe we can cover the various segments of our target market with fewer programming formats and therefore fewer radio stations than the maximum of eight allowed by the FCC. (Source: BIA, Fourth Edition 1998)
- . Strong African-American Listenership and Loyalty. In 1996, African-Americans listened to radio broadcasts an average of 27.2 hours per week compared to 22.9 hours per week for non-African-Americans among all persons in the ten largest markets. In addition, we believe that African-American radio listeners exhibit greater loyalty to radio stations that 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. (Source: INTEREP Research Division, 1998 Urban Radio Study)

Acquisition Strategy

Our acquisition strategy is to acquire and turn around underperforming radio stations principally in the top 30 African-American markets. We consider acquisitions in existing markets where expanded coverage is desirable and in new markets where we believe it is advantageous to establish a presence. In analyzing potential acquisition candidates, we generally consider:

- . the price and terms of the purchase;
- . whether the radio station has a signal adequate to reach a large percentage of the African-American community in a market;

- . whether we can increase ratings and net broadcast revenue of the radio station;
- . whether we can reformat or improve the radio station's programming in order to serve profitably the African-American community;
- . whether the radio station affords us the opportunity to introduce complementary formats in a market where we already maintain a presence; and
- . the number of competitive radio stations in the market.

For strategic reasons, or as a result of a station cluster purchase, we may also acquire and operate stations with formats that target non-African-American segments of the population.

Turnaround Expertise

We typically enter a market by acquiring a station or stations that have little or negative broadcast cash flow. Additional stations we have acquired in existing markets have often been, in our opinion, substantially underperforming. By implementing our operating strategies, we have succeeded in increasing ratings, net broadcast revenue and broadcast cash flow of all the FM stations we have owned or managed for at least one year. We have achieved these improvements while operating against much larger competitors. Some of these successful turnarounds are described below by market:

- . Washington, D.C. In 1995, we acquired WKYS-FM for approximately \$34.0 million. At the time, WKYS-FM was ranked number 13 by Arbitron in the 12-plus age demographic. Over a two-year period, we repositioned WKYS-FM, improved its programming and enhanced the station's community involvement and image. In the Fall 1998 Arbitron Survey, the station was ranked number one in the 18-34 age demographic (with a 10.2 share) and number two in the 12-plus age demographic (with a 5.4 share), behind two stations tied for number one (each with a 5.6 share).

In 1987, we acquired WMMJ-FM for approximately \$7.5 million. At the time, WMMJ-FM was being programmed in a general market Adult Contemporary format, and had a 1.2 share of the 12-plus age demographic. After extensive research we changed the station's format, making WMMJ-FM the first FM radio station on the East Coast to introduce an Urban Adult Contemporary programming format. In the Fall 1998 Arbitron Survey, the station was ranked number three in the 25-54 age demographic (with a 5.8 share) and number five in the 12-plus age demographic (with a 5.0 share).

- . Baltimore. In 1993, we acquired WERQ-FM and WOLB-AM (formerly WERQ-AM) for approximately \$9.0 million. At the time, these stations had mediocre ratings. We converted WERQ-FM's programming to a more focused Young Urban Contemporary format and began aggressively marketing the station. WERQ-FM is now Baltimore's dominant station, ranked number one in the 12-plus, 18-34 and 25-54 age demographics in the Fall 1998 Arbitron Survey, a position it first achieved in the Spring 1997 Arbitron Survey.

In 1992, we acquired WWIN-FM and its sister station, WWIN-AM, for approximately \$4.7 million. At the time, WWIN-FM was a distant second in ratings to its in-format direct competitor, WXYV-FM. We repositioned WWIN-FM towards the 25-54 age demographic, and in the Fall 1998 Arbitron Survey the station was ranked number two in that age demographic (with a 7.5 share) behind two stations tied for number one (each with a 7.7 share), including Radio One's WERQ-FM.

- . Atlanta. In 1995, ROA, then an affiliate of Radio One, acquired WHTA-FM (formerly WQUL-FM), a Class A radio station located approximately 40 miles from Atlanta, for approximately \$4.5 million. Prior to that acquisition, the previous owners, together with our management, upgraded and moved the station approximately 20 miles closer to Atlanta. The result was the introduction of a new, Young Urban Contemporary radio station in the Atlanta market. The station's ratings increased quickly, to an approximate 5.0 share in the 12-plus age demographic. In the Fall 1998 Arbitron Survey, the station was ranked number four in the 18-34 age demographic (with an 8.3 share).

- Philadelphia. In 1997, we acquired WPHI-FM (formerly WDRE-FM) for approximately \$20.0 million. At the time WDRE-FM was being programmed in a Modern Rock format and had a 2.0 share in the 12 plus age demographic. We changed the station's format to Young Urban Contemporary and, in the Fall 1998 Arbitron Survey, the station was ranked number 14 in the 12-plus age demographic (with a 3.3 share) and number five in the 18-34 age demographic (with a 6.0 share).

Top 30 African-American Radio Markets in the United States(/1/)

Boxes enclose the tabular information for Washington, D.C., Detroit, Philadelphia, Atlanta, Baltimore, St. Louis, Cleveland and Richmond.

Rank	Market	African-American Population in the Market(/2/) (in thousands)	African-Americans as a Percentage of the Overall Population in the Market(/2/)
1.	New York	3,731	22.2%
2.	Chicago	1,648	19.4
3.	Washington, D.C.	1,150	27.2
4.	Los Angeles	1,134	9.4
5.	Detroit	1,004	22.5
6.	Philadelphia	947	19.9
7.	Atlanta	921	25.7
8.	Houston/Galveston Miami/Ft. Lauderdale/	782	18.3
9.	Hollywood	718	20.2
10.	Dallas/Ft. Worth	645	14.2
11.	Baltimore	644	26.0
12.	San Francisco	599	9.2
13.	Memphis	482	41.5
14.	New Orleans Norfolk/Virginia	460	36.3
15.	Beach/Newport News	444	29.6
16.	St. Louis	439	17.2
17.	Cleveland	398	18.7
18.	Boston	281	7.3
19.	Richmond	281	30.0
20.	Charlotte/Gastonia/Rock Hill	266	19.9
21.	Birmingham	261	27.0
22.	Raleigh/Durham	244	23.5
23.	Milwaukee/Racine Greensboro/Winston	237	14.4
24.	Salem/High Point	226	19.7
25.	Nassau/Suffolk	221	8.3
26.	Cincinnati	220	11.4
27.	Kansas City Tampa/St.	215	12.8
28.	Petersburg/Clearwater	202	9.0
29.	Jacksonville	201	19.0
30.	San Diego	197	7.2

- (1) Boxes and bold text indicate markets where we currently own or will own and operate radio stations upon consummation of the acquisitions described under "Unaudited Pro Forma Consolidated Financial Information."
- (2) Population estimates are for 1996 and are based upon BIA Investing in Radio Market Report ("BIA 1998 Fourth Edition").

Operating Strategy

In order to maximize net broadcast revenue and broadcast cash flow at our radio stations, we strive to achieve the largest audience share of African-American listeners in each market, convert these audience share ratings to advertising revenue, and control operating expenses. The success of our strategy relies on the following:

- . market research, targeted programming and marketing;
- . strong management and performance-based incentives;
- . strategic sales efforts;
- . radio station clustering, programming segmentation and sales bundling;
- . advertising partnerships and special events; and
- . significant community involvement.

Market Research, Targeted Programming and Marketing

Radio One uses market research to tailor the programming, marketing and promotions of our radio stations to maximize audience share. To achieve these goals, we use 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 our existing radio stations to target those markets or segments.

We also seek to reinforce our targeted programming by creating a distinct and marketable identity for each of our radio stations. To achieve this objective, in addition to our significant community involvement discussed below, we employ and promote distinct, high-profile on-air personalities at many of our radio stations, many of whom have strong ties to the African-American community.

Strong Management and Performance-based Incentives

Radio One focuses on hiring highly motivated and talented individuals in each functional area of the organization who can effectively help us implement our growth and operating strategies. Radio One's management team is comprised of a diverse group of individuals who bring expertise to their respective functional areas. We seek to hire and promote individuals with significant potential, the ability to operate with high levels of autonomy and the appropriate team-orientation that will enable them to pursue their careers within the organization.

To enhance the quality of our management in the areas of sales and programming, 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 broadcast cash flow benchmarks which create an incentive for management to focus on both sales growth and 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.

Strategic Sales Efforts

Radio One has assembled an effective, highly trained sales staff responsible for converting audience share into revenue. We operate with a focused, sales-oriented culture which rewards aggressive selling efforts through a generous commission and bonus compensation structure. We hire and deploy large teams of sales professionals for each of our stations or station clusters, and we provide these teams with the resources necessary to compete effectively in the markets in which we operate. We utilize various sales strategies to sell

and market our stations as stand-alones, in combination with other stations within a given market and across markets, where appropriate.

Radio Station Clustering, Programming Segmentation and Sales Bundling

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

We believe there are several potential benefits that result from operating multiple radio stations in the same market. First, each additional radio station in a market provides us with a larger percentage of the prime advertising time available for sale within that market. Second, the more stations we program, the greater the market share we can achieve in our target demographic groups through the use of segmented programming. Third, we are 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 us to take advantage of our market expertise and existing relationships with advertisers.

Advertising Partnerships and Special Events

We believe that in order to create advertising loyalty, Radio One must strive to be the recognized expert in marketing to the African-American consumer in the markets in which we operate. We believe that Radio One has achieved this recognition by focusing on serving the African-American consumer and by creating innovative advertising campaigns and promotional tie-ins with our advertising clients and sponsoring numerous entertainment events each year. We sponsor the Stone Soul Picnic, an all-day free outdoor concert which showcases advertisers, local merchants and other organizations to over 100,000 people in each of Washington, D.C. and Baltimore. We also sponsor The People's Expo every March in Washington, D.C. and Baltimore, which provides entertainment, shopping and educational seminars to Radio One's listeners and others from the communities we serve. In these events, advertisers buy signage, booth space and broadcast promotions to sell a variety of goods and services to African-American consumers. As we expand our presence in our existing markets and into new markets, we plan to increase the number of events and the number of markets in which we host these major events.

Significant Community Involvement

We believe our active involvement and significant relationships in the African-American community provides a competitive advantage in targeting African-American audiences. In this way, we believe our proactive involvement in the African-American community in each of our markets significantly improves the marketability of our radio broadcast time to advertisers who are targeting such communities.

We believe that a radio station's image should reflect the lifestyle and viewpoints of the target demographic group it serves. Due to our fundamental understanding of the African-American community, we believe we are 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 our operations and enables us to create enhanced awareness and name recognition in the marketplace. In addition, we believe our multi-level approach to community involvement leads to increased effectiveness in developing and updating our programming formats. We believe our enhanced awareness and more effective programming formats lead to greater listenership and higher ratings over the long-term.

We have a history of sponsoring events that demonstrate our commitment to the African-American community, including:

- . heightening the awareness of diseases which disproportionately impact African-Americans, such as sickle-cell anemia and leukemia, and holding fundraisers to benefit the search for their cure;
- . developing contests specifically designed to assist African-American single mothers with day care expenses;
- . fundraising for the many African-American churches throughout the country that have been the target of arsonists; and
- . organizing seminars designed to educate African-Americans on personal issues such as buying a home, starting a business, developing a credit history, financial planning and health care.

Management Stock Option Plan

On March 10, 1999, we adopted the 1999 Stock Option and Restricted Stock Grant Plan designed to provide incentives relating to equity ownership to present and future executive, managerial, and other key employees of Radio One and our subsidiaries. The option plan affords us latitude in tailoring incentive compensation for the retention of key personnel, to support corporate and business objectives, and to anticipate and respond to a changing business environment and competitive compensation practices. For more information see "Management--Stock Option Plan."

Station Operations

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

Washington, D.C.

The Washington, D.C. market is estimated to be the eighth largest radio market in terms of MSA population. In 1998, this market had advertising revenue estimated to be \$252.8 million, making it the sixth largest radio market in terms of advertising revenue. In 1996, Washington, D.C. had the third largest African-American population in the United States with an MSA population of approximately 4.2 million, approximately 27.2% of which was African-American. We believe that we own 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. Washington, D.C. experienced annual radio revenue growth of 5.4% between 1991 and 1996, and radio revenue in Washington, D.C. is expected to continue growing at an annual pace of 7.4% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

	1995(/4/)	1996(/4/)	1997(/4/)	1998(/4/)	Fall 1998(/5/)

WKYS-FM(/1/)					
Audience share (12-plus).....	3.8	4.5	5.8	5.2	5.4
Audience share rank (12-plus).....	9t	6t	2	3	2
Audience share (18-34).....	5.8	7.6	10.4	10.1	10.2
Audience share rank (18-34).....	6	2	1	1	1
Revenue share.....	3.8%	3.3%	4.5%	5.0%	n/a
Revenue rank.....	14	14	10	9	n/a
WMMJ-FM(/2/)					
Audience share (12-plus).....	3.7	4.6	4.1	4.3	5.0
Audience share rank (12-plus).....	11t	6t	9	8	5
Audience share (25-54).....	4.6	5.4	4.9	5.1	5.8
Audience share rank (25-54).....	8	3t	7	4	3
Revenue share.....	3.7%	3.4%	2.9%	3.2%	n/a
Revenue rank.....	15	13	17	18	n/a
WOL-AM					
Audience share (12-plus).....	1.7	1.0	1.1	0.8	0.7
Audience share rank (12-plus).....	19	23t	20	25	25t
Audience share (35-64).....	2.3	1.1	1.4	1.1	1.0
Audience share rank (35-64).....	14t	23	19	22	21t
Revenue share.....	2.0%	1.8%	1.6%	0.8%	n/a
Revenue rank.....	18	18	19	21	n/a
WMMJ-FM AND WOL-AM (combined)					
Audience share (12-plus).....	5.4	5.6	5.2	5.1	5.7
Audience share (25-54).....	6.4	6.2	5.9	5.9	6.5
Revenue share.....	5.6%	5.3%	4.5%	4.0%	n/a
Revenue rank.....	7	8	12	11	n/a
WYCB-AM(3)					
Audience share (12-plus).....	1.6	1.4	1.2	1.0	0.9
Audience share rank (12-plus).....	20	20	19	22	22t
Audience share (35-64).....	1.7	1.5	1.4	1.1	1.0
Audience share rank (35-64).....	19	18	20	19	21t
Revenue share.....	n/a	n/a	n/a	0.5%	n/a
Revenue rank.....	n/a	n/a	n/a	n/a	n/a

As used in this table, "n/a" means not available or not applicable and "t" means tied with one or more other radio stations.

(1)WKYS-FM was acquired by Radio One on June 6, 1995.

(2)WOL-AM and WMMJ-FM advertising time is sold in combination.

(3)Radio One acquired WYCB-AM in the first quarter of 1998 through an Unrestricted Subsidiary.

(4) Audience share and audience share rank data are based on Arbitron Survey four book averages for the years indicated ending with the Fall Arbitron Survey. Revenue share and rank data are based upon the Radio Revenue Report of Hungerford for 1998, 1997, 1996, and 1995 (if applicable) except for

WYCB-AM which does not report to Hungerford. Revenue share for WYCB-AM represents the radio station's net broadcast revenue as a percentage of the market radio revenue reported by the Hungerford Report (December 1998), as adjusted for WYCB-AM's net broadcast revenue.

(5) Fall 1998 Arbitron Survey.

WOL-AM. In 1980, we acquired our first radio station, WOL-AM, for approximately \$950,000. WOL-AM was a music station with declining revenue and audience shares that Radio One 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." We believe that WOL-AM is a vital communications platform for the African-American community and political and business leaders in its market. WOL-AM's ratings have historically fluctuated between a 1.0 and 2.0 share in the 12-plus age demographic market.

WMMJ-FM. In 1987, we purchased WMMJ-FM for approximately \$7.5 million. At the time, WMMJ-FM was being programmed in a general market Adult Contemporary format, and had a 1.2 share of the 12-plus age demographic. After extensive research we changed the station's format, making WMMJ-FM 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 25-54 age demographic and provides adult-oriented Urban Contemporary music from the 1960s through the 1990s. The Urban AC format was almost immediately successful, and in the Fall 1998 Arbitron Survey, the station was ranked number three in the 25-54 age demographic (with a 5.8 share) and number five in the 12-plus age demographic (with a 5.0 share).

WKYS-FM. In June 1995, we purchased WKYS-FM for approximately \$34.0 million. WKYS-FM is a Young Urban Contemporary radio station targeting African-Americans in the 18-34 age demographic. 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 Infinity Broadcasting ("Infinity")) changed its format from Adult Contemporary to Contemporary Hit/Urban ("CHR") and in Spring 1989, replaced WKYS-FM as the number one urban radio station in terms of audience share. From 1986 to Fall 1994, WKYS-FM's overall ratings rank fell from number one to number 12 with a 3.3 share of the 12-plus age demographic, while WPGC-FM moved from near the bottom to number one with a 9.0 share of the 12-plus age demographic. By 1995, the former owner of WKYS-FM abandoned the 18-34 age demographic and began to target the 25-54 age demographic, making it a direct competitor to Radio One's WMMJ-FM instead of Infinity's WPGC-FM. When Radio One purchased WKYS-FM in June 1995, we repositioned WKYS-FM's programming away from WMMJ-FM and back toward the 18-34 age demographic. Since June 1995, we have been able to increase dramatically WKYS-FM's overall 12-plus age demographic share. In Fall 1997 WKYS-FM became Washington, D.C.'s number one rated radio station for the 12-plus and 18-34 age demographics and during this same period, WPGC-FM held the number two position in the 12-plus and 18-34 age demographics. Recently, WKYS-FM's position has fluctuated between the number one and number three rated station in the 12-plus age demographic while maintaining its number one position in the 18-34 age demographic.

WYCB-AM. On March 16, 1998, we acquired, through an Unrestricted Subsidiary, BHI, the owner of WYCB-AM, a Gospel station, for approximately \$3.8 million. Following the acquisition, we integrated the operations of WYCB-AM into our existing radio station operations in the Washington, D.C. market.

Baltimore, Maryland

The Baltimore market is estimated to be the 20th largest radio market in terms of MSA population and advertising revenue. In 1998, this market had advertising revenue estimated to be \$105.8 million. In 1996, Baltimore had the 11th 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. We believe we own 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 that target African-Americans. Baltimore experienced annual radio revenue growth of 8.6% between 1991 and 1996 and radio revenue in Baltimore is expected to continue growing at an annual pace of 6.2% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

	1995(/3/)	1996(/3/)	1997(/3/)	1998(/3/)	Fall 1998(/4/)

WERQ-FM(/1/)					
Audience share (12-plus).....	5.2	6.4	9.3	9.4	9.6
Audience share rank (12-plus).....	7	4	1	1	1
Audience share (18-34).....	8.6	10.7	16	16.6	16.5
Audience share rank (18-34).....	2	2	1	1	1
WOLB-AM					
Audience share (12-plus).....	0.9	0.6	0.9	0.9	0.8
Audience share rank (12-plus).....	23t	28t	15t	18	24t
Audience share (35-64).....	1.1	0.9	1.2	1.1	0.8
Audience share rank (35-64).....	19t	23	15	16t	26t
WERQ-FM and WOLB-AM (combined)					
Audience share (12-plus).....	6.1	7	10.2	10.3	10.4
Audience share (25-54).....	4.9	5.7	9.1	8.7	8.4
Revenue share.....	6.7%	6.6%	10.7%	13.1%	n/a
Revenue rank.....	8	8	4	2	n/a
WWIN-FM(/2/)					
Audience share (12-plus).....	4.0	3.7	3.6	5.0	5.5
Audience share rank (12-plus).....	10	10	9	7	6
Audience share (25-54).....	5.5	4.9	4.9	6.8	7.5
Audience share rank (25-54).....	5	7t	7	4	3
WWIN-AM					
Audience share (12-plus).....	1.1	1.1	0.8	1.1	1.1
Audience share rank (12-plus).....	18t	20t	17	17	19t
Audience share (35-64).....	1.1	1.4	1.1	1.1	0.8
Audience share rank (35-64).....	19t	18	16t	16t	25
WWIN-FM and WWIN-AM (combined)					
Audience share (12-plus).....	5.1	4.8	4.4	6.1	6.6
Audience share (25-54).....	6.6	6.0	5.8	7.7	8.2
Revenue share.....	5.7%	5.8%	5.5%	6.0%	n/a
Revenue rank.....	10	10	9	8	n/a

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As used in this table, "n/a" means not available or not applicable and "t" means tied with one or more other radio stations.

- (1)Based upon the Hungerford Report (1998). WERQ-FM and WOLB-AM jointly report revenue data to Hungerford.
- (2)Based upon the Hungerford Report (1998). WWIN-FM and WWIN-AM jointly report revenue data to Hungerford.
- (3) Audience share and audience share rank data are based on Arbitron Survey four book averages book for the years indicated ending with the Fall Arbitron Survey. Revenue share and rank data are based on the Radio Revenue Report by Hungerford for 1998, 1997, 1996 and 1995, as applicable.
- (4)Fall 1998 Arbitron Survey.

WWIN-FM and WWIN-AM. In January 1992, we made our first acquisition outside the Washington, D.C. market with the purchase of WWIN-FM and its sister station WWIN-AM for approximately \$4.7 million. At the time, WWIN-FM was a distant second in ratings to its in-format direct competitor WXYV-FM, with less than one-third of that radio station's market share. Today, WWIN-FM is a leading urban radio station in the 25-54 age demographic in the Baltimore market,

ranked number two in the Fall 1998 Arbitron Survey with a 7.5 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 was, at the time of its acquisition, a CHR/Urban radio station, while WERQ-AM was a satellite-fed, all-news radio station. We converted the format of WERQ-FM to a more focused Young Urban Contemporary format targeted at the 18-34 age demographic, while WOLB-AM began simulcasting with WOL-AM, Radio One's Black Talk radio station in Washington, D.C. After we aggressively marketed the station, WERQ-FM became Baltimore's dominant station ranked number one in the 12-plus, 18-34 and 25-54 age demographics in the Fall 1998 Arbitron Survey, a position it first achieved in the Spring 1997 Arbitron Survey, while its former primary competitor, WXYV-FM, changed format during 1997 and no longer targets the same listener base as that of WERQ-FM.

Atlanta, Georgia

The Atlanta market is estimated to be the 13th largest radio market in terms of MSA population. In 1998, this market had radio advertising revenue estimated to be \$242.2 million, making it the 10th largest radio market in terms of advertising revenue. In 1996, Atlanta had the seventh largest African-American population in the United States with an MSA population of approximately 3.6 million, approximately 25.7% of which was African-American. Due to a rapidly growing local economy, the Atlanta market has one of the country's fastest growth rates in terms of radio revenue. Atlanta experienced annual radio revenue growth of 12.1% between 1991 and 1998, and radio revenue in Atlanta is expected to continue growing at an average annual rate of 8.2% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

On March 30, 1999, Radio One acquired ROA, an affiliate of Radio One, for shares of Radio One common stock. Radio One also assumed and retired approximately \$16.3 million of indebtedness of ROA and Dogwood. At the time, ROA owned approximately 33% of Dogwood. On March 30, 1999, ROA acquired the remaining approximate 67% of Dogwood for \$3.6 million. Founded in 1995, ROA owns and operates WHTA-FM. Dogwood owns WAMJ-FM which, prior to ROA's acquisition of 100% of Dogwood, ROA operated under an LMA. Upon the completion of these acquisitions, ROA became a wholly-owned subsidiary of Radio One, and Dogwood became a wholly owned subsidiary of ROA. See "Certain Relationships and Related Transactions."

	1996(/1/)	1997(/1/)	1998(/1/)	Fall 1998(/2/)

WHTA-FM				
Audience share (12-plus).....	4.9	5.1	4.7	4.5
Audience share rank (12-plus)....	9	9	9	9
Audience share (18-34).....	8.0	8.8	8.6	8.3
Audience share rank (18-34).....	5	4	4	4
Revenue share.....	2.2%	2.9%	3.5%	n/a
Revenue rank.....	12	12	12	n/a
WAMJ-FM(/3/)				
Audience share (12-plus).....			2.2	1.8
Audience share rank (12-plus).....			15	17
Audience share (25-54).....			3.1	2.5
Audience share rank (25-54).....			13	14
Revenue share.....			1.1%	n/a
Revenue rank.....			n/a	n/a

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- As used in this table, "n/a" means not available or not applicable.
- (1) Audiences share and audience share rank data are based on Arbitron Survey four book averages for the years indicated ending with the Fall Arbitron Survey. Revenue share and rank data are based on the Radio Revenue Report by Miller Kaplan for 1998, 1997 and 1996, as applicable. Revenue share for WAMJ-FM represents its net broadcast revenue as a percentage of the market radio revenue reported by Miller Kaplan for December 1998, as adjusted for WAMJ-FM's net broadcast revenue.
 - (2) Fall 1998 Arbitron Survey.
 - (3) WAMJ-FM commenced broadcasting in December 1997.

WHTA-FM. In 1995, ROA acquired WHTA-FM (formerly WQUL-FM) from Design Media, Inc. for approximately \$4.5 million. WHTA-FM was a 6 kW Class A facility licensed to Griffin, Georgia, a community 40 miles southwest of the Atlanta market. Prior to selling the station, Design Media received a construction permit to upgrade the station to Class C3 and changed its community of license to Fayetteville, Georgia. In conjunction with Radio One's management, Design Media moved the station's transmitter site 20 miles closer to Atlanta. In July 1995, ROA launched a new Young Urban Contemporary music format that has consistently garnered a 4.5 to 5.0 share of the 12-plus age demographic. WHTA-FM remains consistently ranked in the top three stations in its primary target group, the 12-17 age demographic, and in the top five stations among its secondary target group, the 18-34 age demographic, ranking number four in the Fall 1998 Arbitron Survey with an 8.3 share.

WAMJ-FM. In March 1997, ROA entered into an agreement with Dogwood to provide financing for a new 6 kW Class A radio station that had been assigned to Roswell, Georgia, a community approximately twenty miles north of downtown Atlanta. ROA received an approximate 33% ownership stake, along with an option to purchase 100% of the station. ROA also entered into an LMA allowing ROA to operate the station in the Atlanta market. On December 16, 1997, ROA launched an R&B oldies format on WAMJ-FM targeting the 25-54 age demographic. In November 1998, Dogwood received an FCC construction permit to upgrade WAMJ's signal to Class C3. WAMJ-FM began operating at 25 kW in December 1998, greatly improving its penetration of the Atlanta market and giving the station total coverage of the Atlanta metropolitan area.

In Atlanta, we compete directly against Infinity's Urban Contemporary station, WVEE-FM, and against Midwestern Broadcasting's Urban Adult Contemporary station, WALR-FM. However, we own more FM radio stations targeting African-Americans in Atlanta than any other entity.

Philadelphia, Pennsylvania

The Philadelphia market is estimated to be the fifth largest radio market in terms of MSA population. In 1998, this market had advertising revenue estimated to be \$242.3 million, making it the seventh largest radio market in terms of advertising revenue. In 1996, 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. Philadelphia experienced annual radio revenue growth of 9.4% between 1991 and 1996, and radio revenue in Philadelphia is expected to continue growing at an annual pace of 6.5% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

1997(/1/) 1998(/1/) Fall 1998(/2/)

	1997(/1/)	1998(/1/)	Fall 1998(/2/)
WPHI-FM			
Audience share (12-plus).....	3.6	3.3	3.3
Audience share rank (12-plus).....	15	13t	14
Audience share (18-34).....	6.4	6.0	6.0
Audience share rank (18-34).....	5	5	5
Revenue share.....	1.2%	2.2%	n/a
Revenue rank.....	18	16	n/a

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As used in this table, "n/a" means not available or not applicable and "t" means tied with one or more other radio stations.

- (1) Audiences share and audience share rank data are based on Arbitron Survey four book averages ending with the Fall Arbitron Survey for the years indicated. Revenue share and rank data are based on the Radio Revenue Report by Miller Kaplan for December 1998 and 1997, as applicable.
- (2) Fall 1998 Arbitron Survey.

WPHI-FM. On February 8, 1997, we entered into an LMA with the owner of WPHI-FM (formerly WDRE-FM), and changed the radio station's programming format from Modern Rock to Young Urban Contemporary targeting the 18-34 age demographic. On May 19, 1997, we acquired WPHI-FM for approximately \$20.0 million, providing us with an opportunity to apply our operating strategy in another top 30 African-American market. Although WPHI-FM is a Class A facility operating at the equivalent of 3 kW, we believe it adequately reaches at least 90% of African-Americans in Philadelphia. In the Fall 1998 Arbitron Survey, WPHI-FM achieved a 3.3 share in the 12-plus age demographic and had solidly positioned itself as the number two Young Urban Contemporary station in the market behind WUSL-FM.

Detroit, Michigan

The Detroit market is estimated to be the seventh largest radio market in terms of MSA population. In 1998, this market had advertising revenue estimated to be \$225.1 million, making it the 11th largest radio market in terms of advertising revenue. Detroit is the fifth largest African-American market with an MSA population of approximately 4.5 million in 1996, approximately 22.5% of which was African-American. Detroit experienced annual radio revenue growth of 8.4% between 1991 and 1996, and radio revenue in Detroit is expected to continue growing at an annual pace of 7.5% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

	1998(/1/)	Fall 1998(/2/)
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WDTJ-FM		
Audience share (12-plus).....	3.4	3.3
Audience share rank (12-plus).....	12	13
Audience share (18-34).....	5.8	5.4
Audience share rank (18-34).....	4	5
Revenue share.....	2.0	n/a
Revenue rank.....	n/a	n/a

As used in this table, "n/a" means not available or not applicable.

(1) Audience share and audience share rank data are based on Arbitron Survey four book averages for the years indicated ending with the Fall Arbitron Survey. Revenue share and rank data are based on the Radio Revenue Report by Hungerford for 1998.

(2) Fall 1998 Arbitron Survey.

WDTJ-FM and WCHB-AM. On June 30, 1998, we acquired Bell Broadcasting, which owns two radio stations, WDTJ-FM (formerly WCHB-FM) and WCHB-AM, located in the Detroit, Michigan market and one radio station, WJZZ-AM, located in Kingsley, Michigan. Radio One paid approximately \$34.2 million in cash and the cost of certain improvements to the stations. WDTJ-FM is a Young Urban Contemporary station similar to our WERQ-FM in Baltimore and WKYS-FM in Washington, D.C. WCHB-AM's facilities are currently being upgraded from 25 kw to 50 kw. In the future, we may dispose of the station located in Kingsley, Michigan because that station is not integral to the Bell Broadcasting operation and is located a substantial distance from Detroit.

WWBR-FM. On December 28, 1998, we acquired Allur-Detroit for approximately \$26.5 million in cash. Allur-Detroit owns WWBR-FM licensed to Mt. Clemens, Michigan, which is part of the Detroit MSA. Allur-Detroit's stockholders included Syncom Venture Partners, an affiliate of one of Radio One's stockholders, Syncom. On January 16, 1999, we changed the format of WWBR-FM to Adult Contemporary. WWBR-FM is the first station owned by Radio One that primarily targets a non-African-American audience.

St. Louis, Missouri

The St. Louis market is estimated to be the 19th largest radio market in terms of MSA population. In 1998, this market had advertising revenue estimated to be \$116.5 million, making it the 18th largest radio market in terms of advertising revenue. St. Louis is the 16th largest African-American market with an MSA population of approximately 2.6 million in 1996, approximately 17.2% of which was African-American. St. Louis experienced annual radio revenue growth of 8.8% between 1991 and 1996, and radio revenue in St. Louis is expected to continue growing at an annual rate of 6.9% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

On November 23, 1998, we entered into an agreement to acquire the assets of WFUN-FM, licensed to Bethalto, Illinois for approximately \$13.6 million in cash. We expect to move WFUN-FM to a broadcast tower site closer to downtown St. Louis, reformat the station and upgrade its signal from 6 kw to 25 kw.

The FCC approved of our acquisition of the assets of WFUN-FM on January 26, 1999. The FCC's action became a final action on March 10, 1999.

Cleveland, Ohio

The Cleveland market is estimated to be the 24th largest radio market in terms of MSA population and the 23rd largest radio market in terms of advertising revenue. In 1998, this market had advertising revenue estimated to be \$96.7 million. Cleveland is the 17th largest African-American market with an MSA population of approximately 2.1 million, approximately 18.7% of which was African-American. Cleveland experienced annual radio revenue growth of 7.9% between 1991 and 1996, and radio revenue in Cleveland is expected to continue growing at an annual pace of 6.9% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

On March 29, 1999, we entered into an asset purchase agreement with Clear Channel Communications, Inc. to acquire WENZ-FM and WERE-AM for approximately \$20.0 million in cash.

WENZ-FM is licensed to Cleveland, Ohio, and is currently programming an Alternative Rock format. WENZ-FM garnered 2.4 share in the Fall 1998 Arbitron Survey of the market's 12-plus age demographic.

WERE-AM is licensed to Cleveland, Ohio, and is currently programming a News Talk format. WERE-AM achieved a 0.4 share in the Fall 1998 Arbitron Survey of the market's 12-plus age demographic.

Consummation of the acquisition of radio stations WENZ-FM and WERE-AM is subject to the receipt of prior FCC approval. An application for FCC consent to the acquisition of radio stations WENZ-FM and WERE-AM was filed on February 8, 1999. We anticipate that initial approval will be granted before May 1, 1999 but there can be no assurance that FCC approval for the acquisition will be obtained.

Richmond, Virginia

Richmond is estimated to be the 57th largest radio market in terms of MSA population. In 1998, this market had radio advertising revenue estimated to be \$45.8 million, making it the 46th largest radio market in terms of advertising revenue. Richmond is the 19th largest African-American market with an MSA population of approximately 937,000 in 1996, approximately 30.0% of which was African-American. Richmond experienced annual radio revenue growth of 5.7% between 1991 and 1996, and radio revenue in Richmond is expected to continue growing at an annual rate of 6.5% between 1997 and 2001. (Source: BIA 1998 Fourth Edition)

We believe that Richmond is a particularly attractive market due to its proximity to our headquarters in the Washington, D.C area. Due to this proximity, we believe that we can leverage our regional advertiser relationships and our regionally located management and on-air talent. We have entered into agreements or letters of intent to acquire six FM and one AM radio stations in three separate transactions. Upon completion of these acquisitions, we believe we will be well positioned as a strong provider of urban-oriented programming to Richmond's African-American market. We will also be the second provider of Country programming and will have additional signals available for other format opportunities and underserved demographics in the Richmond market.

On February 10, 1999, we entered into an asset purchase agreement to acquire WDYL-FM, licensed to Chester, Virginia for approximately \$4.6 million in cash. WDYL-FM, currently a Religious format station, is in the Richmond, Virginia market.

On February 26, 1999, we entered into an asset purchase agreement to acquire WKJS-FM, licensed to Crewe, Virginia, and WSOJ-FM, licensed to Petersburg, Virginia, for approximately \$12.0 million in cash, subject to purchase price adjustments. Both stations, currently urban format stations, are in the Richmond, Virginia market.

WKJS-FM, licensed to Crewe, Virginia, is a 100 kW station and generally covers the entire Richmond market. The station changed its format from Oldies to Urban Adult Contemporary in March 1998 and has since experienced a significant ratings increase. WKJS-FM's ratings increased from a 3.1 share in the 12-plus age demographic in the Winter 1998 Arbitron Survey to an 8.2 share in the 12-plus age demographic in the Fall

1998 Arbitron Survey. In the 25-54 age demographic, WKJS-FM earned a 10.6 share in the Fall 1998 Arbitron Survey, ranking it number one, tied with one other station.

WSOJ-FM, licensed to Petersburg, Virginia, primarily covers Petersburg, located in the southern portion of the Richmond metropolitan area. A Young Urban Contemporary station, WSOJ-FM earned a 3.2 share in the 12-plus age demographic in the Fall 1998 Arbitron Survey. WKJS-FM and WSOJ-FM have been operated and sold in combination for most of 1998.

On April , 1999, we entered into an asset purchase agreement to purchase WCDX-FM, WPLZ-FM, WJRV-FM and WGCV-AM, for \$34.0 million. Pursuant to that agreement, we will operate these stations under an LMA beginning in June 1999. The seller has the option to defer the closing for up to 18 months, but we expect to complete the acquisition no later than the second half of 2000.

WCDX-FM, a Young Urban Contemporary station licensed to Mechanicsville, Virginia, covers the entire Richmond metropolitan area. WCDX-FM has averaged a 10.1 share of the 12-plus age demographic for the last 2 years and is currently ranked number two overall in the 12-plus age demographic, tied with another station with an 8.8 share, according to the Fall 1998 Arbitron Survey. WCDX-FM is also ranked number one in the 18-34 age demographic and number four in the 25-54 age demographic.

WPLZ-FM currently programs an Urban Oldies format and earned a 4.8 share of the 12-plus age demographic in the Fall 1998 Arbitron Survey. WPLZ-FM, licensed to Petersburg, Virginia, primarily covers the southern Richmond metropolitan area. The two stations have historically been sold in combination and have been the market leaders in terms of urban radio revenue share. WJRV-FM, licensed to Richmond, Virginia, recently changed formats from Smooth Jazz to Country, in order to challenge WKHK-FM, the leading country radio station in Richmond. WJRV-FM earned a 1.5 share of the 12-plus age demographic in the Fall 1998 Arbitron Survey after approximately 3 months in the Country format. WGCV-AM is a Religious formatted station, licensed to Petersburg, Virginia, that does not currently have any significant audience or revenue share.

Consummation of the acquisition of these radio stations in Richmond is subject to the receipt of prior FCC approval. An application for FCC consent to the acquisition of WDYL-FM was filed on February 18, 1999, and we anticipate that initial approval of the acquisition will be granted by May 1, 1999, but there can be no assurance that FCC approval for the acquisition will be obtained. An application for FCC consent to the acquisitions of WKJS-FM and WSOJ-FM was filed on March 5, 1999. We anticipate that initial approval of the acquisitions will be granted by June 1, 1999 but there can be no assurance that FCC approval of the acquisitions will be obtained. An application for FCC consent to the acquisitions of WJRV-FM, WCDX-FM, WPLZ-FM and WGCV-AM is expected to be filed in August 1999. We anticipate that initial approval of the acquisitions will be granted in October 1999, but there can be no assurance that FCC approval for the acquisitions will be obtained.

Advertising Revenue

Substantially all of our net broadcast revenue is generated from the sale of local and national advertising for broadcast on our radio stations. Additional net broadcast revenue is generated from network compensation payments and other miscellaneous transactions. Local sales are made by the sales staffs located in our markets. National sales are made by firms specializing in radio advertising sales on the national level, in exchange for a commission from Radio One that is based on a percentage of our net broadcast revenue from the advertising obtained. Approximately 67.4% of our net broadcast revenue for the fiscal year ended December 31, 1998, was generated from the sale of local advertising and 30.3% from sales to national advertisers. The balance of net broadcast revenue is derived from network advertising, tower rental income and ticket and other revenue related to special events hosted by Radio One.

We believe 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:

- . a radio station's audience share within the demographic groups targeted by the advertisers,
- . the number of radio stations in the market competing for the same demographic groups, and
- . 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 us to chart audience growth, set advertising rates and adjust programming.

Strategic Diversification

Radio One will continue to evaluate potential radio acquisitions in African-American markets. We are exploring opportunities in other forms of media to apply our expertise in marketing to African-Americans. Such opportunities could include outdoor advertising in urban environments, an urban-oriented Internet strategy, an urban-oriented radio network, music production, publishing and other related businesses.

We recently entered into an exclusive programming agreement with XM Satellite Radio, Inc. to provide African-American talk and music programming to be broadcast on XM Satellite's satellite digital audio radio service, which is expected to be available in 2000.

We have also invested, together with most publicly-traded radio companies, in a recent private placement for USA Digital Radio, Inc., a leading developer of in-band on-channel digital audio broadcast technology. This technology could enable radio broadcasters to convert from analog to digital broadcasting within the existing frequency allocation of their AM and FM stations. In conjunction with this investment, Alfred C. Liggins, III, the Chief Executive Officer and President of Radio One, became a board member of USA Digital Radio, Inc.

Additionally, we have recently invested in PNE Media Holdings, LLC, a privately-held outdoor advertising company with a presence in several of the markets in which we own radio stations.

Properties

The following chart sets forth the principal real property and radio related facilities owned or leased by Radio One (including properties to be acquired pursuant to pending acquisitions).

Property Address	Type of Facility and Use	Owned or Leased (Expiration Date)	Tenant/Owner	Approximate Size (Square Feet)
5900 Princess Garden Parkway, 1st, 7th and 8th Floors Lanham, MD	Corporate Office, WKYS-FM, WOL-AM WMMJ-FM, WYCB-AM Studio	Leased (expires 12/31/11)	Radio One	21,546
4001 Nebraska Avenue, N.W. Washington, D.C.	WKYS-FM Transmitter	Leased (expires 11/30/01)	Radio One	Tower and transmitter space
62 Pierce Street, N.E. Washington, D.C.	WOL-AM Transmitter	Leased (expires 3/31/01)	Radio One	Tower and transmitter space
4400 Massachusetts Avenue, N.W. Washington, D.C.	WMMJ-FM Transmitter	Leased (expires 4/30/04)	Radio One	Leased Tower space (+) 200
100 St. Paul Street Baltimore, MD	WWIN-AM/FM, WERQ-FM, WOLB-AM Studio	Leased (expires 10/31/03)	Radio One	8,000
Greenmount Avenue and 29th Street Baltimore, MD (Waverly Towers)	WWIN-AM Transmitter	Leased (expires 8/31/01)	Radio One	225
1315 W. Hamburg Street Baltimore, MD	WOLB-AM Transmitter	Leased (expires 12/31/00)	Radio One	Tower and transmitter space
7 St. Paul Street Baltimore, MD	Satellite Dish Space	Leased (expires 4/22/04)	Radio One	200
100 Old York Road Jenkintown, PA	WPHI-FM, Studio	Leased (expires 10/31/03)	Radio One	5,661
Domino Lane and Fowler Street Philadelphia, PA	WPHI-FM Transmitter	Leased (expires 6/29/06)	Radio One	Tower and transmitter space
2501 Hawkins Point Road Baltimore City, MD	WWIN-FM Transmitter	Owned	Radio One	16,800
2709 Boarman Avenue (4334-4338 Park Heights Ave.) Baltimore, MD	WERQ-FM Transmitter	Owned	Radio One	24,920
Walker Mill Road District Heights, MD	WYCB-AM Transmitter	Leased (expires 11/99)	BHI	Tower and transmitter space
2994 East Grand River Detroit, MI 48202	WDTJ-FM, WCHB-AM Studio	Leased (expires 6/30/99)	Bell Broadcasting	3,000
24600 Greenfield Road Oak Park, MI	WDTJ-FM Transmitter	Leased (expires 3/31/04)	Bell Broadcasting	Tower and transmitter space
32790 Henry Huff Road Romulus, MI	WCHB-AM Office Site	Owned	Bell Broadcasting	80 acres
York Road Kingsley, MI	WJZZ-AM Transmitter	Owned	Bell Broadcasting	
Huron Township, MI	WCHB-AM Transmitter	Owned	Bell Broadcasting	80 acres
Tyrone Cook Road #1 Tyrone, GA	WHTA-FM Transmitter	Leased (expires 12/6/09)	ROA	Tower and transmitter space
75 Piedmont Ave. Atlanta, GA	WHTA-FM WAMJ-FM Studio	Leased (expires 1/31/05)	ROA	11,600

Property Address	Type of Facility and Use	Owned or Leased (Expiration Date)	Tenant/Owner	Approximate Size (Square Feet)
1050 Crown Pointe Atlanta, GA	WAMJ-FM Transmitter	Leased (expires 8/31/01)	Dogwood	Tower and transmitter space
850 Stephenson Highway Troy, MI	WWBR-FM Studio	Leased (expires 2/1/02)	Allur-Detroit	5,766
21340 Pitko Street Mt. Clemens, MI	WWBR-FM Transmitter	Leased (expires 12/31/08)	Allur-Detroit	Tower and transmitter space
Edwardsville Township, IL	WFUN-FM Transmitter	Owned	Radio One	3 acres
500 Northwest Plaza Office Tower, Suite 310 St. Ann, MO	WFUN-FM Studio	Leased (expires 3/31/99)	Radio One	1,396
Larimore Road St. Louis, MO	WFUN-FM Transmitter	Leased	Radio One	Tower and transmitter space
North Royalton, OH	WERE-AM Transmitter	Owned	Radio One	Tower and transmitter space
Newbury Township, OH	WENZ-FM Transmitter	Owned	Radio One	Tower and transmitter space
1041 Huron Road Cleveland, OH	WERE-AM/WENZ-FM Studio	Leased	Radio One	
4312 Old Hundred Rd. Chester, VA	WDYL-FM Studio	Leased (expires 2000)	Radio One	1,872
10300 Brightwood Avenue Chesterfield, VA	WDYL-FM Transmitter	Leased (expires 2014)	Radio One	Tower and transmitter space
6001 Wilkinson Road Richmond, VA	WKJS-FM/WSOJ-FM Studio	Leased (expires 2000)	Radio One	
East Side Rt. 608 Nottoway County, VA	WKJS-FM Transmitter	Owned	Radio One	Tower and transmitter space
3321 Johnson Rd. Petersburg, VA	WSOJ-FM Transmitter	Leased (expires 10/31/02)	Radio One	Tower and transmitter space
2809 Emerywood Parkway Richmond, VA	WCDX-FM, WPLZ-FM and WJRV-FM Main Studio	Leased (expires 4/30/03)	Radio One	13,500
10537 South Crater Road Petersburg, VA	WGCV-AM and WPLZ-FM Studio and Offices	Leased (month to month)	Radio One	
3245 Basie Road Richmond, VA	WCDX-FM Main Transmitter and WPLZ-FM Studio	Leased	Radio One	Tower and transmitter space
8216 Meadowbridge Road Mechanicsville, VA	Transmitter Link Location	(expires 12/31/19)	Radio One	
701 German School Road Richmond, VA	WCDX-FM Auxillary Transmitter	Leased	Radio One	Tower and transmitter space
Hare & Culpepper Streets Petersburg, VA	WJRV-FM Main Transmitter	Leased	Radio One	Tower and transmitter space
	WPLZ-FM and WGCV-AM Main Transmitter	Owned	Radio One	Tower and transmitter space

The real property owned or leased by us is the subject of a security interest held pursuant to the terms of our bank credit facility.

We own substantially all of our other equipment, consisting principally of studio equipment and office equipment. The towers, antennae and other transmission equipment used by our radio stations are generally in good condition, although opportunities to upgrade facilities are periodically reviewed.

We believe that the facilities for our radio stations and office space in Washington, D.C., Baltimore, Atlanta, Philadelphia, Detroit, and Richmond are generally suitable and of adequate size for their current and intended purposes other than for routine modifications and expansions. We believe we will be able to obtain suitable facilities for our radio stations in St. Louis and Cleveland on reasonable terms.

Competition

The radio broadcasting industry is highly competitive. Radio One's stations compete for audiences and advertising revenue with other radio stations and with other media such as television, newspapers, direct mail and outdoor advertising. Audience ratings and advertising revenue are subject to change and any adverse change in a market could adversely affect our net broadcast revenue in that market. If a competing station converts to a format similar to that of one of our stations, or if one of our competitors strengthens its operations, our stations could suffer a reduction in ratings and advertising revenue. Other radio companies which are larger and have more resources may also enter markets where we operate. Although we believe our stations are well positioned to compete, we cannot assure you that our stations will maintain or increase their current ratings or advertising revenue.

The radio broadcasting industry is also subject to rapid technological change, evolving industry standards and the emergence of new media technologies. Several new media technologies are being developed, including the following:

- . audio programming by cable television systems, direct broadcast satellite systems, Internet content providers and other digital audio broadcast formats;
- . satellite digital audio radio service, which could result in the introduction of several new satellite radio services with sound quality equivalent to that of compact discs; and
- . in-band on-channel digital radio, which could provide multi-channel, multi-format digital radio services in the same band width currently occupied by traditional AM and FM radio services.

We recently entered into a programming agreement with a satellite digital audio radio service and have also invested in a developer of digital audio broadcast technology. However, we cannot assure you that these arrangements will be successful or enable us to adapt effectively to these new media technologies. We also cannot assure you that we will continue to have the resources to acquire other new technologies or to introduce new services that could compete with other new technologies.

Antitrust

An important part of our growth strategy is the acquisition of additional radio stations. After the passage of the Telecommunications Act of 1996, the Justice Department has become more aggressive in reviewing proposed acquisitions of radio stations and radio station networks. The Justice Department is particularly aggressive when the proposed buyer already owns one or more radio stations in the market of the station it is seeking to buy. Recently, the Justice Department has challenged a number of radio broadcasting transactions. Some of those challenges ultimately resulted in consent decrees requiring, among other things, divestitures of certain stations. In general, the Justice Department has more closely scrutinized radio broadcasting acquisitions that result in local market shares in excess of 40% of radio advertising revenue. Similarly, the FCC staff has announced new procedures to review proposed radio broadcasting transactions even if the proposed acquisition otherwise complies with the FCC's ownership limitations. In particular, the FCC may invite public comment on proposed radio transactions that the FCC believes, based on its initial analysis, may present ownership concentration concerns in a particular local radio market.

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. 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;
- . establishes technical requirements for certain 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 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 limits and other FCC 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 rulings of the FCC. You should refer to the Communications Act and these FCC rules and rulings 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 renewal terms of less than eight years, the 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 Radio One's radio stations, result in the loss of audience share and advertising revenue for our radio broadcast stations or affect our 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 creation of a new low power radio broadcast service;
- . 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;

- . 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.

We cannot predict what changes, if any, might be adopted, nor can we predict what other matters might be considered in the future, nor can we judge in advance what impact, if any, the implementation of any particular proposals or changes might have on our 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:

- . the radio station has served the public interest, convenience and necessity;
- . there have been no serious violations by the licensee of the Communications Act or FCC rules and regulations; and
- . there have been no other violations by the licensee 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 term less than the maximum otherwise permitted, or hold an evidentiary hearing.

In addition, the Communications Act authorizes the filing of petitions to deny a license renewal application 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 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, our licenses have been renewed without any conditions or sanctions imposed. However, there can be no assurance that the licenses of each of our stations will be renewed or will be renewed without conditions or sanctions.

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: (1) Class A radio stations, which operate unlimited time and are designed to render primary and secondary service over an extended area, or (2) 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 FCC recently has proposed to divide Class C stations into two subclasses based on antenna height. Stations not meeting the minimum height requirement within a three-year transition period would be downgraded automatically to the new Class C0 category.

The following table sets forth information with respect to each of our radio stations, including the radio stations we have agreed to purchase in St. Louis, Cleveland and Richmond. "ERP" refers to the effective radiated power of an FM radio station. "HAAT" refers to the antenna height above average terrain of an FM radio station. "AI" refers to the above insulator measurement of an AM radio station.

MARKET(/1/)	STATION CALL LETTERS	YEAR OF ACQUISITION	FCC CLASS	ERP (FM) POWER (AM) IN KILOWATTS(/2/)	HAAT (FM) AI (AM) IN METERS(/3/)	OPERATING FREQUENCY	EXPIRATION DATE OF FCC LICENSE
Washington, D.C.	WOL-AM	1980	C	1.0	52.1	1450 KHZ	10/01/2003
	WMMJ-FM	1987	A	2.9(/4/)	146.0	102.3 MHz	10/01/2003
	WKYS-FM	1995	B	24.0	215.0	93.9 MHz	10/01/2003
	WYCB-AM	1998	C	1.0	50.9	1340 KHZ	10/01/2003
Baltimore	WWIN-AM	1992	C	1.0	61.0	1400 KHZ	10/01/2003
	WWIN-FM	1992	A	3.0	91.0	95.9 MHz	10/01/2003
	WOLB-AM	1993	D	1.0	85.4	1010 KHZ	10/01/2003
	WERQ-FM	1993	B	37.0	174.0	92.3 MHz	10/01/2003
Atlanta	WHTA-FM	1999	C3	7.9	175.0	97.5 MHz	04/01/2004
	WAMJ-FM	1999	C3	25.0	98.0	107.5 MHz	04/01/2004
Philadelphia	WPHI-FM	1997	A	0.3(/5/)	305.0	103.9 MHz	08/01/2006
Detroit	WDTJ-FM	1998	B	20.0	221.0	105.9 MHz	10/01/2004
	WCHB-AM	1998	B	25.0(/6/)	49.4	1200 KHZ	10/01/2004
	WJZZ-AM(/7/)	1998	D	50.0	59.7	1210 KHZ	10/01/2004
	WWBR-FM	1998	B	50.0	152.0	102.7 MHz	10/01/2004
St. Louis	WFUN-FM	1999	A(/8/)	6.0	100.0	95.5 MHz	12/01/2003
Cleveland	WERE-AM	1999	B	5.0	128.0	1300 KHZ	10/01/2004
	WENZ-FM	1999	B	16.0	272.0	107.9 MHz	10/01/2004
	WDYL-FM	1999	A	6.0(/9/)	100.0	101.1 MHz	10/01/2003
Richmond	WKJS-FM	1999	C1	100.0	299.0	104.7 MHz	10/01/2003
	WSOJ-FM	1999	A	4.7	113.0	100.3 MHz	10/01/2003
	WCDX-FM	1999	B1	4.5	235.0	92.1 MHz	10/01/2003
	WPLZ-FM	1999	A	6.0	100.0	99.3 MHz	10/01/2003
	WJRV-FM	1999	A	2.3	162.0	105.7 MHz	10/01/2003
	WGCV-AM	1999	C	1.0	122.0	1240 KHZ	10/01/2003

- (1) A broadcast station's market may be different from its community of license.
(2) 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 antenna and the HAAT of the radio station's antenna.
(3) 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.

- (4) The FCC issued a construction permit to substitute a non-directional antenna for a directional antenna on September 11, 1998.
- (5) WPHI-FM operates with facilities equivalent to 3 kW at 100 meters.
- (6) On October 30, 1996, the FCC issued a construction permit to operate with a power of 50 kW day and 15 kW night and we began testing on March 4, 1999.
- (7) WJZZ-AM is licensed to Kingsley, Michigan, which is located outside of Traverse City, Michigan. The station is temporarily off the air.
- (8) An application to move the station's transmitter site closer to St. Louis and upgrade the station to Class C3 is pending.
- (9) An application for a license to operate at 6 kW is pending.

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 to assign or transfer the license involves a substantial change in ownership or control of the licensee, for example, 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. Informal objections may be filed any time up until the FCC acts upon the application. 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, which is not subject to the public notice and 30-day petition to deny procedure. The pro forma application is nevertheless subject to informal objections that may be filed any time up until the FCC acts on the application. 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 ten 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 20% 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 or held by any corporation directly or indirectly controlled by any other corporation of which more than 25% of its capital stock is owned of record or voted by non-U.S. citizens or entities or their representatives, or foreign governments or their representatives or by non-U.S. corporations, if the FCC finds the public interest will be served by the refusal or revocation of such license. These restrictions apply in modified form to other forms of business organizations, including partnerships and limited liability companies. Thus, the licenses for Radio One's stations could be revoked if more than 25% of Radio One's outstanding capital stock is issued to or for the benefit of non-U.S. citizens.

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 management or operation of 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.

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. However, the FCC's rules also specify other exceptions to these general principles for attribution. However, the FCC is currently evaluating whether to:

- . raise the benchmark for voting stock from five to ten percent;
- . raise the benchmark for passive investors holding voting stock from ten to twenty percent;
- . continue the single 50% stockholder exception; and/or
- . attribute non-voting stock or perhaps only when combined with other rights such as voting shares or contractual relationships.

More recently, the FCC has solicited comment on proposed rules that would:

- . treat an otherwise non-attributable 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
- . in certain circumstances, treat the licensee of a broadcast station that sells advertising time of 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.

Communications Act and FCC rules generally restrict ownership, operation or control of, or the common holding of attributable interests in:

- . radio broadcast stations above certain limits servicing the same local market;
- . a radio broadcast station and a television broadcast station servicing the same local market; and
- . a radio broadcast station and a daily newspaper serving the same local market.

These rules include specific signal contour overlap standards to determine compliance, and the FCC defined market will not necessarily be the same market used by Arbitron or other surveys, or for purposes of the HSR Act. Under these "cross-ownership" rules, we, 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 we then owned any radio broadcast station. Our stockholders, officers or directors, absent a waiver, may not hold an attributable interest in a daily newspaper or television broadcast station in those same markets.

The FCC is currently reviewing the ban on common ownership of a radio station and a daily newspaper in the same market. 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 Communications Act and 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 eight commercial radio stations, not more than five 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 seven commercial radio stations, not more than four 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 six commercial radio stations, not more than four 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 five commercial radio stations, not more than three 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 and diversity in the broadcast industry to determine if a recommendation to repeal or modify the rules should be made to Congress. The FCC staff has also notified the public of its intention to review transactions that comply with numerical ownership limits but that might involve undue concentration of market share.

Because of these multiple and cross-ownership rules, if a stockholder, officer or director 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, radio stations or daily newspapers, depending on their number and location. If an attributable stockholder, officer or director of Radio One violates any of these ownership rules, we may be unable to obtain from the FCC one or more authorizations needed to conduct our 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 Radio One where the vote of such person or entity is sufficient to affirmatively direct the affairs of Radio One, another stockholder, unless serving as an officer and/or director, generally would not hold an attributable interest in Radio One. However, as described above, the FCC is currently evaluating whether to continue the exception for a single majority stockholder of more than 50% of a licensee's voting stock. As of March 31, 1999, no single stockholder held more than 50% of the total voting power of our common stock.

Under its "cross-interest" policy, the FCC considers "meaningful" relationships among competing media outlets that serve "substantially the same area," even if the ownership rules do not specifically prohibit the relationship. Under this policy, the FCC may consider whether to prohibit one party from holding an

attributable interest and a substantial non-attributable interest (including non-voting stock, limited partnership and limited liability company interests) in a media outlet in the same market, or from entering into a joint venture or having common key employees with 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, (1) whether the cross-interest policy should be applied only in smaller markets, and (2) whether non-equity financial relationships, such as debt, when combined with multiple business relationships, such as local marketing agreements or joint sales arrangements, raise concerns under the cross-interest policy.

Programming and Operations. The Communications Act requires broadcasters to serve the "public interest." Since the late 1980s, the FCC 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 of license. 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.

The FCC has always required that licensees not discriminate in hiring practices, develop and implement programs designed to promote equal employment opportunities and submit reports to the FCC on these matters annually and in connection with each license renewal application. The FCC's employment rules, as they related to outreach efforts for recruitment of minorities, however, were recently struck down as unconstitutional by the U.S. Court of Appeals for the D.C. Circuit. The FCC has proposed revising the rules to adopt outreach efforts that are constitutional.

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.

From time to time, complaints may be filed against Radio One's radio stations alleging violations of these or other rules. In addition, the FCC recently has proposed to establish a system of random audits to ensure and verify licensee compliance with FCC rules and regulations. 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 control 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 (1) remains ultimately responsible for, and maintains control over, the operation

of its radio station, and (2) 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 enters into 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 station's 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 a joint sales arrangement accompanied by debt financing. Also, as described above, FCC rules prohibit a radio broadcast station 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.

Joint Sales Agreements. Over the past few years, a number of radio stations have entered into cooperative arrangements commonly known as joint sales agreements or JSAs. While these agreements may take varying forms, under the typical JSA, a station licensee obtains, for a fee, the right to sell substantially all of the commercial advertising on a separately-owned and licensed station in the same market. The typical JSA also customarily involves the provision by the selling party of certain sales, accounting and services to the station whose advertising is being sold. The typical JSA is distinct from a local marketing agreement in that a JSA normally does not involve programming.

The FCC has determined that issues of joint advertising sales should be left to enforcement by antitrust authorities, and therefore does not generally regulate joint sales practices between stations. Currently, stations for which another licensee sells time under a JSA are not deemed by the FCC to be an attributable interest of that licensee. However, in connection with its ongoing rulemaking proceedings concerning the attribution rules, the FCC is considering whether JSAs should be considered attributable interests or within the scope of the FCC's cross-interest policy, particularly when JSAs contain provisions for the supply of programming services and/or other elements typically associated with local marketing agreements.

RF Radiation. In 1985, the FCC adopted rules based on a 1982 American National Standards Institute ("ANSI") standard 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 limits. In 1992, ANSI adopted a new standard for RF exposure that, in some respects, was more restrictive in the amount of environmental RF exposure permitted. The FCC has since adopted more restrictive radiation limits which became effective October 15, 1997, and which are based in part on the revised ANSI standard.

Digital Audio Radio Service. The FCC allocated spectrum to a new technology, digital audio radio service ("DARS"), to deliver satellite-based audio programming to a national or regional audience and issued regulations for a DARS service in early 1997. DARS 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. The nationwide reach of satellite DARS could allow niche programming aimed at diverse communities that Radio One is targeting. 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. Two companies that hold licenses for authority to offer multiple channels of digital, satellite-delivered S-Band aural services could compete with conventional terrestrial radio broadcasting. The licensees will be permitted to sell

advertising and lease channels in these media. The FCC's rules require that these licensees launch and begin operating at least one space station by 2001 and be fully operational by 2003.

The FCC has established a new Wireless Communications Service ("WCS") in the 2305-2320 and 2345-2360 MHz bands (the "WCS Spectrum") and awarded licenses. Licensees are generally permitted to provide any fixed, mobile, radio location services, or digital satellite radio service using the WCS Spectrum. Implementation of DARS would provide an additional audio programming service that could compete with Radio One's radio stations for listeners, but the effect upon Radio One cannot be predicted.

These satellite radio services use technology that may permit higher sound quality than is possible with conventional AM and FM terrestrial radio broadcasting.

Low Power Radio Broadcast Service. The FCC recently adopted a Notice of Proposed Rulemaking seeking public comment on a proposal to establish two classes of a low power radio service both of which would operate in the existing FM radio band: a primary class with a maximum operating power of 1 kW and a secondary class with a maximum power of 100 watts. These proposed low power radio stations would have limited service areas of 8.8 miles and 3.5 miles, respectively. The FCC also has sought public comment on the advisability of establishing a very low power secondary "microbroadcasting" service with a maximum power limit of one to ten watts. These "microradio" stations would have a service radius of only one to two miles. The service would target "niche markets" and be possibly supported by advertising revenue. Existing licensees, like Radio One, would be prohibited from owning or having a relationship with these new stations. Implementation of a low power radio service or microbroadcasting would provide an additional audio programming service that could compete with Radio One's radio stations for listeners, but the effect upon Radio One cannot be predicted.

Subsidiaries and Related Entities

Radio One has title to most of the assets used in the operations of our radio stations. The FCC licenses for the radio stations in all cases are or will be held by direct or indirect wholly-owned subsidiaries of Radio One. In the case of all of the Baltimore stations, three of the Washington, D.C. stations, the Philadelphia station, the St. Louis station, the Cleveland stations and the Richmond stations, the FCC licenses are or will be held by Radio One Licenses, Inc., a Delaware corporation and a wholly-owned Restricted Subsidiary of Radio One. Radio One Licenses, Inc. holds no other material assets. WYCB Acquisition Corporation, a Delaware corporation and a wholly-owned Unrestricted Subsidiary, holds title to all of the outstanding capital stock of BHI, a District of Columbia corporation and an Unrestricted Subsidiary. The FCC licenses for WYCB-AM are held by BHI which also holds the assets used in the operation of that station. Bell Broadcasting, a Michigan corporation and a wholly-owned Restricted Subsidiary, holds the assets used in the operation of WCHB-AM, WDTJ-FM and WJZZ-AM. Bell Broadcasting holds title to all of the outstanding capital stock of Radio One of Detroit, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WCHB-AM, WDTJ-FM and WJZZ-AM are held by Radio One of Detroit, Inc. Radio One of Detroit, Inc. holds no other material assets.

Allur-Detroit, a Delaware corporation and a wholly-owned Restricted Subsidiary, holds the assets used in the operation of station WWBR-FM. Allur-Detroit holds title to all of the outstanding capital stock of Allur Licenses, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WWBR-FM are held by Allur Licenses, Inc. Allur Licenses, Inc. holds no other material assets.

ROA, a Delaware corporation and a wholly-owned Restricted Subsidiary, holds the assets used in the operation of station WHTA-FM and some assets used in the operation of station WAMJ-FM. ROA holds title to all of the outstanding capital stock of ROA Licenses, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WHTA-FM are held by ROA Licenses, Inc. ROA Licenses, Inc. holds no other material assets. Dogwood, a Delaware corporation and a wholly-owned Restricted Subsidiary, owns some of the assets used in the operation of station WAMJ-FM and all of the outstanding capital stock of Dogwood

Licenses, Inc., a Delaware corporation and a Restricted Subsidiary. The FCC licenses for WAMJ-FM are held by Dogwood Licenses, Inc. Dogwood Licenses, Inc., holds no other material assets.

Employees

As of February 28, 1999, we employed 454 people. Our employees are not unionized. We have not experienced any work stoppages and believe relations with our 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, we centralize certain radio station functions by market location. For example, in each of our markets we employ one General Manager who is responsible for all of our radio stations located in such market and our Vice President of Programming oversees programming for all of our urban-oriented FM radio stations.

Legal Proceedings

We are involved from time to time in various routine legal and administrative proceedings and threatened legal and administrative proceedings incidental to the ordinary course of our business. We believe the resolution of such matters will not have a material adverse effect on our business, financial condition or results of operations.

MANAGEMENT

Directors, Executive Officers and Other Significant Personnel

The names, ages and positions of the directors, executive officers and other significant personnel of Radio One 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.

Name	Age as of March 31, 1999	Position
Catherine L. Hughes.....	51	Chairperson of the Board of Directors and Secretary
Alfred C. Liggins, III..	34	Chief Executive Officer, President, Treasurer, and Director
Scott R. Royster.....	34	Executive Vice President and Chief Financial Officer
Mary Catherine Sneed....	47	Chief Operating Officer
Linda J. Eckard.....	41	General Counsel
Steve Hegwood.....	37	Vice President of Programming
Leslie J. Hartmann.....	37	Corporate Controller
Terry L. Jones.....	52	Director
Brian W. McNeill.....	43	Director
Larry D. Marcus.....	50	Director

Ms. Hughes has been Chairperson of the board of directors and Secretary 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 company 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 General Sales Manager of WHUR-FM, the Howard University-owned, urban-contemporary radio station. Ms. Hughes is also the mother of Mr. Liggins, Radio One's Chief Executive Officer, President, Treasurer and director.

Mr. Liggins has been Chief Executive Officer since 1997, and President, Treasurer and a director of Radio One since 1989. Mr. Liggins joined Radio One 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 Radio One's Washington, D.C. operations. After becoming President, Mr. Liggins engineered Radio One's expansion into other markets. Mr. Liggins is a graduate of the Wharton School of Business/Executive M.B.A. Program. Mr. Liggins is the son of Ms. Hughes, Radio One's Chairperson and Secretary.

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. Mr. Royster is a graduate of Duke University and Harvard Business School.

Ms. Sneed has been Radio One's Chief Operating Officer since January 1998 and General Manager of ROA since 1995. Prior to joining Radio One, she held various positions with Summit Broadcasting including Executive Vice President of the Radio Division, and Vice President of Operations from 1992 to 1995. Ms. Sneed is a graduate of Auburn University.

Ms. Eckard has been General Counsel of Radio One since January 1998. Prior to joining Radio One as General Counsel, Ms. Eckard represented Radio One as outside counsel from July 1995 until assuming her current position. Ms. Eckard was a partner in the Washington, D.C. office of Davis Wright Tremaine LLP, a

from August 1997 to December 1997. Her practice focused on transactions and FCC regulatory matters. Prior to joining Davis Wright Tremaine LLP, Ms. Eckard was a shareholder of Roberts & Eckard, P.C., a firm that she co-founded in April 1992. Ms. Eckard is a graduate of Gettysburg College, the National Law Center at George Washington University and the University of Glasgow. Ms. Eckard is admitted to the District of Columbia Bar and the Bar of the United States Supreme Court.

Mr. Hegwood has been the Vice President of Programming for Radio One and Program Director of WKYS-FM since 1995. From 1990 to 1995, Mr. Hegwood was Program Director of WJLB-FM in Detroit, Michigan.

Ms. Hartmann has been Controller of Radio One since 1997. Prior to joining Radio One, she served as Vice President and Market Controller for Bonneville International Corporation in Phoenix, Arizona from 1991 to 1997. Ms. Hartmann is a graduate of the University of California and has an M.B.A. degree from the University of Phoenix.

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 his B.S. degree from Trinity College, his M.S. from George Washington University and his 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 major private equity firm which specializes in investments in the communications and technology industries. He has served as a director in many private 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 earned an M.B.A. from the Amos Tuck School at Dartmouth College.

Mr. Marcus is expected to become a director of Radio One in April 1999. Mr. Marcus is currently President of Peak Media L.L.C., which is the sole management member of Peak Media Holdings L.L.C., the owner of a television station in Johnstown, Pennsylvania, and the operator under a time brokerage agreement of a television station in Altoona, Pennsylvania. He is also an officer and director of Better Communications, Inc., a general partner of the owner of two television stations in Indiana. In May 1996, Mr. Marcus became the Chief Financial Officer of River City Broadcasting, licensee of ten television stations and thirty-four radio stations, located in medium to large markets which was sold to Sinclair Broadcasting in 1996. Mr. Marcus is also a director of Citation Computer Systems, Inc., a publicly traded NASDAQ company. Mr. Marcus is a graduate of City College of New York.

Committees of the Board of Directors

The board of directors has formed an Audit Committee and a Compensation Committee whose members are Mr. Jones and Mr. McNeill, neither of whom is an employee of Radio One.

Compensation of Directors and Executive Officers

Compensation of Directors

Our non-officer directors are reimbursed for all out-of-pocket expenses related to meetings attended. Non-officer directors receive no additional compensation for their services as directors. Our officers who serve as directors do not receive compensation for their services as directors other than the compensation they receive as officers of Radio One.

Compensation of Executive Officers

The following information relates to compensation of our Chief Executive Officer and each of our most highly compensated executive officers (the "Named Executives") for the fiscal years ended December 31, 1998, 1997 and 1996 (as applicable):

Summary Compensation Table

Name and Principal Positions	Annual Compensation			All Other Compensation
	Year	Salary	Bonus	
Catherine L. Hughes..... Chairperson of the Board of Directors and Secretary	1998	\$225,000	\$100,000	\$3,232
	1997	193,269	50,000	3,050
	1996	150,000	31,447	18,321
Alfred C. Liggins, III..... Chief Executive Officer, President, Treasurer and Director	1998	225,000	100,000	3,567
	1997	193,269	50,000	3,125
	1996	150,000	--	19,486
Scott R. Royster..... Executive Vice President and Chief Financial Officer	1998	165,000	50,000	n/a
	1997	148,077	25,000	n/a
	1996	55,577(/1/)	--	n/a
Mary Catherine Sneed..... Chief Operating Officer	1998	200,000	50,000	n/a
Linda J. Eckard..... General Counsel	1998	150,000	25,000	n/a

(1) Mr. Royster provided consulting services for Radio One in July 1996 and joined Radio One as an 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.

Employment Agreements

Ms. Catherine L. Hughes Employment Agreement. We anticipate entering into a three-year employment agreement with Ms. Hughes pursuant to which Ms. Hughes will continue to serve as Radio One's Chairperson of the board of directors. Ms. Hughes will receive an annual base salary of \$250,000 effective January 1, 1999, subject to an annual increase of not less than 5%, and an annual cash bonus at the discretion of the board of directors. We could incur severance obligations under the expected terms of the employment agreement in the event that Ms. Hughes's employment is terminated.

Mr. Alfred C. Liggins, III Employment Agreement. We anticipate entering into a three-year employment agreement with Mr. Liggins pursuant to which Mr. Liggins will continue to serve as Radio One's Chief Executive Officer and President. Mr. Liggins will receive an annual base salary of \$300,000 effective January 1, 1999, subject to an annual increase of not less than 5%, and an annual cash bonus at the discretion of the board of directors. Radio One could incur severance obligations under the expected terms of the employment agreement in the event that Mr. Liggins's employment is terminated.

Mr. Scott R. Royster Employment Agreement. We anticipate entering into a three-year employment agreement with Mr. Royster pursuant to which Mr. Royster will continue to serve as our Chief Financial Officer and Executive Vice President. Under the expected terms of the employment agreement Mr. Royster will receive an annual base salary of \$200,000 effective January 1, 1999, subject to an annual increase of not less than 5%, an annual cash bonus at the discretion of the board of directors, and a one-time cash bonus of \$60,000, payable upon completion of an equity financing which results in gross proceeds to us of at least \$50 million. Mr. Royster has also received a one-time restricted stock award of shares of our class C common stock and an option to purchase shares of our class A common stock at an exercise price of per share (subject to certain adjustments). Twenty-five percent of the stock granted pursuant to the stock award vested on the date of grant; the remaining stock will vest in equal increments every six months

beginning December 31, 1999 and ending December 31, 2001. The options will vest in equal one-sixth increments during the term of the employment agreement. We could incur severance obligations under the expected terms of the employment agreement in the event that Mr. Royster's employment is terminated.

Ms. Mary Catherine Sneed Employment Agreement. We are party to an employment agreement with Ms. Sneed pursuant to which she was hired to serve as Radio One's Chief Operating Officer. The employment agreement provides that Ms. Sneed will receive an annual base salary of \$220,000 and an annual cash bonus of up to \$50,000, contingent upon the satisfaction of certain performance criteria. We could incur certain severance obligations under the employment agreement in the event that Ms. Sneed's employment is terminated. If, during the term of the employment agreement, we terminate Ms. Sneed's employment without just cause or following a change of control of Radio One, Ms. Sneed will continue to receive her base salary for a period of twelve months, during the first six months of which she will be subject to certain non-compete restrictions.

Ms. Linda J. Eckard Employment Agreement. We anticipate entering into an employment agreement with Ms. Eckard pursuant to which Ms. Eckard will continue to serve as our General Counsel. Under the expected terms of the employment agreement, Ms. Eckard will receive an annual base salary of \$175,000 effective January 1, 1999, subject to an annual increase of not less than 5%, an annual cash bonus at the discretion of the board of directors, and a one-time cash bonus of \$, payable upon completion of an equity financing which results in gross proceeds to us of at least \$50 million. Ms. Eckard will also receive an option to purchase shares of our class A common stock at an exercise price of per share (subject to certain adjustments). We could incur severance obligations under the expected terms of the employment agreement in the event that Ms. Eckard's employment is terminated.

401(k) Plan

We adopted a defined contribution 401(k) savings and retirement plan effective August 1, 1994. Employees are eligible to participate after completing 90 days of service and attaining age 21. Participants may contribute up to 15% of their gross compensation subject to certain limitations.

Stock Option Plan

On March 10, 1999, we adopted an option plan designed to provide incentives relating to equity ownership to present and future executive, managerial and other key employees, directors and consultants of Radio One and our subsidiaries as may be selected in the sole discretion of the board of directors. The option plan provides for the granting to participants of stock options and restricted stock grants as the Compensation Committee of the board of directors, or such other committee of the board of directors as the board of directors may designate (the "Committee") deems to be consistent with the purposes of the option plan. An aggregate of shares of common stock have been reserved for issuance under the option plan. The option plan affords Radio One latitude in tailoring incentive compensation for the retention of key personnel, to support corporate and business objectives, and to anticipate and respond to a changing business environment and competitive compensation practices.

The Committee has exclusive discretion to select the participants, to determine the type, size and terms of each award, to modify the terms of awards, to determine when awards will be granted and paid, and to make all other determinations which it deems necessary or desirable in the interpretation and administration of the option plan. The option plan terminates ten years from the date that the option plan was approved and adopted by the stockholders of Radio One. Generally, a participant's rights and interest under the option plan are not transferable except by will or by the laws of descent and distribution.

Options, which include non-qualified stock options and incentive stock options, are rights to purchase a specified number of shares of common stock at a price fixed by the Committee. The option price may be less than, equal to or greater than the fair market value of the underlying shares of common stock, but in no event will the exercise price of an incentive stock option be less than the fair market value on the date of grant. Options will expire not later than ten years after the date on which they are granted. Options will become exercisable at such times and in such installments as the Committee shall determine. Upon termination of a participant's employment with Radio One, options that are not exercisable will be forfeited immediately and Options that are exercisable will be forfeited on the thirtieth day following such termination unless exercised by the participant. Payment of the option price must be made in full at the time of exercise in such form (including, but not limited to, cash or common stock of Radio One) as the Committee may determine.

Grants are awards of restricted common stock at no cost to participants and are generally subject to vesting provisions as determined by the Committee. Upon termination of a participant's employment with Radio One, grants that are not vested will be forfeited immediately.

In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, distribution of assets, or any other change in the corporate structure or shares of Radio One, the Committee will make any adjustments it deems appropriate in the number and kind of shares reserved for issuance upon the exercise of options and vesting of grants under the option plan and in the exercise price of outstanding options.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Mableton Option

Mr. Liggins, the Chief Executive Officer and President of Radio One, has a right, which he obtained in 1995, (the "Mableton Option") to acquire an interest in a construction permit for an FM radio station licensed to Mableton, Georgia (the "Mableton Station") which is in the Atlanta MSA. Mr. Liggins and the principals of Syncom, Herbert P. Wilkins, Terry L. Jones and Duane McKnight, have reached an agreement in principle to provide initial funding to satisfy the requirements of the Mableton Option. Terry L. Jones is also a member of Radio One's board of directors. Mr. Liggins has also proposed that Radio One, most likely through ROA, enter into an LMA with respect to the Mableton Station, or otherwise participate in the operations and financing of the Mableton Station. Any such arrangement will be on terms at least as favorable to Radio One as any such transaction with an unaffiliated third party.

Office Lease

We lease office space located at 100 St. Paul Street, Baltimore, Maryland from Chalrep Limited Partnership, a limited partnership controlled by Ms. Hughes and Mr. Liggins. The annual rent for the office space is \$152,400. We believe that the terms of this lease are not materially different than if the agreement were with an unaffiliated third party.

Mr. Liggins' Loan

We have extended an unsecured loan to Mr. Liggins in the amount of \$380,000, which bears interest at an annual rate of 5.56% and is evidenced by a demand promissory note dated as of June 30, 1998. As of March 1, 1999, the aggregate outstanding principal and interest amount on this loan was \$386,386. The purpose of the loan was to repay a loan that Mr. Liggins obtained from NationsBank, Texas, N.A. in 1997 to purchase an additional interest in Radio One.

Music One, Inc.

Ms. Hughes and Mr. Liggins own a music company called Music One, Inc. We sometimes engage in promoting the recorded music product of Music One, Inc. We estimate that the dollar value of such promotion is nominal.

Allur-Detroit

Allur-Detroit leases the transmitter site for WWBR-FM from American Signalling Corporation for approximately \$72,000 per year. American Signalling Corporation is a wholly-owned subsidiary of Syncom Venture Partners. We believe that the terms of this lease are not materially different than if the agreement were with an unaffiliated third party.

XM Satellite, Inc.

Radio One and XM Satellite Radio, Inc. have entered into a Programming Partner Agreement whereby we will provide programming to XM Satellite Radio, Inc. for distribution over satellite-delivered channels. Worldspace, Inc. holds 20% of the stock of XM Satellite Radio, Inc. Syncom Venture Partners owns approximately 1.25% of the stock of Worldspace, Inc. Terry L. Jones, a director of Radio One, is also a director of Worldspace, Inc.

Radio One of Atlanta, Inc.

On March 30, 1999, we acquired all of the outstanding capital stock of ROA. ROA's stockholders included Alta Subordinated Debt Partners III, L.P. ("Alta"), Syncom Venture Partners, and Alfred C. Liggins,

III. Mr. Brian W. McNeill, a general partner of Alta, is also a member of Radio One's board of directors. In addition to holding shares of Radio One's existing preferred stock prior to the offering, Alta will hold approximately % of the class A common stock after completion of the offering. Terry L. Jones, a general partner of the general partner of Syncom Venture Partners, is also a member of Radio One's board of directors and is the President of Syncom and Syncom I. In addition to holding shares of Radio One's existing preferred stock prior to the offering, Syncom is one of the selling stockholders and will hold approximately % of the class A common stock after completion of this offering.

Radio One issued shares of common stock in exchange for the outstanding capital stock of ROA. Alta, Syncom Venture Partners and Mr. Liggins received a majority of such shares in exchange for their shares in ROA. In connection with this transaction, Mr. Liggins was paid a fee of approximately \$1.2 million for arranging the acquisition. Also, as part of this transaction, Radio One assumed and retired debt and accrued interest of approximately \$16.3 million of ROA and Dogwood. Of this amount, approximately \$12.0 million was paid to Allied Capital Corporation, which is one of the selling stockholders, approximately \$1.3 million was paid to Syncom Venture Partners, and approximately \$2.0 million was paid to Alta.

The board of directors authorized the formation of an ad-hoc committee to oversee the valuation of ROA. The ad-hoc committee members are Catherine L. Hughes of Radio One, Sanford Anstey of BancBoston Investments, Inc. and Dean Pickerell of Medallion Capital, Inc. (formerly Capital Dimensions Venture Fund, Inc.). The committee is comprised of members of the board of directors of, and investors in, Radio One that do not have an interest in ROA.

The ad-hoc committee recommended approval of the acquisition of ROA based upon its determination that the acquisition was fair to Radio One and its stockholders.

Ms. Sneed's Loan

ROA has extended an unsecured loan to Mary Catherine Sneed, Chief Operating Officer of Radio One, in the original amount of \$262,539, which bears interest at an annual rate of 5.56% and is evidenced by two demand promissory notes. As of March 30, 1999, the aggregate outstanding principal and interest amount on this loan was \$263,394. The purpose of this loan was to pay Ms. Sneed's tax liability with respect to incentive stock grants of ROA stock received by Ms. Sneed.

SELLING STOCKHOLDERS

Radio One expects some of its stockholders to sell a portion of their shares in this offering.

8401 Colesville Road,
Suite 300,
Silver Spring, MD 20910
Allied Capital
Corporation(/4/).
1919 Pennsylvania
Avenue,
NW, Washington, D.C.
20006-3434
All Directors and Named
Executives as a group
(7 persons).

- - - - -

- (1) 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. The shares of class B common stock are subject to a voting agreement between Ms. Hughes and Mr. Liggins with respect to the election of Radio One's directors. Pursuant to that agreement, Mr. Liggins has transferred to Ms. Hughes voting control over shares of common stock representing approximately 0.6% of the total voting power of all common stock until such time as Mr. Liggins is permitted under applicable laws and regulations to hold in excess of 50% of such voting power.
- (2) Represents shares of class A common stock held by Syncom. Mr. Jones is the President of Syncom and may be deemed to share beneficial ownership of shares of class A common stock and existing preferred stock held by Syncom by virtue of his affiliation with Syncom. Mr. Jones disclaims beneficial ownership in such shares.
- (3) Represents shares of class A common stock held by Alta. Mr. McNeill is a general partner of Alta and Mr. McNeill may be deemed to share beneficial ownership of shares of class A common stock and existing preferred stock held by Alta by virtue of his affiliation with Alta. Mr. McNeill disclaims any beneficial ownership of such shares.
- (4) Such person is a holder of shares of existing preferred stock, as follows:

Name of Stockholder	Number of Shares of Series A Preferred Stock Held	Number of Shares of Series B Preferred Stock Held
Alfred C. Liggins, III..	2,359.67	--
Alta Subordinated Debt Partners III, L.P.....	--	72,139.57
Alliance Enterprise Corporation.....	9,126.55	--
BancBoston Investments, Inc.....	--	49,249.44
Medallion Capital, Inc.....	37,258.14	--
Fulcrum Venture Capital Corporation.....	9,650.09	--
Syncom Capital Corporation.....	13,595.69	--
Allied Capital Corporation*.....	4,000.00	--

* Represents a warrant to purchase, subject to certain conditions, 4,000.00 shares of Series A Preferred Stock.

We intend to use part of the proceeds of the preferred stock offering to redeem all of our existing preferred stock.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock gives effect to the consummation of the transactions contemplated under "Capitalization," which will occur prior to or simultaneously with this offering, the proposed sale of shares of class A common stock by Radio One in this offering and, except as otherwise provided below, the proposed sale of 50,000 shares of new preferred stock by Radio One in the preferred stock offering. Our capital stock consists of (1) authorized shares of common stock, \$0.01 par value per share, which consists of (a) shares of class A common stock, of which shares are outstanding (shares assuming the underwriters overallotment option is exercised), (b) shares of class B common stock, of which shares are outstanding, and (c) shares of class C common stock, of which shares are outstanding, and (2) 380,000 authorized shares of preferred stock, par value \$0.01 per share, which consists of 140,000 shares of series A preferred stock, none of which is outstanding, 150,000 shares of series B preferred stock, none of which is outstanding and 90,000 shares of new preferred stock, of which 50,000 shares are outstanding. In the event the preferred stock offering were not consummated, there would be no shares of new preferred stock outstanding, and there would be 140,000 shares of series A preferred stock authorized, of which 84,843 shares would be outstanding and (b) 150,000 shares of series B preferred stock authorized, of which 124,467 would be outstanding. There is no established trading market for our common stock or new preferred stock. The following is summary of the material provisions of our certificate of incorporation, which is filed as an exhibit to the Registration Statement of which this prospectus is a part.

Class A Common Stock

The holders of class A common stock are entitled to one vote for each share held on all matters voted upon by stockholders, including the election of directors and any proposed amendment to the certificate of incorporation. The holders of class A common stock are entitled to vote as a class to elect two independent directors to the board of directors. The holders of class A common stock will be entitled to such dividends as may be declared at the discretion of the board of directors out of funds legally available for that purpose. The holders of class A common stock will be entitled to share ratably with all other classes of common stock in the net assets of Radio One upon liquidation after payment or provision for all liabilities. All shares of class A common stock may be converted at any time into a like number of shares of class C common stock at the option of the holder of such shares. All shares of class A common stock issued pursuant to the offering will be fully paid and non-assessable.

Application has been made for the listing of the class A common stock on The Nasdaq National Market, subject to official notice of issuance.

Class B Common Stock

The holders of class B common stock are entitled to the same rights, privileges, benefits and notices as the holders of class A common stock, except that the holders of class B common stock will be entitled to ten votes per share. All shares of class B common stock may be converted at any time into a like number of shares of class A common stock at the option of the holder of such shares. Catherine L. Hughes and Alfred C. Liggins, III may transfer shares of class B common stock held by them only to "Class B Permitted Transferees," and Class B Permitted Transferees may transfer shares of class B common stock only to other Class B Permitted Transferees. If any shares of class B common stock are transferred to any person or entity other than a Class B Permitted Transferee, such shares will automatically be converted into a like number of shares of class A common stock. "Class B Permitted Transferees" include Ms. Hughes, Mr. Liggins, their respective estates, spouses, former spouses, parents or grandparents or lineal descendants thereof, and certain trusts and other entities for the benefit of, or beneficially owned by, such persons. Ms. Hughes and Mr. Liggins have agreed to vote their shares of common stock to elect each other and other mutually agreeable nominees to the board of directors. See "Risk Factors--Controlling Stockholders."

Class C Common Stock

The holders of class C common stock are entitled to the same rights, privileges, benefits and notices as the holders of class A common stock and class B common stock, except that the holders of class C common stock will be entitled to no votes per share. All shares of class C common stock may be converted at any time into a like number of shares of class A common stock at the option of the holder of such shares, except that Class B Permitted Transferees may convert shares of class C common stock into shares of class A common stock, or otherwise acquire shares of class A common stock, only in connection with:

- . a merger or consolidation of Radio One with or into, or other acquisition of, another entity pursuant to which the Class B Permitted Transferees are to receive shares of class A common stock in exchange for their interest in such entity;
- . the transfer of such shares of class A common stock to a person or entity other than a Class B Permitted Transferee; or
- . a registered public offering of such shares of class A common stock.

New Preferred Stock

Concurrent with this offering, we intend to offer for sale 50,000 shares of our new preferred stock.

Dividends on the new preferred stock will accrue from the date of issuance and will be payable in arrears on June 30 and December 31 of each year, beginning June 30, 1999, at an annual rate of % of the liquidation preference of \$1,000 per share. Dividends will be payable in cash, except that on each dividend payment date occurring on or prior to , , dividends may be paid, at Radio One's option, by the issuance of additional shares of new preferred stock (including fractional shares) having an aggregate liquidation preference equal to the amount of such dividends.

The new preferred stock will not be redeemable prior to June 30, 2004, except that, on or prior to June 30, 2002, we may redeem, at our option, in whole but not in part, the outstanding new preferred stock with the net proceeds of one or more public equity offerings at a redemption price of % of the liquidation preference thereof, plus accumulated and unpaid dividends to the date of redemption. On or after June 30, 2004, the new preferred stock is redeemable at the option of Radio One, at the prices set forth below (expressed in percentages of its liquidation preference), plus accumulated and unpaid dividends, if redeemed during the 12-month period beginning on June 30 of the years set forth below:

Period	Redemption Price
-----	-----
.....	%
.....	
.....	
and thereafter.....	100.000

We are required to redeem the new preferred stock on June 30, 2011, at a redemption price equal to 100% of its liquidation preference plus accumulated and unpaid dividends to the date of redemption.

The new preferred stock will rank senior to all other classes of equity securities of Radio One outstanding upon completion of this offering. We may not authorize any new class of stock equal or senior in rights to the new preferred stock without the approval of the holders of at least a majority of the shares of new preferred stock then outstanding.

On any scheduled dividend payment date, Radio One may, at its option, exchange all but not less than all of the shares of new preferred stock then outstanding for our % subordinated exchange debentures due 2011 (the "exchange debentures"). The exchange debentures will bear interest at a rate of % per annum, payable semiannually in arrears on June 30 and December 31 of each year (or, on or prior to , , in additional exchange debentures, at the option of Radio One), beginning with the first such date to occur after the date of exchange. The exchange debentures will be subordinated to all existing and future senior debt of Radio One and to all indebtedness and other liabilities (including trade payables) of Radio One's subsidiaries.

The new preferred stock and, if applicable, the indenture governing the exchange debentures will limit, subject to certain restrictions:

1. the incurrence of additional indebtedness and the issuance of preferred stock by Radio One and its Restricted Subsidiaries,
2. the payment of dividends and other distributions by Radio One and its Restricted Subsidiaries in respect of their capital stock,
3. investments or other restricted payments by Radio One and its Restricted Subsidiaries,
4. asset sales and asset swaps,
5. certain transactions with affiliates,
6. the sale or issuance of capital stock of Restricted Subsidiaries, and
7. mergers and consolidations.

The new preferred stock will also prohibit certain restrictions on dividends and other distributions from our Restricted Subsidiaries.

Foreign Ownership

Radio One's certificate of incorporation restricts the ownership, voting and transfer of our capital stock, including the class A common stock, in accordance with the Communications Act and the rules of the FCC, which prohibit the issuance of more than 25% of our outstanding capital stock (or more than 25% of the voting rights such stock represents) to or for the account of aliens (as defined by the FCC) or corporations otherwise subject to domination or control by aliens. Our certificate of incorporation prohibits any transfer of our capital stock that would cause a violation of this prohibition. In addition, the certificate of incorporation authorizes the board of directors to take action to enforce these prohibitions, including restricting the transfer of shares of capital stock to aliens and placing a legend restricting foreign ownership on the certificates representing the class A common stock.

Registration Rights

The holders of substantially all of the shares of class A common stock outstanding prior to the closing of this offering, other than Mr. Liggins, are parties to registration rights agreements with us. These agreements, which relate to approximately shares of class A common stock, provide incidental or "piggyback" registration rights that allow such holders, under certain circumstances, to include their shares of class A common stock in registration statements initiated by Radio One or other stockholders. Under these agreements, the holders of class A common stock may require us to register their shares under the Securities Act for offer and sale to the public (including by way of an underwritten public offering) on up to four occasions. These agreements also permit demand registrations on Form S-3 registration statements provided that we are eligible to register our capital stock on Form S-3. All such registration rights are subject to conditions and limitations, including the right of the underwriters of an offering to limit the number of shares to be included in a registration. The holders of the class A common stock have waived their "piggyback" registration rights with respect to the offering.

Limitations on Directors' and Officers' Liability

Radio One's certificate of incorporation limits the liability of directors to the maximum extent permitted by Delaware law, which specifies that a director of a company adopting such a provision will not be personally liable for monetary damages for breach of fiduciary duty as a director, except for the liability (1) for any breach of the director's duty of loyalty to Radio One or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) for unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or (4) for any transaction from which the director derived an improper personal benefit.

Radio One's certificate of incorporation provides for mandatory indemnification of directors and officers and authorizes indemnification for employees and agents in such manner, under such circumstances and to the fullest extent permitted by the Delaware General Corporation Law, which generally authorizes indemnification as to all expenses incurred or imposed as a result of actions, suits or proceedings if the indemnified parties act in good faith and in a manner they reasonably believe to be in or not opposed to the best interests of Radio One. We believe these provisions are necessary or useful to attract and retain qualified persons as directors. Radio One maintains directors and officers insurance for the benefit of its directors and officers.

There is no pending litigation or proceeding involving a director or officer as to which indemnification is being sought.

Transfer Agent and Registrar

United States Trust Company of New York is our transfer agent and registrar.

DESCRIPTION OF INDEBTEDNESS

Bank Credit Facility

On February 26, 1999, we entered into an amended and restated credit agreement providing for a bank credit facility under which we may borrow up to \$100 million on a revolving basis from a group of banking institutions. Draw downs under the bank credit facility are currently available, subject to compliance with provisions of the credit agreement, including but not limited to the financial covenants. Specifically, borrowings under the bank credit facility may be entirely of Eurodollar Loans, Alternate Base Rate ("ABR") Loans or a combination thereof. The bank credit facility will be fully available until a maturity date of December 31, 2003. No commitment reductions under the bank credit facility will occur until the final maturity date, provided that Radio One does not acquire or issue additional indebtedness or Disqualified Stock (as such term is defined in the credit agreement).

The bank credit facility terminates on December 31, 2003, at which time any outstanding principal together with all accrued and unpaid interest thereon would become due and payable. All amounts under the bank credit facility are guaranteed by each of Radio One's direct and indirect subsidiaries other than WYCB Acquisition Corporation and Broadcast Holdings, Inc.

The bank credit facility is secured by a perfected first priority secured interest in: (1) substantially all of the tangible and intangible assets of Radio One and our direct and indirect subsidiaries including, without limitation, any and all FCC licenses to the maximum extent permitted by law and (2) all of the common stock of Radio One and our direct and indirect subsidiaries, including all warrants or options and other similar securities to purchase such securities. Radio One also granted a security interest in all money (including interest), instruments and securities at any time held or acquired in connection with a cash collateral account established pursuant to the credit agreement, together with all proceeds thereof.

The interest rates on the borrowings under the bank credit facility are based on the ratio of total debt to EBITDA, with a maximum margin above ABR of 1.625% with respect to ABR Loans, and a maximum margin above Eurodollar rate 2.625% with respect to Eurodollar Loans. Interest on Eurodollar Loans is based on a 360-day period for actual days elapsed, and interest on ABR Loans is based on a 365-day period for actual days elapsed. In addition, Radio One will pay a commitment fee equal to an amount based on the average daily amount of the available commitment computed at a rate per year tied to a leverage ratio in effect for the fiscal quarter preceding the date of payment of such fee. The commitment fee is fully earned and non-refundable and is payable quarterly in arrears on the last business day of each March, June, September and December and on the maturity date.

The credit agreement contains customary and appropriate affirmative and negative covenants including, but not limited to, financing covenants and other covenants including limitations on other indebtedness, liens, investments, guarantees, restricted payments (dividends, redemptions and payments on subordinated debt), prepayment or repurchase of other indebtedness, mergers and acquisitions, sales of assets, capital expenditures, losses, transactions with affiliates and other provisions customary and appropriate for financing of this type, including mutually agreed upon exceptions and baskets. The financial covenants include:

- . a maximum ratio of total debt to EBITDA of 7.0x;
- . a maximum ratio of senior debt to EBITDA of 4.5x;
- . a minimum interest coverage ratio; and
- . a minimum fixed charge coverage ratio.

The credit agreement contains the following customary events of default:

- . failure to make payments when due;
- . defaults under any other agreements or instruments of indebtedness;

- . noncompliance with covenants;
- . breaches of representations and warranties;
- . voluntary or involuntary bankruptcy or liquidation proceedings;
- . entrance of judgments;
- . impairment of security interests in collateral; and
- . changes of control.

12% Notes Due 2004

On May 15, 1997, we entered into an approximate \$85.0 million aggregate principal amount offering (the "12% notes offering") of our 12% Senior Subordinated Notes (the "12% notes due 2004"). The 12% notes offering has an aggregate initial accreted value of approximately \$75.0 million, as of Maturity Date May 15, 2004.

The 12% notes due 2004 were issued pursuant to an indenture, dated as of May 15, 1997 among Radio One, Radio One Licenses, Inc. and United States Trust Company of New York (the "12% notes indenture"). The 12% notes due 2004 are generally unsecured obligations of Radio One and are subordinated in rights of payment to all Senior Indebtedness (as defined in the 12% notes indenture). All of our Restricted Subsidiaries are Subsidiary Guarantors of the 12% notes due 2004.

The 12% notes due 2004 were issued at a substantial discount from their principal amount. The issue price to investors per note was \$877.42, which represents a yield to maturity on the 12% notes due 2004 of 12.0% calculated from May 19, 1997 (computed on a semi-annual bond equivalent basis).

Cash interest on the 12% notes due 2004 accrues at a rate of 7.0% per annum on the principal amount of the 12% notes due 2004 through and including May 15, 2000, and at a rate of 12.0% per annum on the principal amount of the 12% notes due 2004 after such date. Cash interest on the 12% notes due 2004 is currently payable semi-annually on May 15 and November 15 of each year.

The 12% notes due 2004 are redeemable at any time and from time to time at the option of Radio One, in whole or in part, on or after May 15, 2001 at the redemption prices set forth in the 12% notes due 2004, plus accrued and unpaid interest to the date of redemption. In addition, on or prior to May 15, 2000, Radio One may redeem, at our option, up to 25.0% of the aggregate original principal amount of the 12% notes due 2004 with the net proceeds of one or more Public Equity Offerings at 112% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of redemption, as long as at least approximately \$64.1 million of the aggregate principal amount of the 12% notes due 2004 remains outstanding after each such redemption. Upon a Change of Control (as defined in the 12% notes indenture), we must commence an offer to repurchase the 12% notes due 2004 at 101% of the Accreted Value thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

The 12% notes indenture contains certain restrictive covenants with respect to Radio One and our Restricted Subsidiaries, including limitations on: (a) the sale of assets, including the equity interests of our Restricted Subsidiaries, (b) asset swaps, (c) the payment of Restricted Payments (as defined in the 12% notes indenture), (d) the incurrence of indebtedness and issuance of preferred stock by us or our Restricted Subsidiaries, (e) the issuance of Equity Interests (as defined in the 12% notes indenture) by a Restricted Subsidiary, (f) the payment of dividends on our capital stock and the purchase, redemption or retirement of our capital stock or subordinated indebtedness, (g) certain transactions with affiliates, (h) the incurrence of senior subordinated debt and (i) certain consolidations and mergers. The 12% notes indenture also prohibits certain restrictions on distributions from Restricted Subsidiaries. All of these limitations and prohibitions, however, are subject to a number of important qualifications.

The 12% notes indenture includes various events of default customary for such type of agreements, such as failure to pay principal and interest when due on the 12% notes due 2004, cross defaults on other indebtedness and certain events of bankruptcy, insolvency and reorganization.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for the class A common stock of Radio One. The sale or availability for sale of substantial amounts of class A common stock in the public market subsequent to the offering, or the perception that such sales could occur, could adversely affect market prices prevailing from time to time. Sales of substantial amounts of class A common stock in the public market subsequent to the offering could also adversely affect the ability of Radio One to raise equity capital in the future.

Upon consummation of this offering, Radio One will have outstanding _____ shares of class A common stock, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options and _____ shares of class A common stock assuming exercise of the Underwriter's over-allotment in full. Of these shares, the _____ shares of class A common stock sold in this offering will be freely tradable without restriction under the Securities Act, unless purchased by "affiliates" of Radio One as that term is defined in Rule 144 promulgated under the Securities Act. The remaining _____ shares of class A common stock outstanding upon completion of the offering will be "restricted securities," as that term is defined Rule 144 promulgated under the Securities Act ("Restricted Shares"). Restricted Shares may be sold in the public market only if registered or if they qualify for an exemption from registration under Rule 144 promulgated under the Securities Act, which is summarized below.

The holders of substantially all of the shares of class A common stock outstanding prior to the closing of this offering, other than Mr. Liggins, are parties to registration rights agreements with us. These agreements, which relate to approximately _____ shares of class A common stock, provide incidental or "piggyback" registration rights that allow such holders, under certain circumstances, to include their shares of class A common stock in registration statements initiated by Radio One or other stockholders. Such registration rights agreements also permit demand registrations. The number of shares sold in the public market could increase if such rights are exercised. See "Description of Capital Stock--Registration Rights."

In general, under Rule 144 as currently in effect, a person (or persons whose shares are required to be aggregated) who has beneficially owned shares of class A common stock that have been outstanding and not held by any "affiliate" of Radio One for a period of one year is entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of class A common stock (approximately _____ shares immediately after completion of this offering assuming no exercise of the underwriters' over-allotment option) or the average weekly reported trading volume of the class A common stock during the four calendar weeks preceding the date on which notice of such sale is given, provided certain manner of sale and notice requirements and requirements as to the availability of current public information are satisfied (such information requirements have been satisfied by Radio One's filing of reports under the Securities Exchange Act of 1934, as amended since August 1997). Affiliates of Radio One must comply with the restrictions and requirements of Rule 144, other than the two-year holding period requirement, in order to sell shares of class A common stock that are not "restricted securities" (such as shares acquired by affiliates in this offering). Under Rule 144(k), a person who is not deemed an "affiliate" of Radio One at any time during the three months preceding a sale by him, and who has beneficially owned shares of class A common stock that were not acquired from Radio One or an "affiliate" of Radio One within the previous two years, would be entitled to sell such shares without regard to volume limitations, manner of sale provisions, notification requirements or the availability of current public information concerning Radio One. As defined in Rule 144, an "affiliate" of an issuer is a person that directly or indirectly through the use of one or more intermediaries controls, or is controlled by, or is under common control with, such issuer.

Radio One, all of its officers and directors, the selling stockholders and other holders of class A common stock have entered into contractual "lock-up" agreements providing that they will not offer, sell, contract to sell or grant any option to purchase or otherwise dispose of the shares of class A common stock owned by them or that could be purchased by them through the exercise of options to purchase class A common stock of Radio One for a period of 180 days after the date of this prospectus without the prior written consent of Credit Suisse First Boston Corporation on behalf of the underwriters. As a result of these restrictions, notwithstanding possible earlier eligibility for sale under the provisions of Rules 144 and 144(k), shares subject to lock-up agreements will not be salable until the agreements expire. Taking into account the lock-up agreements, approximately _____ shares of class A common stock will be eligible for sale in the public market as of the effective date of this offering. Substantially all of the remaining Restricted Shares will become eligible for sale in the public market 180 days after the effective date of the offering, subject in the case of affiliates to the volume limitations described above.

Shortly after the effective date of the offering, Radio One intends to file a Registration Statement under the Securities Act covering shares of class A common stock reserved for issuance under Radio One's option plan. Such Registration Statement will cover approximately _____ shares. Such Registration Statement will automatically become effective upon filing. Accordingly, shares registered under such Registration Statement will be, subject to Rule 144 volume limitations applicable to affiliates, available for sale in the open market, unless such shares are subject to vesting restrictions or the lock-up agreements described above. In _____, 1999, Radio One's board of directors granted options to purchase an aggregate of _____ shares of class A common stock. _____ of these options are immediately exercisable, but any shares acquired pursuant to the exercise of these options are subject to the same contractual lock-up agreement as the shares held by officers, directors and selling stockholders.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement, dated , 1999, we and the selling stockholders have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, NationsBanc Montgomery Securities LLC, Bear, Stearns & Co. Inc., and Prudential Securities Incorporated are acting as representatives, the following respective number of shares of class A common stock:

Underwriter	Number of Shares
Credit Suisse First Boston Corporation.....	
NationsBanc Montgomery Securities LLC.....	
Bear, Stearns & Co. Inc.....	
Prudential Securities Incorporated.....	
Total.....	=====

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of class A common stock in the offering if any are purchased other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering of class A common stock may be terminated.

We and the selling stockholders have granted to the underwriters a 30-day option to purchase on a pro rata basis up to additional shares from us and an aggregate of additional shares from the selling stockholders at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of class A common stock.

The underwriters propose to offer the shares of class A common stock initially at the public offering price on the cover page of this prospectus, and to selling group members at that price less a concession of \$ per share. The underwriters and selling group members may allow a discount of \$ per share on sales to other broker/dealers. After the initial public offering, the public offering price and concession and discount to dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we and the selling stockholders will pay.

	Total		
Per Share	Without Over-allotment	With Over-allotment	
Underwriting Discounts and Commissions			
paid by us.....	\$	\$	\$
Expenses payable by us.....	\$	\$	\$
Underwriting Discounts and Commissions			
paid by selling stockholders.....	\$	\$	\$
Expenses payable by selling stockholders..	\$	\$	\$

The representatives have informed Radio One and the selling stockholders that the underwriters do not intend to confirm sales to any accounts over which they exercise discretionary authority.

We intend to use more than 10% of the net proceeds from the sale of shares of class A common stock to repay indebtedness owed by us to lenders under the bank credit facility, including NationsBank N.A. and Credit Suisse First Boston, New York branch, which are affiliates of NationsBanc Montgomery Securities LLC and Credit Suisse First Boston Corporation, respectively. Accordingly, the offering is being made in compliance with the requirements of Rule 2710(c)(8) of the National Association of Securities Dealers, Inc. Conduct Rules. This rule provides generally that if more than 10% of the net proceeds from the sale of stock, not including underwriting compensation, is paid to the underwriters or their affiliates, the initial public offering price of the stock may not be higher than that recommended by a "qualified independent underwriter" meeting certain standards. Accordingly, Prudential Securities is assuming the responsibilities of acting as the qualified independent underwriter in pricing the offering and conducting due diligence. The initial public offering price of the shares of class A common stock is no higher than the price recommended by Prudential Securities.

We are currently in compliance in all material respects with the terms of the credit agreement. The decision of Credit Suisse First Boston Corporation and NationsBanc Montgomery Securities LLC to distribute the class A common stock was made in accordance with their respective customary procedures. Credit Suisse First Boston Corporation and NationsBanc Montgomery Securities LLC will not receive any benefit from this offering other than their respective portions of the underwriting discounts as set forth on the cover page of this prospectus.

Radio One, Catherine L. Hughes, Alfred C. Liggins, III, the selling stockholders and certain other holders of Common Stock of Radio One have agreed that they will not offer, sell, contract to sell, announce our intention to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any additional shares of class A common stock or securities convertible into or exchangeable or exercisable for any of our class A common stock, without the prior written consent of Credit Suisse First Boston Corporation for a period of 180 days after the date of this prospectus.

At our request, the underwriters have reserved for sale, at the initial public offering price up to _____ shares of class A common stock for employees, directors and certain other persons associated with us who have expressed an interest in purchasing class A common stock in the offering. The number of shares available for sale to the general public in the offering will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares.

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in respect thereof.

We have made application to list the shares of class A common stock on The Nasdaq Stock Market's National Market under the symbol "ROIA."

Credit Suisse First Boston Corporation has provided customary financial advisory services to Radio One, for which it has received customary compensation and indemnification, and in the future may provide such services.

Prior to this offering, there has been no public market for the class A common stock. The initial public offering price for the class A common stock will be negotiated among us, the selling stockholders and the representatives. Among the principal factors to be considered in determining the initial public offering price will be market conditions for initial public offerings, the history of and prospects for our business, our past and

present operations, our past and present earnings and current financial position, an assessment of our management, the market of securities of companies in businesses similar to ours, the general condition of the securities markets and other relevant factors. There can be no assurance that the initial public offering price will correspond to the price at which the class A common stock will trade in the public market subsequent to the offering or that an active trading market will develop and continue after the offering.

The representatives, may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, as amended. Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Syndicate covering transactions involve purchases of the class A common stock in the open market after the distribution has been completed in order to cover syndicate short positions. Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the class A common stock originally sold by such syndicate member are purchased in a syndicate covering transaction to cover syndicate short positions. Such stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the class A common stock to be higher than it would otherwise be in the absence of such transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the class A common stock in Canada is being made only on a private placement basis exempt from the requirement that we and the selling stockholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of the class A common stock are effected. Accordingly, any resale of the class A common stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the class A common stock.

Representations of Purchasers

Each purchaser of the class A common stock in Canada who receives a purchase confirmation will be deemed to represent to us, the selling stockholders and the dealer from whom such purchase confirmation is received that (1) such purchaser is entitled under applicable provincial securities laws to purchase such class A common stock without the benefit of a prospectus qualified under such securities laws, (2) where required by law, that such purchaser is purchasing as principal and not as agent, and (3) such purchaser has reviewed the text above under "Resale Restrictions."

Rights of Action (Ontario Purchasers)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by section 32 of the Regulation under the Securities Act (Ontario). As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

Enforcement of Legal Rights

All of the issuer's directors and officers as well as the experts named herein and the selling stockholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or substantial portions of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

Notice to British Columbia Residents

A purchaser of the class A common stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any class A common stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from Radio One. Only one such report must be filed in respect of the class A common stock acquired on the same date and under the same prospectus exemption.

Taxation and Eligibility for Investment

Canadian purchasers of the class A common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the class A common stock in their particular circumstances and with respect to the eligibility of the class A common stock for investment by the purchaser under relevant Canadian legislation.

LEGAL MATTERS

Kirkland & Ellis will pass upon the legality of the common stock offered by this prospectus and other matters specified in the underwriting agreement for Radio One. Davis Wright and Tremaine LLP will pass upon legal matters regarding FCC issues for Radio One. Skadden, Arps, Slate, Meagher & Flom LLP will pass upon matters specified in the underwriting agreement for the underwriters.

EXPERTS

The audited consolidated financial statements and schedules of Radio One, Inc. and subsidiaries as of December 31, 1997 and 1998, and for each of the years in the three-year period ended December 31, 1998, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited consolidated financial statements of Radio One of Atlanta, Inc. and subsidiary as of December 31, 1997 and 1998, and for each of the years in the three-year period ended December 31, 1998, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of Bell Broadcasting Company as of December 31, 1997 and for each of the years in the two-year period ended December 31, 1997, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of Allur-Detroit, Inc., as of December 31, 1997, and for the year then ended, included in the prospectus and registration statement have been audited by Mitchell & Titus, LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of the Richmond Operations of Sinclair Telecable, Inc. as of December 31, 1997 and 1998, and for each of the years in the two-year period ended December 31, 1998, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

The audited financial statements of stations WKJS-FM and WSOJ-FM of FM 100, Inc. as of December 31, 1998, and for the year then ended, included in the prospectus and registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said report.

ADDITIONAL INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, file reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the SEC's regional offices located at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, IL 60661 and Seven World Trade Center, 13th Floor, New York, NY 10048. Copies of such material can be obtained from the Public Reference Section of the SEC upon payment of certain fees prescribed by the SEC. The SEC's Web site contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of that site is <http://www.sec.gov>. Our class A common Stock is quoted on the Nasdaq National Market and our reports, proxy statements and other information may also be inspected at the offices of Nasdaq Operations, 1735 K Street, N.W., Washington, D.C. 20006.

We have filed a registration statement on Form S-1 with the SEC under the Securities Act of 1933, as amended in respect of the class A common stock offered pursuant to this prospectus. This prospectus, which is a part of the registration statement, omits certain information contained in the registration statement as permitted by the SEC's rules and regulations. For further information with respect to Radio One and the class A common stock offered hereby, please reference the registration statement, including its exhibits. Statements in this prospectus concerning the contents of any contract or other document filed with the SEC as an exhibit to the registration statement are summaries of the material provisions of those documents and we recommend that you also refer to those exhibits in evaluating Radio One. Copies of the registration statement, including all related exhibits and schedules, may be inspected without charge at the public reference facilities maintained by the SEC, or obtained at prescribed rates from the Public Reference Section of the SEC at the address set forth above.

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The accompanying consolidated financial statements do not reflect the completion of a stock split, the exercise of certain warrants or exchange of class A common stock for classes B and C common stock which will take place on or prior to the effective date of an offering of common stock to the public. The following report is in the form which will be issued by us upon completion of the three transactions above, which are described in Note 1 to the consolidated financial statements, and assuming that from December 31, 1998, to the date of such completion no other material events have occurred that would affect the accompanying consolidated financial statements or require disclosure therein:

/s/ Arthur Andersen LLP

Baltimore, Maryland,
March 11, 1999

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, 1997 and 1998, 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, 1998. 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, 1997 and 1998 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

Baltimore, Maryland,
, 1999

RADIO ONE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
As of December 31, 1997 and 1998

	1997	1998
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 8,500,000	\$ 4,455,000
Trade accounts receivable, net of allowance for doubtful accounts of \$904,000 and \$1,243,000, respectively.....	8,722,000	12,026,000
Prepaid expenses and other.....	315,000	334,000
Deferred taxes.....	--	826,000
	-----	-----
Total current assets.....	17,537,000	17,641,000
PROPERTY AND EQUIPMENT, net.....	4,432,000	6,717,000
INTANGIBLE ASSETS, net.....	54,942,000	127,639,000
OTHER ASSETS.....	2,314,000	1,859,000
	-----	-----
Total assets.....	\$ 79,225,000	\$153,856,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 258,000	\$ 1,190,000
Accrued expenses.....	3,029,000	3,708,000
Income taxes payable.....	--	143,000
	-----	-----
Total current liabilities.....	3,287,000	5,041,000
LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion.....	74,954,000	131,739,000
DEFERRED TAX LIABILITY.....	--	15,251,000
	-----	-----
Total liabilities.....	78,241,000	152,031,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
SENIOR CUMULATIVE REDEEMABLE PREFERRED STOCK:		
Series A, \$.01 par value, 140,000 shares authorized, 84,843 shares issued and outstanding.....	9,310,000	10,816,000
Series B, \$.01 par value, 150,000 shares authorized, 124,467 shares issued and outstanding.....	13,658,000	15,868,000
STOCKHOLDERS' DEFICIT:		
Common stock--class A, \$ par value, shares authorized, and shares issued and outstanding, respectively.....	--	--
Common stock--class B, \$ par value, shares authorized, shares and shares issued and outstanding, respectively.....	--	--
Common stock--class C, \$ par value, shares authorized, shares and shares issued and outstanding, respectively.....	--	--
Additional paid-in capital.....	--	--
Accumulated deficit.....	(21,984,000)	(24,859,000)
	-----	-----
Total stockholders' deficit.....	(21,984,000)	(24,859,000)
	-----	-----
Total liabilities and stockholders' deficit....	\$ 79,225,000	\$153,856,000
	=====	=====

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, 1996, 1997 and 1998

	1996	1997	1998
	-----	-----	-----
REVENUE:			
Broadcast revenue, including barter revenue of \$1,122,000, \$1,010,000 and \$644,000, respectively.....	\$ 27,027,000	\$ 36,955,000	\$52,696,000
Less: Agency commissions.....	3,325,000	4,588,000	6,587,000
	-----	-----	-----
Net broadcast revenue.....	23,702,000	32,367,000	46,109,000
	-----	-----	-----
OPERATING EXPENSES:			
Program and technical.....	4,157,000	5,934,000	8,015,000
Selling, general and administrative.....	9,770,000	12,914,000	16,486,000
Corporate expenses.....	1,793,000	2,155,000	2,800,000
Depreciation and amortization.....	4,262,000	5,828,000	8,445,000
	-----	-----	-----
Total operating expenses.....	19,982,000	26,831,000	35,746,000
	-----	-----	-----
Operating income.....	3,720,000	5,536,000	10,363,000
INTEREST EXPENSE, including amortization of deferred financing costs.....	7,252,000	8,910,000	11,455,000
OTHER (EXPENSE) INCOME, net.....	(77,000)	415,000	358,000
	-----	-----	-----
Loss before benefit from income taxes and extraordinary item.....	(3,609,000)	(2,959,000)	(734,000)
BENEFIT FROM INCOME TAXES.....	--	--	1,575,000
	-----	-----	-----
(Loss) income before extraordinary item.....	(3,609,000)	(2,959,000)	841,000
EXTRAORDINARY ITEM:			
Loss on early retirement of debt....	--	1,985,000	--
	-----	-----	-----
Net (loss) income.....	\$ (3,609,000)	\$ (4,944,000)	\$ 841,000
	=====	=====	=====
BASIC AND DILUTED EARNINGS PER SHARE:			
Loss before extraordinary item.....	\$	\$	\$
	-----	-----	-----
Net loss.....			
	-----	-----	-----
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic and diluted.....			
	-----	-----	-----

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 31, 1996, 1997 and 1998

	Common Stock Class A	Common Stock Class B	Common Stock Class C	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
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)	1,114,000	--
Preferred stock dividends.....	--	--	--	--	(2,037,000)	(2,037,000)
BALANCE, as of December 31, 1997.....	--	--	--	--	(21,984,000)	(21,984,000)
Net income.....	--	--	--	--	841,000	841,000
Preferred stock dividends.....	--	--	--	--	(3,716,000)	(3,716,000)
BALANCE, as of December 31, 1998.....	\$--	\$ --	\$ --	\$ --	\$(24,859,000)	\$(24,859,000)

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, 1996, 1997 and 1998

	1996	1997	1998
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income.....	\$(3,609,000)	\$ (4,944,000)	\$ 841,000
Adjustments to reconcile net (loss) income to net cash from operating activities:			
Depreciation and amortization.....	4,262,000	5,828,000	8,445,000
Amortization of debt financing costs, unamortized discount and deferred interest...	3,005,000	3,270,000	4,110,000
Loss on disposals.....	153,000	--	--
Loss on extinguishment of debt....	--	1,985,000	--
Deferred income taxes and reduction in valuation reserve on deferred taxes.....	--	--	(2,038,000)
Effect of change in operating assets and liabilities--			
Trade accounts receivable.....	(656,000)	(2,302,000)	(1,933,000)
Prepaid expenses and other.....	114,000	(198,000)	(4,000)
Other assets.....	(71,000)	(147,000)	(1,391,000)
Accounts payable.....	(818,000)	(131,000)	830,000
Accrued expenses.....	234,000	1,576,000	296,000
Income tax payable.....	--	--	143,000
	-----	-----	-----
Net cash flows from operating activities.....	2,614,000	4,937,000	9,299,000
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment..	(252,000)	(2,035,000)	(2,236,000)
Proceeds from disposal of property and equipment.....	--	--	150,000
Deposits and payments for station purchases.....	(1,000,000)	(21,164,000)	(59,085,000)
	-----	-----	-----
Net cash flows from investing activities.....	(1,252,000)	(23,199,000)	(61,171,000)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of debt.....	(2,408,000)	(45,599,000)	(485,000)
Proceeds from new debt.....	51,000	72,750,000	49,350,000
Deferred debt financing costs.....	--	(2,148,000)	(1,038,000)
Financed equipment purchases.....	--	51,000	--
	-----	-----	-----
Net cash flows from financing activities.....	(2,357,000)	25,054,000	47,827,000
	-----	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(995,000)	6,792,000	(4,045,000)
CASH AND CASH EQUIVALENTS, beginning of year.....	2,703,000	1,708,000	8,500,000
	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of year.....	\$ 1,708,000	\$ 8,500,000	\$ 4,455,000
	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for--			
Interest.....	\$ 4,815,000	\$ 4,413,000	\$ 7,192,000
	=====	=====	=====
Income taxes.....	\$ 50,000	\$ --	\$ 338,000
	=====	=====	=====

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

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1996, 1997 and 1998

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. and WYCB Acquisition Corporation (Delaware corporations), Broadcast Holdings, Inc. (a Washington, D.C. corporation), Bell Broadcasting Company (a Michigan corporation), Radio One of Detroit, Inc., Allur-Detroit, Inc. and Allur Licenses, Inc. (Delaware corporations) (collectively referred to as the Company) were organized to acquire, operate and maintain radio broadcasting stations. The Company owns and operates radio stations in Washington, D.C.; Baltimore, Maryland; Philadelphia, Pennsylvania; Detroit, Michigan; and Kingsley, Michigan markets. The Company is highly leveraged, which requires substantial semi-annual and other periodic 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 share of the audience in markets where it has stations.

Radio One intends to offer Common A shares to the public in an initial public offering (IPO). The proceeds of the IPO will be used to repay certain outstanding debt, to finance pending and future acquisitions and for other general corporate purposes. Concurrent with the IPO, Radio One intends to issue \$50,000,000 of Series C Preferred Stock and use the proceeds to redeem all of the existing Senior Cumulative Redeemable Preferred Stock, to retire debt or to finance pending and future acquisitions.

Basis of Presentation

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

Acquisitions

On December 28, 1998, Radio One purchased all of the outstanding stock of Allur-Detroit, Inc. (Allur), which owned one radio station in Detroit, Michigan, for approximately \$26.5 million. Radio One financed this acquisition through a combination of cash and \$24.0 million borrowed under the Company's line of credit. The acquisition of Allur resulted in the recording of approximately \$31.7 million of intangible assets (including the recording of a deferred tax liability for the difference in book and tax basis in the assets acquired from the Allur purchase price being in excess of the net book value of Allur).

On June 30, 1998, Radio One purchased all of the outstanding stock of Bell Broadcasting Company (Bell), which owned three radio stations in Michigan, for approximately \$34.2 million. Radio One financed this acquisition through a combination of cash and approximately \$25.4 million borrowed under the Company's line of credit. The acquisition of Bell resulted in the recording of approximately \$42.5 million of intangible assets (including the recording of a deferred tax liability for the difference in book and tax basis in the assets acquired from the Bell purchase price being in excess of the net book value of Bell).

On March 16, 1998, WYCB Acquisition Corporation, an unrestricted subsidiary of Radio One, acquired all the stock of Broadcast Holdings, Inc. for \$3,750,000. The acquisition was financed with a promissory note for \$3,750,000 at 13%, due 2001, which pays quarterly cash interest payments at an annual rate of 10% through 2001, with the remaining interest being added to the principal.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

On February 8, 1997, under a local marketing agreement with the former owners of WDRE-FM licensed to Jenkintown, Pennsylvania, Radio One began to provide programming to and selling advertising for WDRE-FM. On May 19, 1997, Radio One acquired the broadcast assets of WDRE-FM 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. 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, 1997 and 1998, assuming the acquisitions of WPHI-FM, WYCB-AM, Bell Broadcasting and Allur-Detroit had occurred in the beginning of the fiscal years, are as follows:

	1996	1997	1998
	-----	-----	-----
Net broadcast revenue.....	\$33,021,000	\$39,475,000	\$50,988,000
Operating expenses, excluding depreciation and amortization....	23,650,000	27,077,000	31,435,000
Depreciation and amortization.....	12,742,000	12,165,000	12,115,000
Interest expense.....	14,301,000	14,295,000	15,114,000
Other (expense) income, net.....	16,000	666,000	322,000
(Benefit) provision for income taxes.....	(7,979,000)	(6,360,000)	(4,064,000)
Extraordinary loss.....	--	1,985,000	--
	-----	-----	-----
Net loss.....	\$(9,677,000)	\$(9,021,000)	\$(3,290,000)
	=====	=====	=====

On November 23, 1998, Radio One signed an agreement to purchase the assets of a radio station located in the St. Louis area, for approximately \$13.6 million. Radio One made a deposit of approximately \$700,000 towards the purchase price. This deposit is included in other assets in the accompanying consolidated balance sheet as of December 31, 1998.

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.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

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, 1997 and 1998, are as follows:

	1997	1998	Period of Depreciation
	-----	-----	-----
PROPERTY AND EQUIPMENT:			
Land.....	\$ 117,000	\$ 590,000	--
Building and improvements.....	148,000	248,000	31 years
Transmitter towers.....	2,146,000	2,282,000	7 or 15 years
Equipment.....	3,651,000	5,609,000	5 to 7 years
Leasehold improvements.....	1,757,000	2,577,000	Life of Lease
	-----	-----	
	7,819,000	11,306,000	
Less: Accumulated depreciation.....	3,387,000	4,589,000	
	-----	-----	
Property and equipment, net.....	\$4,432,000	\$ 6,717,000	
	=====	=====	

Depreciation expenses for the fiscal years ended December 31, 1996, 1997 and 1998, were \$706,000, \$746,000 and \$1,202,000, respectively.

Revenue Recognition

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

Barter Arrangements

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 revenue. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue is recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1997 and 1998, consist of cash and cash equivalents, trade accounts receivable, accounts payable, accrued expenses, long-term debt and preferred stock, all of which the carrying amounts approximate fair value except for the Senior Subordinated Notes as of December 31, 1998, which have a fair value of approximately \$84.5 million, as compared to a carrying value of \$78.5 million. The Company has estimated the fair value of the debt, based on its estimate of what rate it could have issued that debt as of December 31, 1998.

Comprehensive Income

The Company has adopted SFAS, No. 130, "Reporting Comprehensive Income" and has determined that the Company does not have any comprehensive income adjustments for the periods presented.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

Segment Reporting

The Company has adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" as of December 31, 1998, and has determined that the Company has only one segment, radio broadcasting. The Company came to this conclusion because the Company has one product or service, has the same type of customer and operating strategy in each market, operates in one regulatory environment, has only one management group that manages the entire Company and provides information on the Company's results as one segment to the key decision-maker to make decisions. All of the Company's revenue is derived from the eastern half of the United States.

Earnings Available for Common Stockholders

The Company has certain senior cumulative redeemable preferred stock outstanding which pays dividends at 15% per annum (see Note 3). The Company accretes dividends on this preferred stock, which is payable when the preferred stock is redeemed. The earnings available for common stockholders for the years ended December 31, 1997 and 1998, is the net loss or income for each of the years, less the accreted dividend of \$2,037,000 and \$3,716,000 during 1997 and 1998, respectively on the preferred stock.

Earnings Per Share

Earnings per share are based on the weighted average number of common and diluted common equivalent shares for stock options and warrants outstanding during the period the calculation is made, divided into the earnings available for common stockholders. Diluted common equivalent shares consist of shares issuable upon the exercise of stock options and warrants, using the treasury stock method at the estimated IPO price of \$ per share. All warrants outstanding to acquire common stock as of December 31, 1996, 1997 and 1998, will be exercised prior to the IPO and have been reflected in the calculation of earnings per share as if the stock granted from the exercise was outstanding for all periods presented. The Company also issued stock to an employee subsequent to year-end at a price below market value. The stock issued has been reflected in the earnings per share calculation as if it was outstanding for all periods presented (see Note 8). The weighted average shares outstanding is calculated as follows:

	December 31,
	1996 1997 1998

Common stock outstanding.....	
Common stock issued from exercise of warrants.....	
Stock issued subsequent to year end.....	

Weighted average shares outstanding for both basic and diluted earnings per share.....	==== ==== =====

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

Also, effective , 1999, the Company converted certain class A common stock held by the principal stockholders to class B common stock which will have ten votes per share, as compared to class A common stock which has one vote per share, and certain of their class A common stock to class C common stock. Class C common stock will have no voting rights except as required by Delaware law.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

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, 1997 and 1998, are as follows:

	1997	1998	Period of Amortization
FCC broadcast license.....	\$56,179,000	\$103,792,000	7-15 Years
Goodwill.....	7,609,000	39,272,000	15 Years
Debt financing.....	2,147,000	3,186,000	Life of Debt
Favorable transmitter site and other intangibles.....	1,922,000	1,924,000	6-17 Years
Noncompete agreement.....	4,900,000	4,000,000	3 Years
Total.....	72,757,000	152,174,000	
Less: Accumulated amortization.....	17,815,000	24,535,000	
Net intangible assets.....	\$54,942,000	\$127,639,000	

Amortization expense for the fiscal years ended December 31, 1996, 1997 and 1998, was \$3,556,000, \$5,082,000 and \$7,243,000, 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, 1997 and 1998, the Company's outstanding debt is as follows:

	1997	1998
Senior subordinated notes (net of \$10,640,000 and \$7,020,000 unamortized discounts, respectively)...	\$74,838,000	\$ 78,458,000
Line of credit.....	--	49,350,000
WYCB note payable and deferred interest.....	--	3,841,000
Other notes payable.....	35,000	23,000
Capital lease obligations.....	81,000	67,000
Total, noncurrent.....	\$74,954,000	\$131,739,000

Senior Subordinated Notes

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 under a NationsBank credit agreement 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 2005, for an equal amount of Radio One's then outstanding subordinated notes and accrued interest.

The 12% notes due 2004 are redeemable at any time and from time to time at the option of the Company, in whole or in part, on or after May 15, 2001 at the redemption prices set forth in the 12% notes due 2004, plus accrued and unpaid interest to the date of redemption. In addition, on or prior to May 15, 2000, the Company may redeem, at its option, up to 25% of the aggregate original principal amount of the 12% notes due 2004 with the net proceeds of one or more Public Equity Offerings at 112% of the Accreted Value thereof, together with accrued and unpaid interest, if any, to the date of redemption, as long as at least approximately \$64.1 million of the aggregate principal amount of the 12% notes due 2004 remains outstanding after each

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

such redemption. Upon a Change of Control (as defined in the indenture), the Company must commence an offer to repurchase the 12% notes due 2004 at 101% of the Accreted Value thereof, plus accrued and unpaid interest, if any, to the date of repurchase.

Lines of Credit

To finance the Bell Broadcasting and Allur-Detroit Acquisitions during 1998, Radio One borrowed \$49,350,000 from Credit Suisse First Boston, New York Branch, and other financial institutions which is to mature on December 31, 2003. This credit agreement bears interest at the Eurodollar rate plus an applicable margin. The average interest rate for the year ended December 31, 1998, was 7.58%. This credit agreement is secured by the property of the Company (other than Unrestricted Subsidiaries), and interest and proceeds of real estate and Key Man life insurance policies. During 1998, the month-end weighted average and the highest month-end balances were \$28,779,000 and \$49,350,000, respectively.

As of December 31, 1997, Radio One had a \$7,500,000 outstanding line of credit with NationBank. The interest rate was a base rate plus 1.375%. Radio One's collateral for this line of credit consisted 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). This line of credit was not drawn on as of December 31, 1997. NationsBank was a participating financial institution in the line of credit above, and this line of credit agreement was terminated when the Company entered into the line of credit agreement with Credit Suisse First Boston and one other financial institution, as discussed above.

During 1995, through a revolving credit agreement (the NationsBank Credit Agreement) with NationsBank of Texas, N.A. and the other lenders who were 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 Subordinated Notes financing 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, 1996 and 1997, was 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 Subordinated Promissory Notes converted all of their existing subordinated notes consisting of approximately \$17,000,000, together with any and all accrued interest thereon of approximately \$3,900,000 and outstanding warrants, for shares of Senior Cumulative Redeemable Preferred Stock, which must be redeemed in May 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, which is the principal and accreted dividends. The dividends on each share accrues on a daily basis at a rate of 15% per annum. Preferred stock dividends of approximately \$2,037,000 and \$3,716,000 were accrued during the years ended December 31, 1997 and 1998, respectively. 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.

Other 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.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

Refinancing of Debt

During 1997, Radio One retired \$45,600,000 of outstanding debt. 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 \$1,985,000 and were recorded as an extraordinary item in the accompanying statements of operations.

4. COMMITMENTS AND CONTINGENCIES:

Leases

Radio One has various operating leases for office space, studio space, broadcast towers and transmitter facilities which expire on various dates between May 1999 through October 15, 2003. One of these leases is for office and studio space in Baltimore, Maryland, and is with a partnership in which two of the partners are stockholders of the Company (see Note 6).

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, 1998.

Year	

1999.....	\$1,007,000
2000.....	1,055,000
2001.....	1,075,000
2002.....	838,000
2003.....	830,000
Thereafter.....	4,578,000

Total rent expense for the years ended December 31, 1996, 1997 and 1998, was \$777,000, \$809,000 and \$888,000, 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 October 1, 2003, to August 1, 2006. 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

The Company 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, the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

5. INCOME TAXES:

Effective January 1, 1996, Radio One elected to be treated as 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, the Company's S Corporation status was terminated.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

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.

The Company accounts 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.

During 1998, the Company acquired the stock of three companies. Associated with these stock purchases, the Company allocated the purchase price to the related assets acquired, with the excess purchase price allocated to goodwill. In a stock purchase, for income tax purposes, the underlying assets of the acquired companies retain their historical tax basis. Accordingly, the Company recorded a deferred tax liability of approximately \$16,863,000 related to the difference between the book and tax basis for all of the assets acquired (excluding goodwill). The result of recording this deferred tax liability is reflected as additional goodwill of \$16,863,000 related to these acquisitions.

A reconciliation of the statutory federal income taxes to the recorded income tax provision for the years ended December 31, 1996, 1997 and 1998, is as follows:

	1996	1997	1998
	-----	-----	-----
Statutory tax (@ 35% rate).....	\$(1,263,000)	\$(1,730,000)	\$ (257,000)
Effect of state taxes, net of federal.....	(217,000)	(245,000)	(29,000)
Establishment of S corporation loss to its stockholders.....	1,480,000	984,000	--
Effect of net deferred tax asset in conversion to C corporation.....	--	(1,067,000)	--
Nondeductible goodwill.....	--	--	769,000
Valuation reserve.....	--	2,058,000	(2,058,000)
	-----	-----	-----
Benefit for income taxes.....	\$ --	\$ --	\$(1,575,000)
	=====	=====	=====

The components of the provision for income taxes for the years ended December 31, 1997 and 1998, are as follows:

	1997	1998
	-----	-----
Current.....	\$ --	\$ 463,000
Deferred.....	(991,000)	20,000
Establishment of net deferred tax asset in conversion to C corporation.....	(1,067,000)	--
Valuation reserve.....	2,058,000	(2,058,000)
	-----	-----
Benefit for income taxes.....	\$ --	\$(1,575,000)
	=====	=====

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

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 and 1998, are as follows:

	1997	1998
	-----	-----
Deferred tax assets--		
FCC and other intangibles amortization.....	\$ 246,000	\$ 1,152,000
Reserve for bad debts.....	353,000	473,000
NOL carryforward.....	1,746,000	400,000
Accruals.....	--	268,000
Barter activity.....	--	85,000
Interest expense.....	--	479,000
Other.....	2,000	20,000
	-----	-----
Total deferred tax assets.....	2,347,000	2,877,000
	-----	-----
Deferred tax liabilities--		
FCC license.....	--	(16,525,000)
Depreciation.....	(279,000)	(539,000)
Other.....	(10,000)	(238,000)
	-----	-----
Total deferred tax liabilities.....	(289,000)	(17,302,000)
	-----	-----
Net deferred tax asset (liability).....	2,058,000	(14,425,000)
Less: Valuation reserve.....	(2,058,000)	--
	-----	-----
Net deferred taxes included in the accompanying consolidated balance sheets.....	\$ --	\$(14,425,000)
	=====	=====

A 100% valuation reserve was applied against the net deferred tax asset as of December 31, 1997, as its realization was not more likely than not to be realized. During the year ended December 31, 1998, this valuation allowance was reversed as the deferred tax assets were likely to be realized.

During 1998, the Company utilized its entire NOL carryforward, but acquired an approximate \$1,200,000 net operating loss from the purchase of Allur-Detroit, Inc. This net operating loss acquired can only be utilized as Allur-Detroit, Inc. has taxable income.

6. RELATED PARTY TRANSACTIONS:

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 1996, 1997 and 1998, was \$96,000, \$96,000 and \$96,000, respectively. Radio One also has a net receivable as of December 31, 1997 and 1998, of approximately \$68,000 and \$4,000, respectively, due from Radio One of Atlanta, Inc. (ROA), of which an executive officer and stockholder of Radio One is a major stockholder of ROA. Effective January 1, 1998 Radio One charged ROA a management fee of \$300,000 per year, and prior to January 1, 1998, the fee was \$100,000 per year.

The stockholders of Radio One of Atlanta, Inc. have agreed in principle to sell their shares of Radio One of Atlanta, Inc. to the Company in exchange for shares of the Company's Common Stock.

As of December 31, 1998, the Company has a loan outstanding of \$380,000, and accrued interest of \$7,000 from an officer. The loan is due May 2003 and bears interest at 5.6%.

RADIO ONE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

December 31, 1996, 1997 and 1998

7. 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 1996, 1997 or 1998.

8. SUBSEQUENT EVENTS:

In January 1999, the Company granted shares of common stock of the Company to an officer of the Company. These shares will vest over three years. The Company recognized compensation expense of approximately \$200,000 during 1999, which is the estimated value of the stock on the grant date.

On February 26, 1999, Radio One signed an asset purchase agreement for the broadcasting assets of two radio stations located in Richmond, Virginia, for approximately \$12,000,000. The Company expects to complete this transaction during the second quarter of 1999.

On February 10, 1999, Radio One signed an agreement to purchase the assets of a radio station located in the Richmond, Virginia, area for approximately \$4,600,000. Radio One made a deposit of \$200,000 related to this purchase.

In February 1999, Radio One signed a letter of intent to purchase the broadcasting assets of two radio stations located in Cleveland, Ohio, for approximately \$20,000,000. The Company expects to complete this transaction during the first half of 1999.

In March 1999, Radio One signed a letter of intent to purchase the broadcasting assets of four radio stations located in Richmond, Virginia for approximately \$34,000,000. The Company expects to complete this transaction during the first half of 1999.

In March 1999, the Company adopted a stock option and grant plan which provides for the issuance of qualified and nonqualified stock options and grants to full-time key employees. The Plan allows the issuance of common stock at the discretion of the Company's board of directors. There are no options currently outstanding under this plan.

During 1999, the Company made a \$1,000,000 investment in PNE Media Holdings, LLC, a privately-held outdoor advertising company.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Radio One of Atlanta, Inc.:

We have audited the accompanying consolidated balance sheets of Radio One of Atlanta, Inc. (a Delaware corporation) and subsidiary as of December 31, 1997 and 1998, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1998. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 of Atlanta, Inc. and subsidiary as of December 31, 1997 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
February 19, 1999

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
As of December 31, 1997 and 1998

	1997	1998
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 1,117,000	\$ 1,711,000
Trade accounts receivable, net of allowance for doubtful accounts of \$112,000 and \$312,000.....	1,259,000	2,479,000
Prepaid expenses and other.....	59,000	82,000
Due from Mableton.....	77,000	120,000
Income tax receivable.....	--	164,000
	-----	-----
Total current assets.....	2,512,000	4,556,000
PROPERTY AND EQUIPMENT, net.....	585,000	1,758,000
INTANGIBLE ASSETS, net.....	10,994,000	10,867,000
OTHER ASSETS.....	112,000	40,000
DEFERRED TAXES.....	--	60,000
	-----	-----
Total assets.....	\$14,203,000	\$17,281,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 108,000	\$ 276,000
Accrued expenses.....	782,000	909,000
Current portion of long-term debt.....	568,000	327,000
Due to affiliate.....	68,000	4,000
	-----	-----
Total current liabilities.....	1,526,000	1,516,000
LONG-TERM DEBT AND DEFERRED INTEREST, net of current portion.....	13,398,000	15,525,000
	-----	-----
Total liabilities.....	14,924,000	17,041,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock, \$1 par value, 14,670 shares authorized, 10,000 shares issued and outstanding..	10,000	10,000
Additional paid-in capital.....	978,000	1,390,000
Accumulated deficit.....	(1,709,000)	(1,160,000)
	-----	-----
Total stockholders' (deficit) equity.....	(721,000)	240,000
	-----	-----
Total liabilities and stockholders' equity.....	\$14,203,000	\$17,281,000
	=====	=====

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

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 1996, 1997 and 1998

	1996	1997	1998
	-----	-----	-----
REVENUE:			
Broadcast revenue, including barter revenue of \$112,000, \$86,000 and \$51,000, respectively.....	\$4,257,000	\$6,525,000	\$11,577,000
Less: Agency commissions.....	497,000	794,000	1,437,000
	-----	-----	-----
Net broadcast revenue.....	3,760,000	5,731,000	10,140,000
	-----	-----	-----
OPERATING EXPENSES:			
Program and technical.....	1,017,000	1,432,000	1,418,000
Selling, general and administrative.....	1,426,000	1,994,000	4,111,000
Corporate expenses.....	241,000	637,000	667,000
Depreciation and amortization.....	429,000	577,000	896,000
	-----	-----	-----
Total operating expenses.....	3,113,000	4,640,000	7,092,000
	-----	-----	-----
Operating income.....	647,000	1,091,000	3,048,000
INTEREST EXPENSE, including amortization of deferred financing costs.....	839,000	1,663,000	2,007,000
OTHER EXPENSES, net.....	--	111,000	(7,000)
	-----	-----	-----
(Loss) income before provision for income taxes.....	(192,000)	(683,000)	1,048,000
PROVISION FOR INCOME TAXES.....	--	--	499,000
	-----	-----	-----
Net (loss) income.....	\$ (192,000)	\$ (683,000)	\$ 549,000
	=====	=====	=====

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

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 1996, 1997 and 1998

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' (Deficit) Equity
BALANCE, December 31, 1995.....	\$ --	\$ --	\$ (834,000)	\$ (834,000)
Net loss.....	--	--	(192,000)	(192,000)
BALANCE, December 31, 1996.....	--	--	(1,026,000)	(1,026,000)
Net loss.....	--	--	(683,000)	(683,000)
Issuance of stock options below market.....	--	264,000	--	264,000
Tax benefit of issuance of stock options below market....	--	106,000	--	106,000
Allocation for stock issued in conjunction with debt.....	--	608,000	--	608,000
Issuance of common stock.....	10,000	--	--	10,000
BALANCE, December 31, 1997.....	10,000	978,000	(1,709,000)	(721,000)
Net income.....	--	--	549,000	549,000
Issuance of stock options below market.....	--	294,000	--	294,000
Tax benefit of issuance of stock options below market....	--	118,000	--	118,000
BALANCE, December 31, 1998.....	\$10,000	\$1,390,000	\$(1,160,000)	\$ 240,000

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

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 1996, 1997 and 1998

	1996	1997	1998
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss).....	\$(192,000)	\$ (683,000)	\$ 549,000
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation and amortization.....	429,000	577,000	896,000
Amortization of debt financing costs and unamortized discount.....	399,000	172,000	630,000
Compensation expense from stock options granted.....	--	264,000	294,000
Loss on disposals.....	--	157,000	--
Deferred tax liability.....	--	--	58,000
Effect of change in operating assets and liabilities--			
Trade accounts receivable.....	(774,000)	(243,000)	(1,220,000)
Prepaid expenses and other.....	(16,000)	(4,000)	(23,000)
Due from Mableton.....	--	(77,000)	(43,000)
Income tax receivable.....	--	--	(164,000)
Other assets.....	--	(112,000)	72,000
Accounts payable.....	(22,000)	97,000	168,000
Accrued expenses.....	423,000	386,000	127,000
Due to affiliate.....	(19,000)	(10,000)	(64,000)
	-----	-----	-----
Net cash flows from operating activities.....	228,000	524,000	1,280,000
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment.....	(235,000)	(385,000)	(1,242,000)
Acquisition of Dogwood.....	--	(6,792,000)	--
Acquisition of intangibles.....	--	--	(678,000)
	-----	-----	-----
Net cash flows from investing activities.....	(235,000)	(7,177,000)	(1,920,000)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from debt issuance.....	--	7,577,000	2,000,000
Repayment of debt.....	--	--	(744,000)
Deferred debt financing costs.....	--	(60,000)	(22,000)
Issuance of common stock.....	--	10,000	--
	-----	-----	-----
Net cash flows from financing activities.....	--	7,527,000	1,234,000
	-----	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(7,000)	874,000	594,000
CASH AND CASH EQUIVALENTS, beginning of period.....	250,000	243,000	1,117,000
	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of period....	\$ 243,000	\$1,117,000	\$1,711,000
	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for interest.....	\$ 441,000	\$1,305,000	\$1,616,000
	=====	=====	=====
Income taxes paid.....	\$ --	\$ --	\$ 499,000
	=====	=====	=====

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

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

Radio One of Atlanta, Inc. (the Company) owns and operates a radio station serving the Atlanta, Georgia, market, and its subsidiary, Dogwood Communications, Inc. (Dogwood) owns a radio station serving the Atlanta, Georgia market. The Company started operations in June, 1995. The Company is highly leveraged, which requires substantial interest payments and may impair the Company's ability to obtain additional financing. The Company's operating results are significantly affected by its market share in the Atlanta, Georgia market.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiary, Dogwood (see Note 2). All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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, 1997 and 1998, are as follows:

	December 31,		
	1997	1998	Period of Depreciation
PROPERTY AND EQUIPMENT:			
Transmitter towers.....	\$335,000	\$ 493,000	7 Years
Equipment.....	364,000	967,000	5 to 7 Years
Leasehold improvements.....	14,000	14,000	Life of Lease
Furniture and fixtures.....	--	185,000	5 to 7 Years
Construction in progress.....	--	296,000	
	713,000	1,955,000	
Less: Accumulated depreciation.....	128,000	197,000	
Property and equipment, net.....	\$585,000	\$1,758,000	

Depreciation expense for the fiscal years ended December 31, 1996, 1997 and 1998, was \$38,000, \$64,000 and \$69,000, respectively.

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Organizational Costs

As of December 31, 1998, Dogwood had \$24,000 of unamortized organization costs. In April 1998, the Accounting Standards Executive Committee of the American Institute of Certified Public Accountants issued Statement of Position 98-5 (the "SOP") regarding financial reporting on the costs of start-up activities. Under the SOP, organizational costs are considered start-up costs and, commencing with fiscal years beginning after December 15, 1998, entities are required to expense such costs as they are incurred. The Company decided to expense the unamortized organizational costs as of December 31, 1998.

Revenue Recognition

In accordance with industry practice, revenue for commercial broadcasting advertisements 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 revenue. The deferred barter costs are expensed or capitalized as they are used or received. Deferred barter revenue is recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1997 and 1998, consist of cash and cash equivalents, trade accounts receivable, accounts payable, accrued expenses, and long-term debt, all of which the carrying amounts approximate fair value.

Reclassifications

Certain reclassifications have been made to the 1997 financial statements in order to conform with the 1998 presentation.

Comprehensive Income

The Company has adopted SFAS, No. 130, "Reporting Comprehensive Income." The Company does not have any comprehensive income adjustments.

Segment Reporting

The Company has adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" as of December 31, 1998, and has determined the Company has only one segment, radio broadcasting.

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

2. DOGWOOD COMMUNICATIONS, INC.:

In April 1997, the Company's founder and stockholder transferred his 33 1/3% ownership interest in Dogwood to the Company in return for the Company assuming responsibility for certain liabilities of Dogwood. Concurrent with the transfer of ownership, the Company contributed approximately \$6 million to Dogwood to retire Dogwood's outstanding debt. This stockholder also assigned to the Company his option to purchase the portion of Dogwood owned by others. The Company exercised the option to purchase up to 80% of Dogwood during 1998, for \$100,000. The Company intends to exercise its option to purchase the remaining 20% for \$3.5 million during 1999.

The Company owns 33 1/3% of Dogwood, it has the ability to acquire an additional 46 2/3% for \$100,000, it has 45 1/2% of the voting control of Dogwood, and it programs the station owned by Dogwood through a local marketing agreement (LMA). During the years ended December 31, 1997 and 1998, Dogwood's primary activity was an LMA of the station to the Company (the station went on the air on December 16, 1997). As the Company controls Dogwood's operations, Dogwood has been consolidated with the Company in the accompanying financial statements.

3. 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, 1997 and 1998, are as follows:

	December 31,		Period of Amortization
	1997	1998	
Debt financing costs.....	\$ 313,000	\$ 335,000	Life of debt
FCC broadcast license and other.....	11,602,000	12,280,000	15 Years
Organizational costs.....	203,000	--	5 Years
Total.....	12,118,000	12,615,000	
Less: Accumulated amortization.....	1,124,000	1,748,000	
Net intangible assets.....	\$10,994,000	\$10,867,000	

Amortization expense for the years ended December 31, 1996, 1997 and 1998, was \$391,000, \$513,000 and \$827,000, respectively. The amortization of the debt financing costs was charged to interest expense.

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

4. LONG-TERM DEBT:

The Company is obligated under a long-term senior note and various subordinated notes payable as follows:

	December 31,	
	1997	1998
Allied Investment Corporation and its affiliates (senior).....	\$10,000,000	\$12,000,000
Alta Subordinated Debt Partners III, L.P. (net of \$508,000 and \$360,000 of unamortized discount allocated to stock issuance).....	1,069,000	1,217,000
Syncom Capital Corporation (subordinate).....	1,000,000	1,000,000
Shareholder (subordinate).....	1,000,000	960,000
Design Media, Inc. (subordinate).....	235,000	--
Accrued interest on senior and subordinated notes...	662,000	675,000
Total	13,966,000	15,852,000
Less: Current portion of long-term debt.....	568,000	327,000
Total	\$13,398,000	\$15,525,000

Allied Investment Corporation Debt

The start-up of the Company was partially financed through a \$4,000,000 long-term debt agreement with Allied Investment Corporation and certain of its affiliates (collectively Allied). The loan bore interest at 14%. Terms of the note required only partial interest payments until January 1, 1997.

In April 1997, the Company renegotiated the prior Allied debt. In connection with that renegotiation, Allied amended and restated the prior Allied debt to provide the Company and Dogwood (see Note 2) to become co-borrowers with respect to the \$4,000,000 debt and to jointly borrow an additional \$6,000,000. In connection with this amended and restated loan, new senior secured debentures totaling \$10,000,000 were issued jointly by the Company and Dogwood, whereby the Company will carry the debt on its books and Dogwood will act as the guarantor. The agreements have an interest rate that ranges from 12.5% to 13.5% and matures on March 1, 2001. Interest only payments are due monthly until May 1, 1999. Subsequent to that date, monthly principal and interest payments are due. Also, as part of the renegotiation, the Company signed notes for interest that had accrued but was unpaid as of December 31, 1996, on the prior Allied debt.

In September 1998, the Company borrowed an additional \$2,000,000 from Allied. This debt has an interest rate ranging from 12.5% to 13.5%, and principal and interest payments are due monthly until the debt matures on March 1, 2001.

In April 1997, the Company also amended and restated its Security Agreement with Allied which grants them a security interest in all of the Company's collateral, which includes all tangible and intangible property, all the issued and outstanding stock of the Company, and the Company's rights and interest in Dogwood.

The prior Allied debt was issued with detachable warrants that granted Allied the right to acquire an equity interest in the Company. The warrants have an aggregate exercise price of \$100 per share. During 1997, the warrants were exercised and the Company issued Allied 1,430 shares of common stock.

Subordinated Notes

In April 1997, the Company also entered into a \$1,577,000 Senior Secured Subordinated Promissory Note with Alta Subordinated Debt Partners III, L.P. The note has an interest rate of 11%, and the unpaid principal

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

and accrued interest on the note is due on April 1, 2001. The Company also issued 1,500 shares of common stock in connection with the note. The Company allocated the proceeds between debt and additional paid-in capital, based on the pro-rata value of the debt and the common stock. As such, \$969,000 was assigned to the debt and \$608,000 was assigned to the value of the common stock. The value assigned to the common stock was recorded as an increase in additional paid-in capital. The value assigned to the debt was less than the face value, and such discount will be amortized over the life of the related debt using the effective interest method.

The Syndicated Communications Venture Partners II, L.P. (Syncom) debt bears an interest rate of 11% on the original principal balance of \$1,000,000. In April 1997, the Company amended the subordinated note with Syncom. Under the new terms of the agreement, interest accrues and is added to the principal balance, except that beginning with the period of June 20, 1998, the Company is required to make \$18,958 monthly payments. Unpaid principal and accrued interest is due April 1, 2001.

During 1995, the Syncom note was issued with detachable stock warrants allowing Syncom to purchase 2,400 shares of the Company for a purchase price of \$100. During 1997, the warrants were exercised and the Company issued Syncom 2,400 shares of common stock.

This note is also secured by a security agreement for the property and equipment of the Company.

The Company has a note payable to its shareholder of \$1,000,000, which bears interest at 8%. Interest only payments were made monthly until July 1, 1998. At that time, monthly principal and interest payments of \$12,133 began. Unpaid principal is due June 20, 2002.

The Design Media, Inc.'s note of \$235,000 bore interest at 8%. Interest only payments were made monthly until July 1, 1998. During 1998, the note was repaid in full.

The aggregate maturities of debt as of December 31, 1998, are as follows:

Year	Total
----	-----
1999.....	\$ 327,000
2000.....	1,620,000
2001.....	13,175,000
2002.....	730,000

Total.....	\$15,852,000
	=====

5. LEASES:

The Company leases office space which expires in October 2004 and broadcast towers which expire through December 2009.

The following is a schedule of the future minimum rental payments required under the operating leases that have an initial or remaining noncancellable lease term in excess of one year as of December 31, 1998:

Year	

1999.....	\$170,000
2000.....	163,000
2001.....	164,000
2002.....	170,000
2003.....	170,000
Thereafter.....	259,000

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

Total rent expense for the years ending December 31, 1996, 1997 and 1998, was \$54,000, \$57,000 and \$93,000, respectively.

6. STOCK OPTION PLAN:

During 1997, the Company granted stock options to an officer of the Company for up to 700 shares of the Company's common stock for \$1.00 each. Of the 700 shares, 400 shares vested immediately and were exercised during 1997. The officer was granted the remaining options after certain performance results were achieved during 1998. These options granted in 1998 vested immediately. As the options to acquire 400 shares and 300 shares granted and vested during 1997 and 1998, respectively, were significantly below their estimated fair market value, the Company recognized compensation expense of \$264,000 and \$294,000 during 1997 and 1998, respectively. Compensation expense represented the difference between the estimated fair market value of the stock and the exercise price. The Company also recognized an income tax benefit of \$106,000 and \$118,000 during 1997 and 1998, respectively, related to the options, which has been recorded as additional paid-in capital.

7. INCOME TAXES:

Effective March 31, 1997, the Company converted from an S corporation to a C corporation. At the date of conversion, the Company had no additional paid-in capital to convert to retained earnings.

The Company accounts 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, 1996, 1997 and 1998, is as follows:

	1996	1997	1998
	-----	-----	-----
Statutory tax (@ 35% rate).....	\$(67,000)	\$(239,000)	\$367,000
Effect of state taxes, net of federal.....	(9,000)	(32,000)	42,000
Nondeductible amortization.....	--	--	154,000
Effect of losses while an S corporation.....	76,000	264,000	--
Establish benefit for deferred taxes at C corporation			
Conversion.....	--	(57,000)	--
Valuation reserve.....	--	64,000	(64,000)
	-----	-----	-----
Provision for income taxes.....	\$ --	\$ --	\$499,000
	=====	=====	=====

The components of the provision for income taxes for the years ended December 31, 1997 and 1998, are as follows:

	1997	1998
	-----	-----
Current.....	\$ --	\$335,000
Deferred.....	(64,000)	228,000
Valuation reserve.....	64,000	(64,000)
	-----	-----
Provision for income taxes.....	\$ --	\$499,000
	=====	=====

RADIO ONE OF ATLANTA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)

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 and 1998, are as follows:

	1997	1998
	-----	-----
Deferred tax assets--		
Reserve for bad debts.....	\$ 44,000	\$118,000
NOL carryforward.....	79,000	--
	-----	-----
Total deferred tax assets.....	123,000	118,000
Deferred tax liabilities--		
Depreciation and amortization.....	(59,000)	(58,000)
	-----	-----
Net deferred tax asset.....	64,000	60,000
Less: Valuation reserve.....	(64,000)	--
	-----	-----
Net deferred taxes included in the accompanying consolidated balance sheets.....	\$ --	\$ 60,000
	=====	=====

A 100% valuation reserve was applied against the net deferred tax asset as of December 31, 1997, as its realization was not more likely than not to be realized. During 1998, this valuation allowance was reversed as the deferred tax assets would likely be realized. During 1998, the Company utilized its entire net operating loss carryforward.

8. RELATED PARTY TRANSACTIONS:

The Company is affiliated with Radio One, Inc., as a stockholder of the Company is also a stockholder of Radio One, Inc. The Company has a due to affiliate of \$68,000 and \$4,000 as of December 31, 1997 and 1998, respectively, for expenses paid by Radio One, Inc. on behalf of the Company and for administrative services. During the years ended December 31, 1996, 1997 and 1998, the Company incurred expenses of \$100,000, \$100,000 and \$300,000, respectively, for administrative services which Radio One, Inc. performed for the Company.

The Company has \$77,000 and \$120,000 recorded as a receivable from Mableton Investment Group (Mableton) as of December 31, 1997 and 1998, respectively. These balances represent costs incurred by the Company for research and feasibility studies on behalf of a new radio station to be owned by Mableton, a company owned by a stockholder of the Company.

The stockholders of the Company have agreed in principle to sell their shares of the Company to Radio One, Inc. in exchange for shares of Radio One, Inc.'s common stock. A stockholder of the Company will receive a \$1.2 million fee related to this acquisition.

Subsequent to year end, the Company made a \$271,000 unsecured loan to an employee. The loan bears interest at 5.56% and is payable on demand.

9. PROFIT SHARING:

The Company's employees participate in a 401K profit sharing plan sponsored by Radio One, Inc., an affiliate of the Company (see Note 8). The Company's contribution is at the direction of its board of directors. The Company made no contributions to the plan during fiscal years 1996, 1997 or 1998.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying balance sheet of Bell Broadcasting Company (a Michigan Corporation) (the Company) as of December 31, 1997, and the related statements of operations, changes in stockholders' equity and cash flows for the years ended December 31, 1996 and 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 financial statements referred to above present fairly, in all material respects, the financial position of Bell Broadcasting Company as of December 31, 1997, and the results of its operations and its cash flows for the years ended December 31, 1996 and 1997, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Baltimore, Maryland,
August 28, 1998

BELL BROADCASTING COMPANY

BALANCE SHEETS

As of December 31, 1997 and June 30, 1998

	December 31, 1997	June 30, 1998
	-----	-----
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 226,000	\$ 186,000
Trade accounts receivable, net of allowance for doubtful accounts of \$28,000 and \$69,000, respectively.....	951,000	918,000
Current portion of notes receivable.....	13,000	14,000
Prepaid expenses and other.....	34,000	6,000
	-----	-----
Total current assets.....	1,224,000	1,124,000
PROPERTY AND EQUIPMENT, net.....	859,000	1,139,000
NOTES RECEIVABLE, net of current portion.....	491,000	184,000
OTHER ASSETS.....	38,000	20,000
	-----	-----
Total assets.....	\$2,612,000	\$2,467,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 251,000	\$ 92,000
Accrued expenses.....	198,000	61,000
Current portion of long-term debt.....	149,000	--
	-----	-----
Total current liabilities.....	598,000	153,000
LONG-TERM DEBT, net of current portion.....	592,000	--
	-----	-----
Total liabilities.....	1,190,000	153,000
	-----	-----
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock--Class A, \$2.00 par value, 800 shares authorized, issued and outstanding.....	2,000	2,000
Common stock--Class B, \$2.00 par value, 24,000 shares authorized, 20,071 and 20,071 shares issued and outstanding, respectively.....	40,000	40,000
Additional paid-in capital.....	198,000	1,308,000
Retained earnings.....	1,182,000	964,000
	-----	-----
Total stockholders' equity.....	1,422,000	2,314,000
	-----	-----
Total liabilities and stockholders' equity.....	\$2,612,000	\$2,467,000
	=====	=====

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

BELL BROADCASTING COMPANY

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 1996 and 1997
and the Six Months Ended June 30, 1997 and 1998

	Year Ended December 31,		Six Months Ended June 30,	
	1996	1997	1997	1998
			(Unaudited)	(Unaudited)
REVENUE:				
Broadcast revenue, including barter revenue of \$121,000, \$151,000, \$14,000 and \$73,000, respectively.....	\$ 3,917,000	\$ 4,571,000	\$1,916,000	\$2,326,000
Less: Agency commissions....	537,000	537,000	229,000	301,000
Net broadcast revenue.....	3,380,000	4,034,000	1,687,000	2,025,000
OPERATING EXPENSES:				
Programming and technical...	1,154,000	1,335,000	723,000	675,000
Selling, general and administrative.....	1,520,000	1,544,000	715,000	748,000
Corporate expenses.....	849,000	816,000	301,000	663,000
Depreciation and amortization.....	130,000	148,000	68,000	63,000
Total operating expenses..	3,653,000	3,843,000	1,807,000	2,149,000
Operating (loss) income...	(273,000)	191,000	(120,000)	(124,000)
INTEREST EXPENSE.....	75,000	81,000	38,000	52,000
OTHER (INCOME) EXPENSE, net...	(5,000)	54,000	59,000	28,000
(Loss) income before (benefit) provision for income taxes.....	(343,000)	56,000	(217,000)	(204,000)
(BENEFIT) PROVISION FOR INCOME TAXES.....	(78,000)	44,000	(164,000)	14,000
Net (loss) income.....	\$ (265,000)	\$ 12,000	\$ (53,000)	\$ (218,000)

The accompanying notes are an integral part of these statements.

BELL BROADCASTING COMPANY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 For the Years Ended December 31, 1996 and 1997
 and the Six Months Ended June 30, 1998

	Common Stock Class A	Common Stock Class B	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
BALANCE, January 1, 1996..	\$2,000	\$39,000	\$ 98,000	\$1,435,000	\$1,574,000
Net loss.....	--	--	--	(265,000)	(265,000)
Stock options granted below market.....	--	--	9,000	--	9,000
Stock bonus compensation.....	--	--	16,000	--	16,000
Issuance of common stock.....	--	--	9,000	--	9,000
BALANCE, December 31, 1996.....	2,000	39,000	132,000	1,170,000	1,343,000
Net income.....	--	--	--	12,000	12,000
Stock options granted below market.....	--	--	17,000	--	17,000
Stock bonus compensation.....	--	1,000	32,000	--	33,000
Issuance of common stock.....	--	--	17,000	--	17,000
BALANCE, December 31, 1997.....	2,000	40,000	198,000	1,182,000	1,422,000
Net loss.....	--	--	--	(218,000)	(218,000)
Capital contributed from former owners.....	--	--	672,000	--	672,000
Capital contributed from owners.....	--	--	438,000	--	438,000
BALANCE, June 30, 1998 (Unaudited).....	\$2,000	\$40,000	\$1,308,000	\$ 964,000	\$2,314,000

The accompanying notes are an integral part of these statements.

BELL BROADCASTING COMPANY

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 1996 and 1997
and the Six Months Ended June 30, 1997 and 1998

	December 31,		June 30,	
	1996	1997	1997	1998
			(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net (loss) income.....	\$(265,000)	\$ 12,000	\$ (53,000)	\$(218,000)
Adjustments to reconcile net (loss) income to net cash from operating activities:				
Depreciation and amortization.....	130,000	148,000	68,000	63,000
Compensation expense related to stock bonus plan and stock granted below market price.....	25,000	50,000	--	--
Loss on disposal of assets...	--	(8,000)	(8,000)	--
Effect of change in operating assets and liabilities--				
Trade accounts receivable..	190,000	(156,000)	(35,000)	33,000
Prepaid expenses and other.....	(101,000)	119,000	19,000	19,000
Other assets.....	(1,000)	(17,000)	--	18,000
Accounts payable.....	56,000	(94,000)	(108,000)	(159,000)
Accrued expenses.....	(125,000)	41,000	(68,000)	(137,000)
Net cash flows from operating activities....	(91,000)	95,000	(185,000)	(381,000)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of assets...	--	22,000	22,000	--
Principal payments received on notes.....	--	6,000	--	306,000
Acquisition of property and equipment.....	(140,000)	(211,000)	(109,000)	(403,000)
Net cash flows from investing activities....	(140,000)	(183,000)	(87,000)	(97,000)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from the issuance of debt.....	739,000	220,000	103,000	438,000
Repayment of debt.....	(642,000)	(211,000)	--	(438,000)
Issuance of common stock.....	9,000	17,000	--	--
Contributed capital.....	--	--	--	438,000
Net cash flows from financing activities....	106,000	26,000	103,000	438,000
DECREASE IN CASH.....	(125,000)	(62,000)	(169,000)	(40,000)
CASH, beginning of period.....	413,000	288,000	288,000	226,000
CASH, end of period.....	\$ 288,000	\$ 226,000	\$ 119,000	\$ 186,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Interest paid.....	\$ 73,000	\$ 81,000	\$ 38,000	\$ 55,000
Income taxes paid.....	\$ 117,000	\$ --	\$ --	\$ 7,000

The accompanying notes are an integral part of these statements.

BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS
December 31, 1996 and 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

Bell Broadcasting Company (the Company), a Michigan corporation, is a radio broadcaster, broadcasting on two stations, WCHB-AM and WDTJ-FM (formerly WCHB-FM), both located in the Detroit metropolitan area. During 1996, the Federal Communications Commission (FCC) approved the construction permit to increase WCHB-AM's signal from 25 kilowatts to 50 kilowatts. In addition, in September 1997, the Canadian government approved WCHB-AM's proposal for a nighttime increase to 15 kilowatts, and the FCC granted a construction permit for the nighttime increase. The Company also owns one station in Kingsley, Michigan, WJZZ-AM.

The financial statements for the six months ended June 30, 1997 and 1998, are unaudited, but, in the opinion of management, such financial statements have been presented on the same basis as the audited financial statements for the year ended December 31, 1997, and include all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of the financial position and results of operations and cash flows for these periods.

Financial Instruments

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

Use of Estimates

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 disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using accelerated and straight-line methods over the estimated useful lives of the related assets.

The components of the Company's property and equipment as of December 31, 1997, are as follows:

	December 31, 1997	Period of Depreciation
	-----	-----
Construction in progress.....	\$ 122,000	--
Land.....	581,000	--
Buildings and improvements.....	149,000	10 to 31 years
Transmitter towers.....	754,000	7 to 15 years
Equipment.....	555,000	5 to 15 years
Leasehold improvements.....	12,000	7 to 19 years

Total property and equipment.....	2,173,000	
Less: Accumulated depreciation.....	1,314,000	

Property and equipment, net.....	\$ 859,000	
	=====	

BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

Depreciation expense for the fiscal years ended December 31, 1996 and 1997, were \$120,000 and \$141,000, 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 revenue. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue is recognized as the related advertising is aired.

Sale of WKNX

In June 1997, the Company sold the assets and rights of WKNX-AM for approximately \$210,000 and recognized a loss of approximately \$22,000. In connection with the sale, the Company obtained a note receivable from the purchasers of the station. The terms of the sale call for a note receivable bearing interest at 10% per annum, requiring monthly payments of approximately \$3,000 through June 2007. The note is secured by certain real estate and personal property and the pledge of the stock of Frankenmuth.

Supplemental Cash Flow Information

The Company issued 200 and 400 shares each of class B common stock to two former officers of the Company during 1996 and 1997, respectively, at a price below the stock's estimated fair market value. Compensation expense of \$25,000 and \$50,000 was recorded in 1996 and 1997, respectively, in connection with the issuance (Note 6). In June 1997, the Company sold the assets and rights to WKNX-AM for a note receivable in the amount of \$210,000. (Also see Note 7.)

New Accounting Standards

During 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income" (SFAS No. 130), which is effective for fiscal years beginning after December 15, 1997. This statement establishes standards for reporting and display of comprehensive income and its components. The Company believes the adoption of SFAS No. 130 will have no impact on the financial statements as the Company has no comprehensive income adjustments.

BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

During 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131), which is effective for fiscal years beginning after December 15, 1997. This statement establishes a new approach for determining segments within a company and reporting information on those segments. The Company has performed a preliminary assessment of this statement and believes that no disclosure is necessary as the Company has only one segment.

2. NOTES RECEIVABLE--RELATED PARTY:

In 1995, the Company loaned the trust of a deceased shareholder \$300,000 and received a note receivable. The note bears interest at the mid-term applicable federal rate (6.31% and 5.63% as of December 31, 1996 and 1997, respectively), with principal and interest due December 2000. The principal and all interest due were paid on June 30, 1998.

3. DEBT:

Debt consists of the following:

	December 31, 1997

Note payable to bank, payable in monthly installments of \$12,000, including interest at 9.35% per annum, secured by land, equipment and the Company's AM broadcast license.....	\$641,000
Note payable to bank, payable in monthly installments of \$7,000, including interest at 9.35% per annum, secured by land, equipment and the Company's FM broadcast license.....	51,000
Note payable to bank, payable in monthly installments of \$1,000, including interest at 8.99% per annum, secured by vehicles.....	40,000
Note payable in monthly installments of \$400, including interest at 11% per annum, secured by transportation equipment.....	9,000

Total.....	741,000
Less: Current portion.....	149,000

Total long-term debt.....	\$592,000
	=====

This outstanding debt was repaid as of June 30, 1998.

4. COMMITMENTS AND CONTINGENCIES:

Leases

During 1996 and 1997, the Company leased the facilities under three separate operating leases, one of which was with a related party (the former owners of the Company). The related party lease was on a month-to-month basis for the FM station building, at a rate of \$800 per month. The second lease covers the FM tower and transmitter space and expires in May 1999, with one optional renewal of five years. Monthly rent under this lease is currently \$4,000. In addition, the Company leases equipment under two operating leases expiring in 1999. Monthly rent under the equipment leases is \$450.

Rental expense for the years ended December 31, 1996 and 1997, was \$70,000 and \$60,000, respectively.

BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

Litigation

The Company has been named as defendant in various legal proceedings arising out of the normal course of business. It is the opinion of management, after consultation with legal counsel, that the amount, if any, of the Company's ultimate liability under all current legal proceedings will not have a material adverse effect on the financial position or results of operations of the Company.

5. STOCK OPTION AND BONUS PLANS:

The Company had an Incentive stock option plan (the stock option plan). The Company granted options to two employees of the Company to purchase up to 200 shares each of class B common stock at a price equal to 50% of the fair market value of the stock on the exercise date. In 1996, the stock option plan was extended for two years (January 1, 1996 to December 31, 1997). During 1996 and 1997, the Company granted options under the plan and recognized compensation expense because the option price was below the estimated market price of the stock.

The Company also had a Stock Bonus Plan (the Bonus Plan). Under provisions of the Bonus Plan, the Company could, at its discretion, award two employees of the Company up to an aggregate of 200 shares each of class B common stock. The Bonus Plan was extended in 1996 for two years. During 1996, the Company awarded 50 shares to each employee under the Bonus Plan. During 1997, the Company awarded 100 shares to each employee for services performed. Compensation expense equal to the fair market value of the class B common stock awarded has been recorded for 1996 and 1997 to reflect such awards.

Agreements between the Company and three of its former stockholders generally provide that none of their shares (as specifically defined) may be sold, transferred or exchanged without the prior written consent of the Company.

In addition, the agreements specify the rights of the stockholders and the obligations of the Company in the event of death, termination of employment or change in control of the Company. The agreements state that if a change in control of the Company occurs, the employees' right to exercise their options will cease. If the Company is required to repurchase any of the shares, the purchase price shall be the fair market value of such shares (as specifically defined). As of June 30, 1998, all options terminated.

The Company accounts for its stock option plans in accordance with Accounting Principles Board Opinion No. 25. Had compensation cost for the plans been determined consistent with Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation," the difference in the Company's pro forma net income would have been immaterial.

BELL BROADCASTING COMPANY

NOTES TO FINANCIAL STATEMENTS--(Continued)

December 31, 1996 and 1997

6. INCOME TAXES:

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

	December 31,	
	1996	1997
Statutory tax (@ 35% rate).....	\$(120,000)	\$ 19,000
Effect of state taxes, net of federal.....	16,000	3,000
Effect of graduated tax rate.....	--	(12,000)
Other nondeductible items.....	23,000	28,000
Nondeductible compensation expense.....	3,000	6,000
	-----	-----
(Benefit) provision for income taxes.....	\$ (78,000)	\$ 44,000
	=====	=====

The components of the (benefit) provision for income taxes for the years ended December 31, 1996 and 1997 are as follows:

	December 31,	
	1996	1997
Current.....	\$(105,000)	\$20,000
Deferred.....	27,000	24,000
	-----	-----
(Benefit) provision for income taxes.....	\$ (78,000)	\$44,000
	=====	=====

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 liability as of December 31, 1997, are as follows:

	December 31,
	1997
Deferred tax assets--	
Reserve for bad debts.....	\$ 10,000
Deferred tax liability--	
Other.....	(13,000)

Net deferred tax liability.....	\$ (3,000)
	=====

7. SALE OF CAPITAL STOCK:

On December 23, 1997, the stockholders of the Company entered into an Agreement with Radio One, Inc. to sell all of the issued and outstanding shares of the capital stock of the Company for approximately \$34 million. Prior to the sale, the stockholders of the Company assumed certain debt totaling \$771,000 and acquired certain assets of the Company totaling \$99,000. The net book value of the assets acquired and the liabilities assumed prior to the sale was recorded as a capital contribution from the owners. The sale to Radio One, Inc. was completed on June 30, 1998.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of
Allur-Detroit, Inc.:

We have audited the accompanying balance sheet of Allur-Detroit, Inc. (a wholly owned subsidiary of Syndicated Communications Venture Partners II, LP) for the year ended December 31, 1997, and the related statements of operations, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of Allur-Detroit, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allur-Detroit, Inc. for the year ended December 31, 1997, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

/s/ MITCHELL & TITUS LLP

Washington, D.C.,
March 25, 1998

ALLUR-DETROIT, INC.

BALANCE SHEETS

As of December 31, 1997 and September 30, 1998

	December 31, 1997	September 30, 1998
	-----	-----
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 86,000	\$ 172,000
Trade accounts receivable, net of allowance of \$77,000.....	410,000	805,000
Prepaid expenses and other.....	55,000	42,000
	-----	-----
Total current assets.....	551,000	1,019,000
PROPERTY AND EQUIPMENT, net.....	75,000	82,000
INTANGIBLE ASSETS, net.....	7,563,000	7,429,000
	-----	-----
Total assets.....	\$8,189,000	\$8,530,000
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable an accrued expenses.....	\$ 829,000	\$1,056,000
	-----	-----
NOTES PAYABLE AND DEFERRED INTEREST.....	3,229,000	3,892,000
	-----	-----
Total liabilities.....	4,058,000	4,948,000
	-----	-----
COMMITMENTS		
CUMULATIVE REDEEMABLE PREFERRED STOCK, \$2,000 par value, 1,050 shares authorized, 1,050 and 975 shares issued and outstanding, respectively.....	2,100,000	1,950,000
STOCKHOLDERS' EQUITY:		
Common stock, \$1.00 par value, 1,000 shares authorized and 975 shares issued and outstanding.....	1,000	1,000
Additional paid-in capital.....	2,463,000	2,463,000
Accumulated deficit.....	(433,000)	(832,000)
	-----	-----
Total stockholders' equity.....	2,031,000	1,632,000
	-----	-----
Total liabilities and stockholders' equity.....	\$8,189,000	\$8,530,000
	=====	=====

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

ALLUR-DETROIT, INC.

STATEMENTS OF OPERATIONS

For the Year Ended December 31, 1997
and for the Nine Months Ended September 30, 1997 and 1998

	December 31,	Nine Months Ended	
	1997	1997	1998
		(Unaudited)	(Unaudited)
REVENUE:			
Broadcast revenue.....	\$2,473,000	\$1,884,000	\$2,509,000
Less: Agency commissions.....	259,000	207,000	379,000
Net broadcast revenue.....	2,214,000	1,677,000	2,130,000
OPERATING EXPENSES:			
Programming and technical.....	894,000	477,000	592,000
Selling, general and administrative....	1,467,000	1,247,000	1,412,000
Corporate expenses.....	36,000	27,000	27,000
Depreciation and amortization.....	245,000	183,000	167,000
Total operating expenses.....	2,642,000	1,934,000	2,198,000
Operating loss.....	(428,000)	(257,000)	(68,000)
INTEREST EXPENSE.....	222,000	147,000	281,000
OTHER INCOME (EXPENSE), net.....	217,000	126,000	(50,000)
Loss before provision for income taxes.....	(433,000)	(278,000)	(399,000)
PROVISION FOR INCOME TAXES.....	--	--	--
Net loss.....	\$ (433,000)	\$ (278,000)	\$ (399,000)

The accompanying notes are an integral part of these statements.

ALLUR-DETROIT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 For the Year Ended December 31, 1997
 and for the Nine Months Ended September 30, 1998

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE, December 31, 1996.....	\$1,000	\$2,463,000	\$ --	\$2,464,000
Net loss.....	--	--	(433,000)	(433,000)
BALANCE, December 31, 1997.....	1,000	2,463,000	(433,000)	2,031,000
Net loss.....	--	--	(399,000)	(399,000)
BALANCE, September 30, 1998 (unaudited).....	\$1,000	\$2,463,000	\$(832,000)	\$1,632,000

The accompanying notes are an integral part of these statements.

ALLUR-DETROIT, INC.

STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 1997
and for the Nine Months Ended September 30, 1997 and 1998

	December 31, 1997	September 30, ----- 1997 1998 ----- (Unaudited) (Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss.....	\$ (433,000)	\$ (278,000)	\$(399,000)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation and amortization.....	245,000	183,000	167,000
Effect of change in operating assets and liabilities--			
Trade accounts receivable.....	32,000	(95,000)	(395,000)
Prepaid expenses and other.....	(45,000)	(59,000)	13,000
Accounts payable and accrued expenses.....	(172,000)	(60,000)	227,000
	-----	-----	-----
Net cash flows from operating activities.....	(373,000)	(309,000)	(387,000)
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment.....	(39,000)	--	(40,000)
	-----	-----	-----
Net cash flows from investing activities.....	(39,000)	--	(40,000)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Redemption of preferred stock.....	--	--	(150,000)
Repayment of debt.....	(1,676,000)	(1,257,000)	--
Proceeds from notes payable.....	2,152,000	1,614,000	663,000
	-----	-----	-----
Net cash flows from financing activities.....	476,000	357,000	513,000
	-----	-----	-----
NET INCREASE IN CASH.....	64,000	48,000	86,000
CASH, beginning of period.....	22,000	22,000	86,000
	-----	-----	-----
CASH, end of period.....	\$ 86,000	\$ 70,000	\$ 172,000
	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING INFORMATION:			
Interest paid.....	\$ 81,000	\$ --	\$ --
	=====	=====	=====
Income taxes paid.....	\$ --	\$ --	\$ --
	=====	=====	=====

The accompanying notes are an integral part of these statements.

ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION:

Allur-Detroit, Inc. (the Company) is a subsidiary of Syndicated Communications Ventures Partners II, LP (SYNCOM II). The Company's sole activity is to operate WWBR-FM, a radio station that broadcasts from Detroit, Michigan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements

The financial statements for the nine months ended September 30, 1997 and 1998, are unaudited but, in the opinion of management, such financial statements have been presented on the same basis as the audited financial statements for the year ended December 31, 1997, and include all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of the financial position and results of operations and cash flows for these periods.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method.

The components of property and equipment as of December 31, 1997 and September 30, 1998, are as follows:

	December 31, 1997	September 30, 1998	Period of Depreciation
	-----	-----	-----
	(Unaudited)		
Leasehold improvements.....	\$ 7,000	\$ 8,000	10 years
Transmitter equipment.....	17,000	17,000	5 years
Studio and other technical equipment.....	46,000	59,000	7 years
Office furniture and equipment..	45,000	54,000	5 years
Automobiles.....	--	17,000	5 years
	-----	-----	
	115,000	155,000	
Less: Accumulated depreciation and amortization.....	40,000	73,000	
	-----	-----	
Property and equipment, net.....	\$ 75,000	\$ 82,000	
	=====	=====	

Intangible Assets

Management periodically reviews its unamortized intangible asset balances to ensure that those assets have not been impaired in accordance with the definition of Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived assets and for Long-Lived assets to be disposed of." As of

NOTES TO FINANCIAL STATEMENTS--(Continued)

September 30, 1998, management has made such evaluations and believes that the net intangible asset is realizable. In any period which management believes an impairment has occurred, management will write down the asset in accordance with this standard.

Revenue Recognition

Revenue for advertising is recognized when the commercial is broadcasted.

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 revenue. The deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue is recognized as the related advertising is aired.

Financial Instruments

Financial instruments as of December 31, 1997, and September 30, 1998, consist of cash, trade accounts receivable, accounts payable, accrued expenses, preferred stock, and notes payable all of which the carrying amounts approximate fair value.

New Accounting Standards

During 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income" (SFAS No. 130), which is effective for fiscal years beginning after December 15, 1997. This statement establishes standards for reporting and display of comprehensive income and its components. The Company adopted SFAS No. 130 during the nine months ended September 30, 1998, and has determined that the adoption of this statement has no impact on the financial statements, as the Company has no comprehensive income adjustments.

During 1997, the FASB issues SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131), which is effective for fiscal years beginning after December 15, 1997. This statement establishes a new approach for determining segments within a company and reporting information on those segments. The Company adopted this statement during the nine months ended September 30, 1998 and concluded that it had only one segment.

3. INTANGIBLE ASSETS:

Intangible asset balances and periods of amortization as of December 31, 1997, and September 30, 1998, are as follows:

	December 31, 1997	September 30, 1998	Period of Amortization
	-----	-----	-----
		(Unaudited)	
Goodwill and FCC license.....	\$7,768,000	\$7,768,000	40 years
Less: Accumulated amortization....	205,000	339,000	
	-----	-----	
	\$7,563,000	\$7,429,000	
	=====	=====	

ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS--(Continued)

Depreciation and amortization expense for the year ended December 31, 1997, and for the nine months ended September 30, 1997 and 1998, was \$245,000, \$183,000 and \$167,000, respectively.

4. RELATED PARTY TRANSACTIONS:

Notes Payable

Notes payable consist of the following:

	December 31, 1997	September 30, 1998
	-----	-----
	(Unaudited)	
SYNCOM II--long-term debt--10% annually.....	\$1,676,000	\$1,676,000
SYNCOM III--long-term debt--10% annually.....	1,362,000	1,362,000
SYNCOM II--line of credit--8% annually.....	191,000	854,000
	-----	-----
Total.....	\$3,229,000	\$3,892,000
	=====	=====

The debt owed to SYNCOM II and SYNCOM III are due and payable in lump-sum the earlier of a sale of the license of Allur-Detroit, a sale of substantially all of the assets of Allur-Detroit, a sale of a controlling interest in the common stock shares of Allur-Detroit, or at December 31, 1999 (see Note 7). The debt is secured by the FCC license and assets of the Company.

Management Fee

The Company entered into an agreement with Syncom Management, Inc. whereby it pays \$36,000 per year for accounting services. Syncom Management, Inc. also provides management and financial services to SYNCOM II, the owner of the Company.

5. COMMITMENTS:

Operating Leases

The Company rents office space and transmittal sites under several operating leases. These leases expire at various dates through 2002, with most containing renewal options.

Future minimum rental payments under such noncancellable operating leases as of September 30, 1998, are as follows:

Year	

1998 (remaining).....	\$37,000
1999.....	148,000
2000.....	148,000
2001.....	91,000
2002.....	98,000

NOTES TO FINANCIAL STATEMENTS--(Continued)

6. CUMULATIVE REDEEMABLE PREFERRED STOCK:

On December 4, 1992, the Company issued 1,050 shares of cumulative redeemable preferred stock to PNC Bank, formerly Continental Bank. The preferred stock earns cumulative annual dividends of eight percent (8%) of par value.

Under the terms of the PNC Bank/Allur-Detroit settlement agreement of December 31, 1996, redemption of the preferred stock shall occur at the date when: (i) repayment is effected in full of principal and interest on lenders' new notes, or (ii) at the maturity date of the new notes when the lenders shall cause the Company to repay, whichever happens first. In such a situation, all outstanding shares of preferred stock shall be redeemed at a price equal to the par value, plus an amount equal to both accrued and undeclared dividends payable from available funds as stipulated in Section 2.2 of the Shareholders Agreement dated December 4, 1992. As of September 30, 1998, circumstances supporting the redemption of the preferred stock did not occur.

The Company had not declared and has not recorded an accrual for cumulative preferred stock dividends. At September 30, 1998, cumulative unpaid preferred dividends amounted to \$958,667. Such dividends, if declared, would have been paid out of cumulative retained earnings of the Company, if any.

On February 20, 1998, the Company paid \$150,000, representing a partial payment toward the required redemption of the preferred stock held by PNC Bank. From this date hereof, the balance due for payment on the preferred stock is \$1,950,000. Subsequent to September 30, 1998, the \$1,950,000 of preferred stock was redeemed for the face value without the dividend being declared.

7. INCOME TAXES:

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 year ended December 31, 1997, is as follows:

Statutory Tax (@ 35% rate).....	\$(152,000)
Effect of state taxes, net of federal.....	(18,000)
Effect of graduated tax rate.....	5,000
Valuation reserve.....	165,000

Provision for income taxes.....	\$ --
	=====

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

Current.....	\$ --
Deferred.....	(165,000)
Valuation reserve.....	165,000

Provision for income taxes.....	\$ --
	=====

ALLUR-DETROIT, INC.

NOTES TO FINANCIAL STATEMENTS--(Continued)

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:

Deferred tax assets--	
NOL carryforward.....	\$180,000
Deferred tax liabilities--	
Depreciation.....	(15,000)
Net deferred tax asset--	165,000
Less:Valuation reserve.....	(165,000)

Deferred taxes included in the accompanying consolidated	
balance sheets.....	\$ --
	=====

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

As of December 31, 1997, there was approximately \$400,000 of available net operating loss carry forwards that expire through 2011.

8. SUBSEQUENT EVENTS:

On October 26, 1998, the stockholders of the Company entered into a stock purchase agreement with Radio One, Inc. to sell all of the issued and outstanding shares of capital stock of the Company for approximately \$27 million. The sale is expected to be completed by December 31, 1998.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying combined balance sheets of the Richmond operations of Sinclair Telecable, Inc., consisting of stations WCDX-FM, WPLZ-FM, WJRV-FM and WGCV-AM (the Stations) as of December 31, 1997 and 1998, and the related combined statements of operations and changes in station equity and cash flows for the years then ended. These financial statements are the responsibility of the Stations' 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.

The accompanying combined financial statements have been prepared from the separate records maintained by the Stations and may not be indicative of the conditions that would have existed or the results of operations had the Stations been operated as an unaffiliated entity. As discussed in Note 1, certain corporate overhead and other expenses represent allocations made by the Stations' parent.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Richmond operations of Sinclair Telecable, Inc., consisting of stations WCDX-FM, WPLZ-FM, WJRV-FM and WGCV-AM as of December 31, 1997 and 1998 and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
March 5, 1999

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

COMBINED BALANCE SHEETS
As of December 31, 1997 and 1998

	1997	1998
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 55,000	\$ 142,000
Trade accounts receivable, net of allowance for doubtful accounts of \$39,000 and \$50,000, respectively.....	1,282,000	1,400,000
Prepaid expenses and other.....	47,000	31,000
	-----	-----
Total current assets.....	1,384,000	1,573,000
PROPERTY AND EQUIPMENT, net.....	922,000	1,202,000
INTANGIBLE ASSETS, net.....	4,065,000	3,692,000
	-----	-----
Total assets.....	\$6,371,000	\$6,467,000
	=====	=====
LIABILITIES AND STATION EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses.....	\$ 423,000	\$ 566,000
COMMITMENTS		
STATION EQUITY.....	5,948,000	5,901,000
	-----	-----
Total liabilities and station equity.....	\$6,371,000	\$6,467,000
	=====	=====

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

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN STATION EQUITY
For the Years Ended December 31, 1997 and 1998

	1997	1998
	-----	-----
REVENUE:		
Broadcast revenue, including barter revenue of \$249,000 and \$304,000, respectively.....	\$8,330,000	\$8,509,000
Less: Agency commissions.....	1,041,000	1,051,000
	-----	-----
Net broadcast revenue.....	7,289,000	7,458,000
	-----	-----
OPERATING EXPENSES:		
Program and technical.....	1,313,000	1,498,000
Selling, general and administrative.....	3,025,000	3,170,000
Corporate allocations.....	311,000	413,000
Depreciation and amortization.....	569,000	648,000
	-----	-----
Total operating expenses.....	5,218,000	5,729,000
	-----	-----
Broadcast operating income.....	2,071,000	1,729,000
	-----	-----
Net income.....	2,071,000	1,729,000
STATION EQUITY, beginning of year.....	6,548,000	5,948,000
NET TRANSFER TO PARENT.....	(2,671,000)	(1,776,000)
	-----	-----
STATION EQUITY, end of year.....	\$5,948,000	\$5,901,000
	=====	=====

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

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

COMBINED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 1997 and 1998

	1997	1998
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 2,071,000	\$ 1,729,000
Adjustments to reconcile net income to net cash from operating activities--		
Depreciation and amortization.....	569,000	648,000
Effect of change in operating assets and liabilities--		
Trade accounts receivable.....	109,000	(118,000)
Prepaid expenses and other.....	(33,000)	16,000
Accounts payable and accrued expenses.....	(63,000)	143,000
	-----	-----
Net cash flows from operating activities.....	2,653,000	2,418,000
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment.....	(49,000)	(555,000)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net transfer to parent.....	(2,671,000)	(1,776,000)
	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(67,000)	87,000
CASH AND CASH EQUIVALENTS, beginning of year.....	122,000	55,000
	-----	-----
CASH AND CASH EQUIVALENTS, end of year.....	\$ 55,000	\$ 142,000
	=====	=====

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

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 1997 and 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

The radio stations, WCDX-FM, WPLZ-FM, WJRV-FM and WGCV-AM (Stations) are broadcast in the Richmond area. WCDX-FM, WPLZ-FM and WGCV-AM are owned by Sinclair Telecable, Inc. (Sinclair). WJRV-FM is owned by Commonwealth Broadcasting LLC (Commonwealth), a related party. Sinclair owns 25% of Commonwealth. The remaining 75% of Commonwealth is owned by some of the shareholders of Sinclair. Commonwealth has been fully consolidated into the combined financial statements of Sinclair Telecable, Inc. and Affiliates (combined, Sinclair).

In March 1999, Sinclair entered into a letter of intent with Radio One, Inc. to sell ultimately all of the tangible and intangible assets of these Richmond operations for approximately \$34 million. Sinclair and Radio One, Inc. intend to enter into a local marketing agreement under which Radio One, Inc. will operate these Richmond operations prior to completing its acquisition of these operations. Accordingly, these combined financial statements of the Richmond operations include the stations to be purchased by Radio One, Inc. All inter-station transactions have been eliminated in consolidation.

Basis of Presentation

The accompanying combined 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. Actual results could differ from those estimates.

The Stations are allocated certain corporate expenses for services provided by Sinclair based upon the percentage of revenue of each station to total revenue of all stations operated by Sinclair. Though management is of the opinion that all allocations used are reasonable and appropriate, other allocations might be used that could produce results substantially different from those reflected herein and these cost allocations might not be indicative of amounts which might be paid to unrelated parties for similar services or if Stations had been operated on a stand-alone basis.

Sinclair corporate departmental expenses of \$311,000 and \$413,000 have been allocated to the Stations during 1997 and 1998, respectively, for management salaries and benefits, legal services, corporate office, and other miscellaneous expenses.

The acquisition of station WJRV-FM was partially financed with debt which was allocated to the Stations. This debt and related accrued interest expense was eliminated through cash transfers to the parent. Cash transfers in excess of amounts required to repay debt and secured interest reduces the Stations equity and is recorded as net transfer to parent.

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.

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998

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 Stations' property and equipment as of December 31, 1997 and 1998, are as follows:

	1997	1998	Period of Depreciation
	-----	-----	-----
PROPERTY AND EQUIPMENT:			
Land.....	\$ 57,000	\$ 57,000	--
Building and leasehold improvements...	140,000	147,000	31 or 10 years
Furniture and fixtures.....	179,000	241,000	7 or 10 years
Broadcasting equipment.....	2,145,000	2,611,000	5 to 7 years
Vehicles.....	55,000	75,000	5 years
	-----	-----	
	2,576,000	3,131,000	
Less: Accumulated depreciation.....	1,654,000	1,929,000	
	-----	-----	
Property and equipment, net.....	\$ 922,000	\$1,202,000	
	=====	=====	

Depreciation expenses for the fiscal years ended December 31, 1997 and 1998, were \$263,000 and \$275,000, 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.

Financial Instruments

Financial instruments as of December 31, 1997 and 1998, consist of cash and cash equivalents, trade accounts receivables, accounts payable and accrued expenses, all of which the carrying amounts approximate fair value except.

THE RICHMOND OPERATIONS OF SINCLAIR TELECABLE, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

December 31, 1997 and 1998

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, 1997 and 1998, are as follows:

	1997	1998	Period of Amortization
FCC broadcast license.....	\$4,489,000	\$4,489,000	15 Years
Goodwill.....	45,000	45,000	40 Years
Debt financing.....	27,000	27,000	Life of Debt
Organizational costs.....	99,000	--	5 Years
Total.....	4,660,000	4,561,000	
Less: Accumulated amortization.....	595,000	869,000	
Net intangible assets.....	\$4,065,000	\$3,692,000	

Amortization expense for the fiscal years ended December 31, 1997 and 1998, was \$306,000 and \$373,000, respectively. During 1998, the Stations wrote off approximately \$69,000 of unamortized start-up costs.

3. INCOME TAXES:

As the Stations' parent company is an S corporation, no provision for income taxes has been included in the accompanying statements of operations.

4. COMMITMENTS:

The Stations lease office space for its office and broadcast studios and a tower site under operating leases which expire through January 1, 2020. Rent expense for the years ended December 31, 1997 and 1998, was \$152,000 and \$154,000, respectively. The future minimum rental payments for the next five years are as follows:

Year	
1999.....	\$ 185,000
2000.....	183,000
2001.....	189,000
2002.....	196,000
2003.....	104,000
Thereafter.....	1,335,000

5. PROFIT SHARING:

Sinclair Telecable, Inc. has a 401(k) profit sharing plan for its employees. Sinclair Telecable, Inc. can contribute to the plan at the discretion of its board of directors. Sinclair Telecable, Inc. did not contribute to the plan during fiscal year 1997 or 1998.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited the accompanying combined balance sheet of the stations WKJS-FM and WSOJ-FM of FM-100 (the Stations) as of December 31, 1998, and the related combined statements of operations and changes in station deficit and cash flows for the year then ended. These financial statements are the responsibility of the Stations' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

The accompanying combined financial statements have been prepared from the separate records maintained by the Stations and may not be indicative of the conditions that would have existed or the results of operations had the Stations been operated as an unaffiliated entity. As discussed in Note 1, certain corporate overhead and other expenses represent allocations made by the Stations' parent.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the stations WKJS-FM and WSOJ-FM of FM-100, Inc., as of December 31, 1998, and the results of their operations and their cash flows for the year then ended, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Baltimore, Maryland,
March 10, 1999

STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

COMBINED BALANCE SHEET

AS OF DECEMBER 31, 1998
ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 34,000
Trade accounts receivable, net of allowance for doubtful accounts of \$28,000	326,000

Total current assets	360,000
PROPERTY AND EQUIPMENT, net	1,079,000
INTANGIBLE ASSETS, net	3,343,000

Total assets	\$4,782,000
	=====

LIABILITIES AND STATION DEFICIT

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 168,000
Capital lease obligations	13,000

Total current liabilities	181,000
LONG-TERM LIABILITIES:	
Allocation of long-term debt	5,000,000
Capital lease obligations	49,000

Total liabilities	5,230,000
COMMITMENTS AND CONTINGENCIES	
STATION DEFICIT	(448,000)

Total liabilities and station deficit	\$4,782,000
	=====

The accompanying notes are an integral part of this combined balance sheet.

STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

COMBINED STATEMENT OF OPERATIONS AND CHANGES IN STATION DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1998

REVENUE:	
Broadcast revenue, including barter revenue of \$169,000	\$1,187,000
Less: Agency commissions	125,000

Net broadcast revenue	1,062,000

OPERATING EXPENSES:	
Program and technical	192,000
Selling, general and administrative	810,000
Corporate allocations	15,000
Depreciation and amortization	416,000

Total operating expenses	1,433,000

Operating loss	(371,000)

OTHER INCOME (EXPENSE):	
Interest expense	(500,000)
Other income	21,000

Total other income (expense), net	(479,000)

Net loss	(850,000)
STATION EQUITY, beginning of year	177,000
NET TRANSFER FROM PARENT	225,000

STATION DEFICIT, end of year	\$ (448,000)
	=====

The accompanying notes are an integral part of this combined balance sheet.

STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

COMBINED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$(850,000)
Adjustments to reconcile net loss to net cash used in operating activities-	
Depreciation and amortization	416,000
Effect of change in operating assets and liabilities-	
Trade accounts receivable	(257,000)
Prepaid expenses and other	3,000
Accounts payable and accrued expenses	99,000

Net cash flows used in operating activities	(589,000)

CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(58,000)

CASH FLOWS FROM FINANCING ACTIVITIES:	
Net transfer from parent	225,000
Proceeds from parent debt	427,000

Net cash flows from financing activities	652,000

INCREASE IN CASH	5,000
CASH, beginning of year	29,000

CASH, end of year	\$ 34,000
	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid for interest	\$ 477,000
	=====

The accompanying notes are an integral part of this combined balance sheet.

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

The radio stations, WKJS-FM and WSOJ-FM (the Stations) are broadcast in the Richmond area. The combined financial statements of the Stations were formed effective January 4, 1998, when FM 100, Inc. purchased station WKJS-FM for \$4,500,000. Station WSOJ-FM was owned by FM 100, Inc. since 1994.

In February 1999, FM 100, Inc. signed an agreement with Radio One, Inc. to sell all tangible and intangible assets for approximately \$12,000,000, subject to certain earn-out adjustments. The sale is expected to close during 1999. The accompanying combined financial statements include the assets, liabilities and results of operations of those stations to be acquired by Radio One, Inc. and were prepared from the financial statements of FM 100, Inc. All inter-station transactions have been eliminated in consolidation.

The Stations have incurred an operating loss of \$371,000 and a net loss of \$850,000 for the year ended December 31, 1998. Also, as of December 31, 1998, the Stations had a station deficit of \$448,000. These factors, along with others could negatively impact future operations of the Stations.

Basis of Presentation

The accompanying combined 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. Actual results could differ from those estimates.

The Stations are allocated certain corporate expenses for services provided by FM 100, Inc. based upon the percentage of revenue of each station to total revenue of all stations operated by FM 100, Inc. Though management is of the opinion that all allocations used are reasonable and appropriate, other allocations might be used that could produce results substantially different from those reflected herein and these cost allocations might not be indicative of amounts which might be paid to unrelated parties for similar services if the Stations had been operated on a stand-alone basis.

FM 100, Inc. corporate departmental expenses of \$15,000 have been allocated to the Stations during 1998 for accounting services and other miscellaneous expenses.

STATIONS WKJS-FM AND WSOJ-FM OF FM 100 INC.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

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 Stations's property and equipment as of December 31, 1998, are as follows:

	1998	Period of Depreciation
	-----	-----
PROPERTY AND EQUIPMENT:		
Land.....	\$ 173,000	--
Building.....	646,000	15 years
Furniture and fixtures.....	211,000	10 years
Broadcasting equipment.....	262,000	7 years
Vehicles.....	17,000	5 years

	1,309,000	
Less: Accumulated depreciation.....	230,000	

Property and equipment, net.....	\$1,079,000	
	=====	

Depreciation expense for the fiscal year ended December 31, 1998, was \$102,000.

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.

Financial Instruments

Financial instruments as of December 31, 1998, consist of cash and cash equivalents, trade accounts receivables, accounts payable, accrued expenses, long-term debt, and capital leases, all of which the carrying amounts approximate fair value.

Supplemental Cash Flow Information

During 1998, FM 100, Inc. obtained a \$5,000,000 loan from a bank of which \$4,500,000 was used to finance the purchase of WKJS-FM and \$73,000 was used to pay debt issuance cost. The remaining \$427,000 transferred to the Stations for operating purposes.

NOTES TO COMBINED FINANCIAL STATEMENTS--(Continued)

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, 1998, are as follows:

	1998	Period of Amortization
	-----	-----
FCC broadcast license.....	\$3,628,000	15 Years
Debt financing.....	73,000	Life of Debt

Total.....	3,701,000	
Less: Accumulated amortization.....	358,000	

Net intangible assets.....	\$3,343,000	
	=====	

Amortization expense for the fiscal year ended December 31, 1998, was \$314,000.

3. LONG-TERM DEBT:

The acquisition of WKJS-FM was financed with \$4,500,000 of debt which has been allocated to the Stations. The debt accrued interest at 10% during 1998 and was originally due January 6, 1999, and has been refinanced to be due January 6, 2000.

FM 100, Inc. has borrowed \$500,000 from a bank which has been allocated down to the Stations. The debt accrued interest at 10% during 1998 and was originally due January 6, 1999 and has been refinanced to be due January 6, 2000.

As of December 31, 1998, the Stations had various capital leases for equipment.

4. INCOME TAXES:

As the Stations' parent company is an S-Corporation, no provision for income taxes has been included in the accompanying statements of operations.

5. COMMITMENTS:

The Stations lease office space for their office and broadcast studios under an operating lease which expires during 1999. Rent expense for the year ended December 31, 1998, was \$16,064. The future minimum rental payment is \$9,311.

[LOGO OF RADIO ONE APPEARS HERE]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses to be incurred in connection with the issuance and distribution of the securities being registered, other than underwriting discounts and commissions, to be paid by Radio One:

SEC registration fee.....	*
Printing and engraving fees.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Blue Sky fees and expenses.....	*
Trustee fees.....	*
Directors' and Officers' Insurance.....	*
Miscellaneous.....	*
Total.....	\$

- - - - -
* To be filed by amendment

Item 14. Indemnification of Directors and Officers.

Radio One's Amended and Restated By-Laws incorporate substantially the provisions of the General Corporation Law of the State of Delaware (the "DGCL") in providing for indemnification of directors and officers against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that such person is or was an officer or director of Radio One. In addition, Radio One is authorized to indemnify employees and agents of Radio One and may enter into indemnification agreements with its directors and officers providing mandatory indemnification to them to the maximum extent permissible under Delaware law.

Radio One's Amended and Restated Certificate of Incorporation provides that Radio One shall indemnify (including indemnification for expenses incurred in defending or otherwise participating in any proceeding) its directors and officers to the fullest extent authorized or permitted by the DGCL, as it may be amended, and that such right to indemnification shall continue as to a person who has ceased to be a director or officer of Radio One and shall inure to the benefit of his or her heirs, executors and administrators except that such right shall not apply to proceedings initiated by such indemnified person unless it is a successful proceeding to enforce indemnification or such proceeding was authorized or consented to by the board of directors. Radio One's certificate of incorporation also specifically provides for the elimination of the personal liability of a director to the corporation and its stockholders for monetary damages for breach of fiduciary duty as director. The provision is limited to monetary damages, applies only to a director's actions while acting within his or her capacity as a director, and does not entitle Radio One to limit director liability for any judgment resulting from (a) any breach of the director's duty of loyalty to Radio One or its stockholders; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (c) paying an illegal dividend or approving an illegal stock repurchase; or (d) any transaction from which the director derived an improper benefit.

Section 145 of the DGCL provides generally that a person sued (other than in a derivative suit) as a director, officer, employee or agent of a corporation may be indemnified by the corporation for reasonable expenses, including counsel fees, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that the person's conduct was unlawful. In the case of a derivative suit, a director, officer, employee or agent of the corporation may be indemnified by the corporation for reasonable expenses, including attorneys' fees, if the person has acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in the case of a derivative suit in respect of any claim as to, which such director, officer, employee or agent has been adjudged to be liable to the corporation unless the Delaware Court of Chancery or the court in which such action

or suit was brought shall determine that such person is fairly and reasonably entitled to indemnity for proper expenses. Indemnification is mandatory under section 145 of the DGCL in the case of a director or officer who is successful on the merits in defense of a suit against him.

The Underwriting Agreement provides that the Underwriters are obligated, under certain circumstances, to indemnify Radio One, the directors, certain officers and controlling persons of Radio One, Inc. against certain liabilities, including liabilities under the Securities Act. Reference is made to the form of Underwriting Agreement filed as Exhibit 1.1 hereto.

Radio One has entered into indemnification agreements with the directors and certain officers pursuant to which Radio One has agreed to maintain directors' and officers' insurance and to indemnify such officers to the fullest extent permitted by applicable law except for certain claims described therein. [Reference is made to the form of Director and Officer Indemnification Agreement filed as Exhibit [to come] hereto.]

Radio One maintains directors and officers liability insurance for the benefit of its directors and certain of its officers.

Item 15. Recent Sales of Unregistered Securities.

On May 19, 1997, Radio One issued approximately \$85.0 million (aggregate principal amount) of 12% senior subordinated notes to certain investors. Such notes were offered pursuant to Rule 144A under the Securities Act.

On May 19, 1997, Radio One issued approximately \$20.9 million of Series A and Series B 15% senior cumulative preferred stock to certain investors. Such shares were issued pursuant to the exemption from registration provided by Section 4(2) of Securities Act.

On January 25, 1999, Radio One issued an aggregate of shares of common stock to its Chief Financial Officer in connection with his employment agreement. These shares were issued pursuant to the exemption from registration provided by Rule 701 under the Securities Act.

On February 25, 1999, pursuant to a plan of recapitalization, Radio One issued to the holders of its class A common stock, in exchange for all of the outstanding shares of class A common stock, 46.15 shares of class B common stock and 92.3 shares of class C common stock. These shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

On March 30, 1999, Radio One issued an aggregate of shares of common stock to the shareholders of ROA in connection with Radio One's acquisition of ROA. These shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) The following exhibits are filed as part of this registration statement.

- 1.1(/5/) Underwriting Agreement
- 3.1(/6/) Certificate of incorporation of Radio One, Inc.
- 3.2(/6/) Amended and Restated By-laws of Radio One, Inc.
- 4.1(/1/) Indenture dated as of May 15, 1997 among Radio One, Inc., Radio One Licenses, Inc. and United States Trust Company of New York.

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(1) Incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327).

(2) Incorporated by reference to Radio One's Current Report on Form 8-K filed July 13, 1998 (File No. 333-30795; Film No. 98665139).

(3) Incorporated by reference to Radio One's Current Report on Form 8-K filed January 12, 1999 (File No. 333-30795; Film No. 99504706).

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(7) Incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1998 (File No. 333-30795; Film No. 99581532).

- 4.2(/2/) First Supplemental Indenture dated as of June 30, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Bell Broadcasting Company, Radio One of Detroit, Inc., and United States Trust Company of New York, as Trustee.
- 4.3(/3/) Second Supplemental Indenture dated as of December 23, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Allur-Detroit, Allur Licenses, Inc., and United States Trust Company of New York, as Trustee.
- 4.4(/1/) 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.
- 4.5(/1/) 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.
- 4.6(/1/) 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.
- 4.7(/4/) Standstill Agreement dated as of June 30, 1998 among Radio One, Inc., the subsidiaries of Radio One, Inc., United States Trust Company of New York and the other parties thereto.
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- 10.8(/6/) Fourth Amendment to Preferred Stockholders' Agreement dated as of December 31, 1998 among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.
- 10.9(/1/) Warrant Holders' Agreement dated as of June 6, 1995, as amended by the First Amendment to Warrant Holders' Agreement dated as of May 19, 1997, among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.
- 10.10(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Syncom Capital Corporation.
- 10.11(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Alliance Enterprise Corporation.
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10.14(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Capital Dimensions Venture Fund, Inc.

10.15(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to TSG Ventures Inc.

10.16(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Fulcrum Venture Capital Corporation.

10.17(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Alta Subordinated Debt Partners III, L.P.

10.18(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to BancBoston Investments, Inc.

10.19(/1/) Amended and Restated Warrant of Radio One, Inc. dated as of May 19, 1997, issued to Grant M. Wilson.

10.20(/4/) Credit agreement dated June 30, 1998 among Radio One, Inc., as the borrower and NationsBank, N.A., as Documentation Agent and Credit Suisse First Boston as the Agent.

10.21 Amended and Restated Credit Agreement dated as of February 26, 1999, among Radio One, Inc., as the borrower, and Nations Bank, N.A., as Administrative Agent, and Credit Suisse First Boston, as the Documentation Agent.

10.22(/1/) Management Agreement dated as of August 1, 1996 by and between Radio One, Inc. and Radio One of Atlanta, Inc.

10.23(/1/) 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.

10.24(/1/) 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.

10.25(/1/) Time Management and Services Agreement dated March 17, 1998, among WYCB Acquisition Corporation, Broadcast Holdings, Inc., and Radio One, Inc.

10.26(/1/) Stock Purchase Agreement dated December 23, 1997, between the shareholders of Bell Broadcasting Company and Radio One, Inc.

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10.29(/1/) Stock Purchase Warrant of Radio One, Inc., dated March 16, 1998 issued to Allied Capital Financial Corporation.

10.30(/1/) Amended and Restated credit agreement dated May 19, 1997 among several lenders, NationsBank of Texas, N.A. and Radio One, Inc.

10.31(/1/) First Amendment to credit agreement dated December 31, 1997 among several lenders, NationsBank of Texas, N.A. and Radio One, Inc.

10.32(/1/) Amendment to Preferred Stockholders' Agreement dated as of December 31, 1997 among Radio One, Inc., Radio One Licenses, Inc. and the other parties thereto.

10.33(/1/) Assignment and Assumption Agreement dated October 23, 1997, between Greater Philadelphia Venture Capital Corporation, Inc. and Alfred C. Liggins, III.

10.34(/1/) Agreement dated February 20, 1998 between WUSQ License Limited Partnership and Radio One, Inc.

10.35(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Capital Dimensions Venture Fund Inc.

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- 10.36(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Fulcrum Venture Capital Corporation.
- 10.37(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Syncom Capital Corporation.
- 10.38(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Alfred C. Liggins, III.
- 10.39(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to TSG Ventures L.P.
- 10.40(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Alliance Enterprise Corporation.
- 10.41(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Alta Subordinated Debt Partners III, L.P.
- 10.42(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to BancBoston Investments Inc.
- 10.43(/4/) Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Grant M. Wilson.
- 10.44 Merger Agreement relating to the acquisition of Radio One of Atlanta, Inc.
- 10.45 Asset Purchase Agreement dated as of November 23, 1998 (as amended on December 4, 1998) relating to the acquisition of WFUN-FM, licensed to Bethalto, Illinois.
- 10.46 Asset Purchase Agreement relating to the Acquisition of WENZ-FM and WERE-AM, both licensed to Cleveland, Ohio.
- 10.47 Asset Purchase Agreement dated as of February 10, 1999 relating to the acquisition of WDYL-FM, licensed to Chester, Virginia.
- 10.48 Asset Purchase Agreement dated as of February 26, 1999 relating to the acquisition of WJKS-FM, licensed to Crewe Virginia, and WSQJ-FM, licensed Petersburg, Virginia.
- 10.49(/5/) [Asset Purchase Agreement relating to the acquisition of WCDX-FM, licensed to Mechanicsville, Virginia, WPLZ-FM, licensed to Petersburg, Virginia, WJRV-FM licensed to Richmond, Virginia, and WGCV-AM licensed to Petersburg, Virginia.]
- 10.50(/7/) Stock Purchase Agreement dated as of October 26, 1998, by and between Radio One and Syndicated Communications Venture Partners, II, L.P.
- 21.1(/6/) Subsidiaries of Radio One, Inc.
- 23.1 Consent of Arthur Andersen, L.L.P.
- 23.2 Consent of Mitchell & Titus, L.L.P.
- 23.3(/5/) Consent of Kirkland & Ellis (included in Exhibit 5.1).
- 23.4(/5/) Consent of Kirkland & Ellis (included in Exhibit 8.1).
- 23.5 Consent of Larry Marcus
- 27.1(/6/) Financial Data Schedule (included on pages S1-S3).
- 99.1 Form of Letter of Transmittal.

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Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to provisions described in Item 14 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer

or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424 (b) (1) or (4) or 497 (h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Lanham, Maryland on April 6, 1999.

RADIO ONE, INC.

BY: ___ /s/ Alfred C. Liggins, II____I
Name: Alfred C. Liggins, III
Title:
President and Chief Executive
Officer

II-7

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed on behalf of the following persons by Scott R. Royster, their true and lawful attorney, on the date indicated.

Radio One, Inc.

Signature -----	Title(s) -----	Date ----
_/s/ Catherine L. Hughes Catherine L. Hughes	Chairperson of the Board of Directors	April 6, 1999
___/s/ Terry L. Jones Terry L. Jones	Director	April 6, 1999
___/s/ Brian W. McNeill Brian W. McNeill	Director	April 6, 1999
/s/ Alfred C. Liggins, II Alfred C. Liggins, III	President and Chief Executive Officer (Principal Executive Officer) and Director	April 6, 1999
___/s/ Scott R. Royster Scott R. Royster	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	April 6, 1999

RADIO ONE, INC. AND SUBSIDIARIES
INDEX TO SCHEDULES

	Page

Report of Independent Public Accountants.....	S-2
Schedule II - Valuation and Qualifying Accounts.....	S-3

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 registration statement and have issued our report thereon dated . 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.

Baltimore, Maryland,
, 1999

RADIO ONE, INC. AND SUBSIDIARIES SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
 FOR THE YEARS ENDED DECEMBER 31, 1996, 1997, and 1998 (IN THOUSANDS)

Description	Balance at Beginning of Year	Additions Charged to Expense	Acquired from Acquisitions	Deductions	Balance at End of Year
ALLOWANCE FOR DOUBTFUL ACCOUNTS:					
1996.....	\$ 669	\$ 628	\$ --	\$ 532	\$ 765
1997.....	765	894	--	755	904
1998.....	904	1,942	258	1,861	1,243
TAX VALUATION RESERVE:					
1996.....	1,067	--	--	1,067	--
1997.....	--	2,058	--	--	2,058
1998.....	2,058	--	--	2,058	--

EXHIBIT INDEX

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10.40(/4/)	Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Alliance Enterprise Corporation.
10.41(/4/)	Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Alta Subordinated Debt Partners III, L.P.
10.42(/4/)	Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to BancBoston Investments Inc.
10.43(/4/)	Amended and Restated Warrant of Radio One, Inc. dated as of June 30, 1998 issued to Grant M. Wilson.
10.44	Merger Agreement relating to the acquisition of Radio One of Atalanta, Inc.
10.45	Asset Purchase Agreement dated as of November 23, 1998 (as amended on December 4, 1998) relating to the acquisition of WFUN-FM, licensed to Bethalto, Illinois.
10.46	Asset Purchase Agreement relating to the Acquisition of WENZ-FM and WERE-AM, both licensed to Cleveland, Ohio.
10.47	Asset Purchase Agreement dated as of February 10, 1999 relating to the acquisition of WDYL-FM, licensed to Chester, Virginia.

Page

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(1) Incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327).

(2) Incorporated by reference to Radio One's Current Report on Form 8-K filed July 13, 1998 (File No. 333-30795; Film No. 98665139).

(3) Incorporated by reference to Radio One's Current Report on Form 8-K filed January 12, 1999 (File No. 333-30795; Film No. 99504706).

(4) Incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998).

(5) To be filed by Amendment to this Registration Statement on Form S-1.

(6) Previously filed with Radio One's Registration Statement on Form S-1 filed on March 12, 1999 (File No. 333-74351; Film No. 99564316).

(7) Incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1999 (File No. 333-30795; Film No. 99581532).

Exhib No.	Description
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10.48	Asset Purchase Agreement dated as of February 26, 1999 relating to the acquisition of WJKS-FM, licensed to Crewe Virginia, and WSOJ-FM, licensed Petersburg, Virginia.
10.49(/5/)	[Asset Purchase Agreement relating to the acquisition of WCDX-FM, licensed to Mechanicsville, Virginia, WPLZ-FM, licensed to Petersburg, Virginia, WJRV-FM licensed to Richmond, Virginia, and WGCV-AM licensed to Petersburg, Virginia.]
10.50(/7/)	Stock Purchase Agreement dated as of October 26, 1998, by and between Radio One and Syndicated Communications Venture Partners, II, L.P.
21.1(/6/)	Subsidiaries of Radio One, Inc.
23.1	Consent of Arthur Andersen, L.L.P.
23.2	Consent of Mitchell & Titus, L.L.P.
23.3(/5/)	Consent of Kirkland & Ellis (included in Exhibit 5.1).
23.4(/5/)	Consent of Kirkland & Ellis (included in Exhibit 8.1).
23.5	Consent of Larry Marcus.
27.1	Financial Data Schedule (included on pages S1-S3).
99.1	Form of Letter of Transmittal.

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- (1) Incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327).
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AMENDED AND RESTATED
CREDIT AGREEMENT

among

RADIO ONE, INC.,
as the Borrower

NATIONSBANK, N.A.,
as Administrative Agent

FIRST UNION NATIONAL BANK
as Co-Arranger and the Syndication Agent

CREDIT SUISSE FIRST BOSTON
as the Documentation Agent

AND

THE SEVERAL LENDERS FROM TIME
TO TIME PARTIES HERETO

DATED AS OF FEBRUARY 26, 1999

NATIONSBANC MONTGOMERY SECURITIES LLC
Sole Bookrunning Manager and Co-Arranger

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- Exhibit D - Form of Operating Agreement
- Exhibit E - Form of Perfection Certificate
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- Exhibit F-2 - Form of Pledge Agreement [Restricted Subsidiaries]
- Exhibit F-3 - Form of Pledge Agreement [Warrantholders]
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- Exhibit G-1 - Form of Intellectual Property Security Agreement
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- Exhibit H - Form of Note
- Exhibit I - Form of Notice of Borrowing
- Exhibit J - Form of Notice of Conversion/Continuation
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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is entered into effective as of February 26, 1999 among Radio One, Inc., a Delaware corporation (the "Borrower"), the several lenders from time to time parties hereto (the "Lenders") , NationsBank, N.A., as a Lender and as the administrative agent for the Lenders (in such capacity, the "Administrative Agent"), First Union National Bank, as a Lender and as the syndication agent for the Lenders (in such capacity, the "Syndication Agent") and Credit Suisse First Boston as the documentation agent for the Lenders (in such capacity, the "Documentation Agent").

PRELIMINARY STATEMENT

On June 30, 1998, the Borrower, Credit Suisse First Boston (as a Lender and Agent), and NationsBank, N.A. (as a Lender and as Documentation Agent (hereinafter defined)) entered into that certain Credit Agreement (as amended, modified, restated, supplemented, renewed, extended, increased, rearranged, and/or substituted from time to time), (the "Credit Agreement") providing for a \$32,500,000 revolving credit facility.

The Credit Agreement was amended by that certain First Amendment to Credit Agreement dated as of December 23, 1998 (the "First Amendment"), increasing the Aggregate Commitment of the Lenders under the Credit Agreement from \$32,500,000 to \$57,500,000 and making certain other modifications to the Credit Agreement, including, but not limited to, the addition of First Union National Bank as a Lender thereto.

The Credit Agreement was subsequently amended by that certain Second Amendment to Credit Agreement dated as of February 9, 1999 (the "Second Amendment"), increasing the aggregate amount of fiscal year 1998 Capital Expenditures permitted under the Credit Agreement (the Credit Agreement as so amended by the First Amendment and the Second Amendment called herein the "Amended Credit Agreement") and making certain other modifications to the Credit Agreement.

The Borrower wishes to acquire all of the outstanding stock of Radio One of Atlanta, Inc.

Accordingly, the Borrower has requested a \$42,500,000 increase (the "Second Increased Commitment") in the amount of the Aggregate Commitment provided for in the Amended Credit Agreement.

In order to accommodate the Borrower's request for the Second Increased Commitment to enable Borrower to consummate the Acquisitions, (i) NationsBank, N.A. and First Union National Bank (both in their capacity as lenders) have agreed to increase their respective Commitments under the Amended Credit Agreement, and (ii) Administrative Agent (in its capacity as such) has agreed to become the administrative agent for the lenders, as of the Effective Date of this Agreement.

The parties hereto desire to amend and restate the Amended Credit Agreement with this Amended and Restated Credit Agreement in order to increase the commitments under and make certain other modifications to the Amended 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, intending to be legally bound, hereby agree 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 greater of (i) the rate of interest announced publicly by the Administrative 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 Administrative 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 computed on the basis of 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.

"Affiliate Transaction" has the meaning set forth in Section 8.9.

"Administrative Agent" means NationsBank, N.A., as administrative 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 Credit" means, as to any Lender at any

time, an amount equal to the sum of (a) the aggregate principal amount of all
Loans made by such Lender then outstanding and (b) such Lender's Specified
Percentage of the 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.

"Agreement and Plan of Warrant Recapitalization" means that certain

Agreement and Plan of Warrant Recapitalization dated as of February 25, 1999,
among the Borrower, the Investors and the Management Stockholders.

"Allied" has the meaning set forth in the definition of Allied

Warrant.

"Allied Note" has the meaning set forth in the definition of Allied

Warrant.

"Allied Warrant" means that certain Warrant issued by Borrower to

Allied Capital Financial Corporation ("Allied") in connection with the

acquisition of station WYCB-AM, Washington, D.C. by certain Unrestricted
Subsidiaries of the Borrower, to be exercised for the number of shares of 15%
Series A Senior Cumulative Redeemable Preferred 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 that certain promissory note in the original
principal amount of \$3,750,000 (the "Allied Note") given by Broadcast Holdings,

Inc. to Allied.

"Allur Acquisition" means the acquisition by the Borrower of all of

the outstanding Equity Interests of Allur-Detroit, Inc., a Delaware corporation,
pursuant to the terms and conditions of that certain Stock Purchase Agreement by
and between the shareholder of Allur and the Borrower, dated as of October 26,
1998.

"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 February 25, 1999, and as further amended
or restated from time to time in accordance with the terms hereof and thereof.

"Applicable Margin" means, at the time of any determination thereof,

for purposes of all Loans, the margin of interest over the ABR or the Eurodollar
Rate, as the case may be, which is applicable at the time of any determination
of interest rates under this Agreement, which Applicable Margin shall be subject
to adjustment (upwards or downwards, as appropriate) based on the Leverage
Ratio, as follows:

Leverage Ratio prior to a Qualifying Public Equity Offering	Applicable Margin for ABR Loans	Applicable Margin for Eurodollar Rate Loans
Greater than 6.75 to 1.00	1.750%	2.750%
Less than or equal to 6.75 to 1.00 but greater than 6.50 to 1.00	1.500%	2.500%
Less than or equal to 6.50 to 1.00 but greater than 6.00 to 1.00	1.250%	2.250%
Less than or equal to 6.00 to 1.00 but greater than 5.50 to 1.00	1.000%	2.000%
Less than or equal to 5.50 to 1.00 but greater than 5.00 to 1.00	0.875%	1.875%
Less than or equal to 5.00 to 1.00 but greater than 4.50 to 1.00	0.625%	1.625%
Less than or equal to 4.50 to 1.00 but greater than 4.00 to 1.00	0.375%	1.375%
Less than or equal to 4.00 to 1.00	0.250%	1.250%

Leverage Ratio after a Qualifying Public Equity Offering	Applicable Margin for ABR Loans	Applicable Margin for Eurodollar Rate Loans
Greater than 6.75 to 1.00	1.625%	2.625%
Less than or equal to 6.75 to 1.00 but greater than 6.50 to 1.00	1.375%	2.375%
Less than or equal to 6.50 to 1.00 but greater than 6.00 to 1.00	1.125%	2.125%
Less than or equal to 6.00 to 1.00 but greater than 5.50 to 1.00	1.000%	2.000%
Less than or equal to 5.50 to 1.00 but greater than 5.00 to 1.00	0.875%	1.875%
Less than or equal to 5.00 to 1.00 but greater than 4.50 to 1.00	0.625%	1.625%
Less than or equal to 4.50 to 1.00 but greater than 4.00 to 1.00	0.375%	1.375%
Less than or equal to 4.00 to 1.00	0.250%	1.250%

For the purposes of this definition, the Applicable Margin shall be determined as at the end of each of the first three quarterly periods of each fiscal year of the Borrower and as at the end of each fiscal year of the Borrower, based on the relevant financial statements delivered pursuant to Section 7.1(a) or (b) and the Compliance Certificate delivered pursuant to Section 7.2(b); changes in the Applicable Margin shall become effective on the date which is the earlier of (i) two Business Days after the date the Administrative Agent receives such financial statements and the corresponding Compliance Certificate and (ii) the 45th day after the end of each of the first three quarterly periods of each fiscal year or the 90th day after the end of each fiscal year, as the case may be, and shall remain in effect until the next change to be effected pursuant to this definition; provided, that (a) until the first such financial statements

and Compliance Certificate are delivered after the Effective Date, the Applicable Margin shall be determined by reference to the Leverage Ratio set forth in the Compliance Certificate delivered to the Administrative Agent pursuant to Section 6.2(g), and (b) if any financial statements or the Compliance Certificate referred to above are not delivered within the time periods specified above, then, for the period from and including the date on which such financial statements and Compliance Certificate are required to be delivered to but not including the date on which such financial statements and Compliance Certificate are delivered, the Applicable Margin as at the end of the fiscal period that would have been covered thereby shall be deemed to be the Applicable Margin which would be applicable when the Leverage Ratio is greater than 6.75 to 1.00. Notwithstanding anything to the contrary contained herein, during the fiscal quarter in which the Borrower closes its initial Public Equity Offering, the Borrower shall have the right to resubmit to the Administrative Agent and each Lender a new Compliance Certificate which recalculates the "Indebtedness" component of the Leverage Ratio as of such date and, to the extent there is a change in the Leverage Ratio reflected therein, a new Applicable Margin for the then occurring fiscal quarter shall become effective two Business Days after the date the Administrative Agent receives such new Compliance Certificate and such new Applicable Margin shall remain in effect until the next change, to be effected pursuant to this definition.

"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.

"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.

"Atlanta" means Radio One of Atlanta, Inc., a Delaware corporation.

"Atlanta Acquisition" means the acquisition by the Borrower of all or

substantially all of the outstanding shares of stock of Radio One of Atlanta, Inc.

"Atlanta Acquisition Agreement" means that certain Merger Agreement

by and among Atlanta, the shareholders of Atlanta, ROA Merger Subsidiary, Inc.,
and the Borrower, dated as of March 29, 1999, as in effect on the Effective
Date.

"Atlanta Existing Indebtedness" means all Indebtedness of Atlanta or

Dogwood and all Indebtedness of any Person secured by a Lien on any Equity
Interests of Atlanta or Dogwood or any property of Atlanta or Dogwood (including
without limitation that listed in the Atlanta Acquisition Agreement) not
permitted by Section 8.2, including such indebtedness arising under the
instruments listed in Schedule 6.1(a)(a) and the documents executed in

connection therewith.

"Atlanta Licenses" means ROA Licenses, Inc., a Delaware corporation.

"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 Commitment" means at any time, as to any Lender, an amount

equal to (a) the amount of such Lender's Commitment at such time, minus (b) such

Lender's Aggregate Outstandings of Credit at such time.

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

"Bell Acquisition" means the acquisition by the Borrower of all of the

outstanding Equity Interests of Bell pursuant to the terms and conditions of
that certain Stock Purchase Agreement by and among all of the shareholders of
Bell more specifically identified therein and Radio One, Inc., dated as of
December 23, 1997 (the "Bell Acquisition Agreement").

"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.

"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 New York, New York 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 liability

incurred or expenditure 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 cash flow statements of such Person; provided, however, that Capital Expenditures shall

not include the consideration paid by the Borrower and/or Restricted Subsidiaries in connection with the Atlanta Acquisition or the Dogwood Acquisition, Permitted Acquisitions and any other Acquisitions consented to by the Majority Lenders.

"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 Collateral Account" has the meaning set forth in Section 4.2(d).

"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) through (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);

(ii) the adoption of a plan relating to the liquidation or dissolution of the Borrower;

(ii) prior to the initial Public Equity Offering of the Borrower and the exercise of any of the Warrants, either (x) Hughes and Liggins (individually or collectively) cease to be the beneficial owner (within the meaning of rule 13d-3 promulgated under the Exchange Act) of at least 51% 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 Warrantheolders 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) prior to the initial Public Equity Offering of the Borrower but after the exercise of the Warrants, either (x) Hughes and Liggins (individually or collectively) cease to be the beneficial owner (within the meaning of rule 13d-3 promulgated under the Exchange Act) of at least 40% 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 Warrantheolders 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;

(v) following the initial Public Equity Offering of the Borrower, either (1) any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) (other than Hughes or Liggins) 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; (2) Hughes or Liggins cease to be the beneficial owners, individually or collectively, of at least 35% of the voting power of the voting stock of the Borrower, (3) the Principal Shareholders cease to be the beneficial owners, individually or collectively, of at least 20% of the common stock of the Borrower on a fully diluted basis or (4) Hughes and Liggins (individually or collectively) cease to have the right to elect (and do so elect) a majority of the board of directors of the Borrower; or

(vi) the Continuing Directors cease for any reason 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 (a) all assets of the Borrower and the Restricted

Subsidiaries (other than the Equity Interests of Unrestricted Subsidiaries) ;
(b) 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, other than such common stock not exceeding 14.32 shares of class A
common stock of the Borrower, representing less than 15% of the shares of class
A common stock outstanding and representing less than 3.37% of the fully diluted
equity interests in the Company, which stock is or is to be issued to Allied
Capital Corporation or Allied Investment Corporation on or about March 29, 1999,
provided that a Responsible Officer of the Borrower delivers a certificate to

and in favor of the Administrative Agent and the Lenders certifying that no
Default or Event of Default then exists and is continuing, concurrent with (i)
the closing of the initial Public Equity Offering of the Borrower, (ii) the
repurchase or redemption of the Senior Preferred Stock outstanding on the
Effective Date and (iii) the exercise of all of the Warrants (outstanding on the
Effective Date) for common stock of the Borrower pursuant to the terms and
provisions of the Warrant Certificates as in effect on the Effective Date, the
liens in favor of the Administrative Agent for the benefit of the Lenders on all
such securities of the Borrower shall be released; and (c) all Equity Interests
of each of the Restricted Subsidiaries, in each case whether now owned or
hereinafter acquired.

"Commitment" means, as to any Lender, its obligation, if any, to make

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 1.1A under the

heading "Commitment" or, in the case of any Lender that is an Assignee, the
amount of the assigning Lender's 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).

"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, and the voting class B common stock, par value \$.01
per share.

"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.

"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 the Restricted Subsidiaries for such period, on a
consolidated basis, including, without limitation, (i) amortization of debt
discount (but excluding original issue discount on the Senior Subordinated Notes
and the New Exchange Debentures), (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 or any of the Restricted Subsidiaries
during such period, plus (c) the aggregate amount of all fees, including but not

limited to agency fees, letter of credit fees and commitment fees incurred by
the Borrower or any of the Restricted Subsidiaries during such period in respect
of Indebtedness, 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 Initial Effective Date or (ii) was nominated for election by either (a) one
or more of the Principal Shareholders or (b) the Board of Directors of the
Borrower a majority of whom were directors on the Initial Effective Date or
whose election or nomination for director 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
Atlanta Acquisition or the Dogwood Acquisition, and for any date after the New
Preferred Stock is issued, the New Exchange Debenture Indenture and related
documents pursuant to which the New Exchange Debentures may be issued.

"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 in their respective capacity as employees of the Borrower.

"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.

"Debt Service" means for the most recently completed four fiscal

quarters for which financial statements are available, the sum of (a) Consolidated Interest Expense (other than the amount of any interest accrued, but not yet due and payable in cash during such period) and (b) scheduled maturities of the principal amount of Indebtedness and/or cash payments in respect of the principal amount of Indebtedness due in connection with required permanent reductions of commitments for borrowed money, whether or not made.

"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.

"Documentation Agent" means Credit Suisse First Boston.

"Dogwood" means Dogwood Communications, Inc., a Delaware corporation.

"Dogwood Acquisition" means the acquisition by the Borrower

(indirectly through the acquisition by Atlanta) of all of the outstanding Equity Interests of Dogwood.

"Dogwood Licenses" means Dogwood Licenses, Inc., a Delaware

corporation.

"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) Consolidated Interest Expense, (ii) provision for taxes on income or profits and (iii) depreciation, amortization and other non-cash items (including non-cash employee and officer equity compensation expenses, 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 Initial 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.

In addition, for purposes of calculating the Leverage Ratio and the Senior Leverage Ratio, (a) with respect to Acquisitions not owned at all times during the period involved in determining the EBITDA for the Leverage Ratio and the Senior Leverage Ratio, there shall be (i) included the EBITDA of any Acquisitions acquired by the Borrower or any Restricted Subsidiary during the period involved in such determination and (ii) excluded the EBITDA of any Dispositions by the Borrower or any Restricted Subsidiary during the period involved in such determination, assuming in each such case that such Acquisitions or Dispositions were acquired or disposed of, as the case may be, on the first day of such period; and (b) with respect to the Bell Acquisition and the Allur Acquisition, the Borrower shall be entitled to certain expense add backs to EBITDA in the amounts and during the periods set forth in Schedule 1.1B

and (c) with respect to any other Permitted Acquisitions, the Lenders agree to enter into good faith negotiations with the Borrower to consider pro forma adjustments to EBITDA to eliminate costs which would be nonrecurring expense items after giving effect to such Permitted Acquisitions.

"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 the rate per annum determined by the

Administrative Agent at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the beginning of the relevant Interest Period by reference to the British Bankers' Association Interest Settlement Rates for deposits in Dollars (as set forth by any service selected by the Administrative Agent which has been nominated by the British Bankers' Association as an authorized information vendor for the purpose of displaying the rates) for a period equal to such Interest Period; provided that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "Eurodollar Base Rate" shall be the interest rate per annum determined by the Administrative Agent to be the average of the rates per annum at which deposits in Dollars are offered for such relevant Interest Period to major banks in the London interbank market in London, England at approximately 11:00 a.m. (London time) on the date which is two Business Days prior to the beginning of such Interest Period.

"Eurodollar Loans" means any Loan that bears interest computed on the

basis of 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:

$$\frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurocurrency Reserve Requirements}}$$

"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.

"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 Administrative Agent, upon which the
Administrative 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
Administrative Agent on such day on such transactions as reasonably determined
by the Administrative Agent.

"Fee Letter" means that certain letter agreement or letter agreements,

each dated as of February 26, 1999, to which the Administrative Agent and the
Borrower are parties, as amended, modified, restated, supplemented, renewed,
extended, increased, rearranged and/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.

"Fixed Charge Coverage Ratio" means the ratio of (i) EBITDA of the

Borrower and the Restricted Subsidiaries for the most recently completed four
fiscal quarters for which financial statements are available to (ii) Fixed
Charges for such four fiscal quarters.

"Fixed Charges" means, for any period, the sum of (a) Debt Service of

the Borrower and the Restricted Subsidiaries for such period, plus (b) cash
taxes paid by the Borrower and the Restricted Subsidiaries for such period, plus

(c) Capital Expenditures of the Borrower and the Restricted Subsidiaries for
such period, plus (d) cash Restricted Payments (other than Restricted Payments

made pursuant to Section 8.6(b)) made during such period.

"GAAP" means generally accepted accounting principles in the United

States of America as in effect as of the Initial 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.

"Guaranty" means 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 foregoing 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.

"Hughes" means Catherine L. Hughes.

"Hughes-Liggins Entities" means the Catherine L Hughes Revocable

Trust, the Alfred C. Liggins, III Revocable Trust, Hughes-Liggins and Company, L.L.C., a Delaware limited liability company, and Hughes-Liggins Family Partners, L.P., a Delaware limited partnership.

"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 liabilities in respect of 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.

"Initial Effective Date" means June 30, 1998.

"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 each Intellectual

Property Security Agreement and Assignment, substantially in the form of Exhibit

G-1, executed and delivered by the Borrower and the Restricted Subsidiaries as

required by the terms hereof, as the foregoing may be amended, modified, restated, supplemented, renewed, extended, rearranged or substituted from time to time.

"Interest Coverage Ratio" means, as of the date of any determination,

the ratio of (a) EBITDA of the Borrower and the Restricted Subsidiaries for the most recently completed four fiscal quarters for which financial statements are available to (b) Consolidated Interest Expense (other than

the amount of any interest accrued, but not yet due and payable during such period) of the Borrower and the Restricted Subsidiaries for such four fiscal quarters.

"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 Administrative 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, Liggins (successor in interest to Greater Philadelphia Venture Capital Corporation, Inc.), Opportunity Capital Corporation, Medallion Capital, Inc. (successor in interest to Capital Dimensions Venture Fund, Inc.), TSG Ventures L.P. (successor in interest to TSG Ventures, Inc.) and Fulcrum Venture Capital Corporation.

"Issuing Lender" means NationsBank, provided that, in the event that

NationsBank shall be replaced as the Administrative 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 Administrative 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 Fee Payment Date" means (i) the last Business Day of each March,

June, September and December prior to the Termination Date and (ii) the Termination Date.

"L/C Obligations" means at any time, an amount equal to the sum of (a)

the aggregate then withdrawn 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).

"Leverage Ratio" means, as of any date, the ratio of (i) the sum of

all Indebtedness of the Borrower and the Restricted Subsidiaries as of such date to (ii) EBITDA of the Borrower and the Restricted Subsidiaries for the most recently completed four fiscal quarters for which financial statements are available.

"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 Wholly Owned 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.

"Liggins Credit Agreement" means that certain loan agreement, dated as

of October 23, 1997, among Liggins, as the borrower thereunder, and NationsBank
of Texas, N.A., as the lender thereunder (the "Loan Agreement") and the

promissory note, of even date therewith, executed by Liggins in favor of
NationsBank of Texas, N.A. in connection with such Loan Agreement, in the
original principal amount of \$367,000, and any and all other Loan Documents (as
such term is defined in such Loan Agreement) relating thereto.

"Loan" has the meaning set forth in Section 2.1.

"Loan Documents" means this Agreement, the Notes, the Security

Documents, all UCC financing statements, the Standstill 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 Administrative 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 (i) initially, in the event that there are no

more than two Lenders and until such time as there are more than two Lenders, 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 Aggregate 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; and (ii) at any time on or after there are more than two Lenders and continuing at all times thereafter whether or not there are only two Lenders, at any time when no Loans or L/C Obligations are outstanding, the Lenders having Commitments more than 50% of the Aggregate 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, more than 50% 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, Moore and Royster.

"Margin Stock" has the meaning assigned to such term in Regulation U

of the Board.

"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 the 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.

"Mortgaged Properties" means the owned real properties and leasehold

and subleasehold interests of the Loan Parties specified on Schedule 5.24(b) and

any other real property or interests in real property hereafter subject to any Mortgage.

"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.

"NationsBank" means NationsBank, N.A.

"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 or Recovery

Event, the aggregate cash proceeds received by the Borrower or a Restricted Subsidiary in respect of such Disposition or Recovery Event, which amount is equal to the excess, if any, of:

(i) the cash received by the Borrower or a Restricted Subsidiary (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 or Recovery Event, 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 the Borrower or a Restricted Subsidiary in connection with such Disposition, plus

(b) the out-of-pocket expenses incurred by the Borrower or a Restricted Subsidiary in connection with such Disposition or Recovery Event, plus

(c) provision for taxes, including income taxes, attributable to the Disposition or Recovery Event or attributable to required prepayments or repayments of Indebtedness with the proceeds of such Disposition or Recovery Event, 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 or Recovery Event undertaken by the Borrower or any of the Restricted Subsidiaries in connection with such Disposition or Recovery Event.

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.

"New Exchange Debentures" means debentures of the Borrower in aggregate principal amount not to exceed the liquidation value of \$50,000,000 of the New Preferred Stock as initially issued (increasing for additional issuance of like debentures or preferred stock in lieu, respectively, of interest or dividends thereon, not exceeding an additional \$40,000,000), to be issued by the Borrower, at its option, only in exchange for New Preferred Stock, and having the terms set forth in the Registration Statement on Form S-1 filed by the Borrower with the SEC on March 19, 1999 (with such changes in such Registration Statement as are reasonably acceptable to the Administrative Agent and the Lenders).

"New Exchange Debenture Indenture" means a trust indenture, having terms reasonably satisfactory to the Administrative Agent and the Lenders, pursuant to which the New Exchange Debentures are to be issued, and not providing for the issuance of any other Indebtedness or Equity Interests of the Borrower.

"New Preferred Stock" means Preferred Stock, Series _____, of the Borrower to be issued by the Borrower in connection with a Qualifying Public Equity Offering for gross proceeds of not less than \$50,000,000, and having the terms set forth in the Registration Statement on Form S-1 filed by the Borrower with the SEC on March 19, 1999 (with such changes in such Registration Statement as are reasonably acceptable to the Administrative Agent and the Lenders).

"New Radio Market" means a radio market (as defined by Arbitron) that is not served by a radio station owned or operated by the Borrower or a Restricted Subsidiary before the Effective Date.

"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 C common stock, par value \$.01 per share of the Borrower.

"Notes" has the meaning set forth in Section 2.1.

"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 Administrative 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 Administrative 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 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.

(S)(S)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 duly executed

by each Loan Party, in the form of Exhibit E and delivered to the Administrative Agent pursuant to Section 6.1(r).

"Permitted Acquisitions" has the meaning set forth in Section 8.7(b).

"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;

(iv) any Investment in accounts and notes receivable acquired in the ordinary course of business;

(v) loans and advances to employees of the Borrower or any Restricted Subsidiary in the ordinary course of business not in excess of \$500,000 in the aggregate at any time outstanding; and

(vi) a one-time term loan from the Borrower to Liggins made in connection with the pay-off and termination of the Liggins Credit Agreement, in an original principal amount not to exceed \$380,000.

"Permitted Line of Business" has the meaning set forth in Section

8.11.

"Permitted Sale Representations" means commercially reasonable

representations, warranties and indemnities with respect to properties or assets of the Borrower or any Restricted Subsidiary that are normal and customary in the business of the Borrower or such Restricted Subsidiary, as the case may be.

"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 each Pledge Agreement, substantially in the

form of (i) Exhibit F-1 with respect to the Borrower, (ii) Exhibit F-2 with

respect to Restricted Subsidiaries, (iii) Exhibit F-3 with respect to the

Warrantholders (the "Warrantholders' Pledge"), and (iv) Exhibit F-4 with respect

to Management Stockholders, 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 by that certain First Amendment to Preferred Stockholders' Agreement, dated as of June 30, 1998, by that certain Second Amendment to Preferred Stockholders' Agreement, dated as of December 23, 1998, by that certain Third Amendment to Preferred Stockholders' Agreement, dated as of December 23, 1998, by that certain Fourth Amendment to Preferred Stockholders' Agreement dated as of December 31, 1998, and by that certain Fifth Amendment to Preferred Stockholders' Agreement dated as of the Effective Date and as otherwise 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 (i) Hughes and Liggins, (ii) any

foundation or trust in which Hughes or Liggins has a beneficial interest, provided that for purposes of determining compliance with clause (v)(3) of the definition of Change of Control set forth in Section 1.1, only to the extent of

such beneficial interests of Hughes and/or Liggins in such foundation or trust or (iii) a partnership, limited liability company or other business combination in which Hughes or Liggins has an interest, provided that for purposes of determining compliance with clause (v)(3) of the definition of Change of Control set forth in Section 1.1, only to the extent of the interests of Hughes and/or

Liggins in such partnership, limited liability company or other business combination.

"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.

"Qualifying Public Equity Offering" means an initial Public Equity

Offering that results in cash proceeds to the Borrower (net of all associated
fees, costs, and commissions) of at least \$50,000,000.

"Recovery Event" means any settlement of or payment in respect of a

condemnation or taking or a property insurance claim or casualty insurance claim
relating to any property or asset or rights therein of the Borrower or any of
the Restricted Subsidiaries.

"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.

"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. (S)
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) or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment of any Disqualified Stock or Subordinated Debt.

"Restricted Subsidiaries" means each direct and indirect Subsidiary of

the Borrower other than an Unrestricted Subsidiary.

"Rights" means rights, remedies, powers and privileges.

"ROA Stockholders" means Alta Subordinated Debt Partners III, L.P.,

Allied Capital Corporation, Allied Investment Corporation, and Syndicated Communications Venture Partners II, L.P.

"Royster" means Scott R. Royster.

"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 each Security Agreement, substantially in

the form of Exhibit G-2, with respect to the Borrower, and Exhibit G-3, with

respect to the Restricted Subsidiaries, 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 Debt" means for the Borrower and the Restricted Subsidiaries

on a consolidated basis as of the date of any determination, the aggregate
amount of all outstanding Indebtedness other than Subordinated Debt.

"Senior Leverage Ratio" means, as of any date, the ratio of (i) the

sum of all Senior Debt of the Borrower and the Restricted Subsidiaries as of
such date to (ii) EBITDA of the Borrower and the Restricted Subsidiaries for the
most recently completed four fiscal quarters for which financial statements are
available.

"Senior Management" shall mean Hughes, Liggins and Royster.

"Senior Preferred Stock" means (i) 84,843.03 shares of the 15% Series

A Senior Cumulative Redeemable Preferred Stock, par value \$.01 per share, (ii)
124,467.10 shares of the 15% Series B Senior Cumulative Redeemable Preferred
Stock, par value \$.01 per share and (iii) if exercised, the number of shares of
15% Series A 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 Aggregate Commitment then constituted by such Lender's
Commitment.

"Standstill Agreement" means that certain Standstill Agreement, dated

as of June 30, 1998, 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 Administrative Agent, which Standstill Agreement replaces that certain Standstill Agreement, dated as of May 19, 1997, among each of the foregoing parties.

"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/or the Obligations, as the same relate to a Restricted Subsidiary.

"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 Administrative 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.

"Syndication Agent" means First Union National Bank.

"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 Administrative 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 Administrative Agent or such Lender or any applicable lending office is organized, located or doing business.

"Termination Date" means the earlier of (i) December 31, 2003, (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 Commitment" means the sum of the Available

Commitments of all of the Lenders.

"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 New

York 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) WYCB Acquisition Corporation, a

Delaware corporation and Broadcast Holdings, Inc., a Washington, D.C. corporation and (ii) any Subsidiary of the Borrower that is formed or acquired after the Initial Effective Date, which is funded through Investments as permitted by Section 8.8(b) (as designated by the Board of Directors of the

Borrower, as provided below) and (iii) any direct or indirect Subsidiary of an Unrestricted Subsidiary; provided that at the time of the Investment by the

Borrower to such Unrestricted Subsidiary and at all times thereafter (a) neither the Borrower nor any of the Restricted Subsidiaries provides credit support for any Indebtedness of such Unrestricted 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 Administrative Agent by delivering to the Administrative Agent a board resolution giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions.

"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 the 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 Warranholders' 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 Warranholders' 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 including the "Recapitalization Warrants" and the "Contingent Warrants" issued pursuant to the Agreement and Plan of Warrant Recapitalization.

"Warranholders" means the holders of Warrants issued pursuant to the

Securities Purchase Agreement and the Exchange Agreement or shares of Common Equity issued in exchange therefor.

"Warranholders' 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, and the "Recapitalization Warrants" and the "Contingent Warrants" issued in replacement for the foregoing pursuant to the Agreement and Plan of Warrant Recapitalization, 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 Restricted Subsidiary" means each Restricted Subsidiary

which is a Wholly Owned Subsidiary.

"Wholly Owned Subsidiary" has the meaning set forth in the definition

of Subsidiary.

"WDYL Acquisition" means the acquisition by the Borrower of all or

substantially all of the assets, property and business used in the operation of Station WDYL-FM, Chester, Virginia.

"WFUN Acquisition" means the acquisition by the Borrower of all or

substantially all of the assets, property and business used in the operation of Station WFUN-FM, Bethalto, Illinois.

"WKJS Acquisition" means the acquisition by the Borrower of all or

substantially all of the assets, property and business used in the operation of Station WKJS-FM, Crewe, Virginia.

"WENZ Acquisition" means the acquisition by the Borrower of all or

substantially all of the assets, property and business used in the operation of Stations WENZ-FM and WERE-AM, Cleveland, Ohio.

"WSOJ Acquisition" means the acquisition by the Borrower of all or

substantially all of the assets, property and business used in the operation of Station WSOJ-FM, Petersburg, Virginia.

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 (i) 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 (ii) 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 Commitments. (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 Commitment to the Borrower from time to time until the Termination Date ("Loans"), provided that in no event shall the Aggregate Outstandings of Credit of any Lender at any time exceed such Lender's Commitment. Until the Termination Date, the Borrower may use the Available Commitments by borrowing, prepaying the Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

(b) The 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 Administrative Agent in accordance with Sections 2.3 and 4.5, provided that no 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 Loans, the Borrower will execute and deliver to each Lender a promissory note substantially in the form of Exhibit H, with appropriate insertions as to payee, date and principal amount (each, as amended, supplemented, replaced or otherwise modified from time to time, a "Note"), payable to the order of each Lender and in a principal amount equal to each such Lender's Commitment. Each Note shall (x) be dated the Effective Date or the date of

any reissuance of such 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 Intentionally Deleted.

2.3 Procedure for Borrowing. Subject to the applicable terms and

conditions contained in Section 6 of this Agreement, the Borrower may borrow

under the Commitments at any time prior to the Termination Date, on any Business Day by delivery to the Administrative 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 Administrative Agent prior to 10:00 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 Commitments shall be in an amount equal to (x) in the case of ABR Loans, \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if the then available amount of the Commitments is less than \$500,000, such lesser amount) and (y) in the case of Eurodollar Loans, \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Upon receipt of any such Notice of Borrowing from the Borrower, the Administrative 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 Administrative Agent for the account of the Borrower at the office of the Administrative Agent specified as the Funding Office in Schedule 1.1A prior to noon, Dallas, Texas time, on the Borrowing Date

requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative 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 Administrative Agent by the Lenders and in like funds as received by the Administrative Agent.

2.4 Repayment of Loans. (a) The Borrower hereby unconditionally

promises to pay to the Administrative Agent for the account of each Lender, (i) the then unpaid principal amount of each Loan of such Lender on the Termination Date (or such earlier date on which the Loans become due and payable pursuant to Section 9) and (ii) 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 Administrative 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 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 Administrative 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 Administrative 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 ("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 Letter of Credit if, after giving effect to such issuance, the L/C Obligations would exceed the lesser of (x) \$5,000,000 or (y) the Total Available Commitment at such time. Each Letter of Credit shall (i) be denominated in Dollars and (ii) 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 New York.

(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. (a) The Borrower shall pay

to the Issuing Lender, for the account of each Lender, a letter of credit fee with respect to each Letter of Credit, for the period from and including the date of issuance of such Letter of Credit to the date such Letter of Credit is no longer outstanding, computed at a percentage rate per annum equal to the Applicable Margin from time to time applicable to Loans bearing interest at the Eurodollar Rate, calculated on the basis of a 360-day year, on the aggregate average daily amount available to be drawn under such Letter of Credit for the period as to which payment of such fee is made. Such letter of credit fee shall be payable on each L/C Fee Payment Date occurring while a Letter of Credit remains outstanding and on the date each Letter of Credit expires, is canceled or is drawn upon. Such letter of credit fee once paid shall be nonrefundable.

(b) The Borrower shall pay to the Issuing Lender, a letter of credit fee with respect to each Letter of Credit equal to 1/4 of 1% per annum on the face amount of each such Letter of Credit, payable on each Interest Payment Date (for an ABR Loan) to the Issuing Lender for its own account. Such fee once paid shall be nonrefundable.

(c) In addition, the Borrower shall pay customary administrative, issuance, amendment, payment and negotiation charges to the Issuing Lender for its own account.

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 1.1A 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 3.4 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 (i) such amount, times (ii) 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 (iii) 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 3.4 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 plus the Applicable Margin. 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 3.4, 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 11:00 A.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 11:00 A.M., Dallas, Texas time, 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 Administrative 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 (i) such draft so paid and (ii) 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 1.1A 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 plus the Applicable Margin 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 Administrative 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 Administrative 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 3 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 3.5 shall not be affected by, among

other things, (i) 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 (ii) 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 (iii) 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 New York, 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 New York, 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 plus the Applicable Margin 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 plus the Applicable Margin for such day.

(c) (i) Subject to Section 11.15, after the occurrence and during the continuance of an Event of Default under Section 9(a) of this Agreement, 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 the Applicable Margin 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 the Applicable Margin 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 Administrative Agent (in the case of Eurodollar Loans) or at least one Business Day's irrevocable notice to the Administrative 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 Administrative 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 Loans shall be in an aggregate principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (unless the entire balance thereof is being prepaid).

(b) The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent (which will promptly notify the Lenders thereof), to terminate the Commitments or, from time to time, to reduce the amount of the Commitments; provided that no such termination or reduction of the Commitments shall be permitted if, after giving effect thereto

and to any prepayments of the Loans made on the effective date thereof, (x) the sum of the Aggregate Outstandings of Credit of all Lenders would exceed the Total Available Commitment then in effect. Any such reduction in the Commitments shall be in a minimum amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof (unless the Aggregate Commitment is being terminated) and shall reduce permanently the Commitments then in effect.

(c) If at any time the sum of the Aggregate Outstandings of Credit of all Lenders exceeds the Total Available Commitment then in effect, the Borrower shall, without notice or demand, immediately repay the Loans 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 Loans required by the preceding sentence, the sum of the L/C Obligations still exceeds the Total Available Commitment (the amount of such excess being herein referred to as the "Overfunded Amount"), the Borrower shall, without notice or demand, immediately

pay an amount equal to such Overfunded Amount to the Administrative Agent for deposit in the Cash Collateral Account. Any amounts deposited in the Cash Collateral Account shall be invested in Cash Equivalents having a one day maturity or such other Cash Equivalents as shall be acceptable to the Administrative Agent and the Borrower.

(d) Concurrently with the consummation of any Disposition or the receipt of Net Proceeds from any Recovery Event by the Borrower or any Restricted Subsidiary, the Borrower shall cause the Net Proceeds therefrom to be promptly paid to the Administrative Agent, in immediately available funds, for deposit in an account maintained by the Administrative Agent for the benefit of the Lenders (the "Cash Collateral Account"), which Net Proceeds shall be held by

the Administrative Agent in such Cash Collateral Account as security for the Obligations, in accordance with Section 4.2(h), and shall be distributed by the

Administrative Agent pursuant to this Section 4.2(d) and Section 4.2(i). In the

event that the Borrower and/or a Restricted Subsidiary (i) in the case of a Recovery Event, uses the Net Proceeds therefrom to restore or replace assets in respect of which a Recovery Event has occurred within 360 days after the date of receipt of the Net Proceeds from such Recovery Event (the "Recovery Reinvestment

Deadline"), or (ii) in the case of a Disposition, subject to the provisions of

Sections 8.7 and 8.8, (A) enters into a binding contract for the reinvestment of

such Net Proceeds in Broadcast Assets within 270 days after the date of such Disposition (the "Contract Deadline Date") and (B) actually reinvests such Net

Proceeds in Broadcast Assets within 360 days after the date of such Disposition (the "Reinvestment Deadline Date"), then the Administrative Agent shall release

from the Cash Collateral Account (concurrently with the consummation of the applicable reinvestment transaction) that portion of such Net Proceeds which are to be used by the Borrower for such reinvestment transaction, provided such

reinvestment occurs on or before the Recovery Reinvestment Deadline or the Reinvestment Deadline Date, as applicable. In the event that either (i) in the case of a Recovery Event, the Borrower and/or a Restricted Subsidiary does not restore or replace assets in respect of which a Recovery Event has occurred on or before the Recovery Reinvestment Deadline or (ii) in the case of a Disposition, the Borrower and/or a Restricted Subsidiary (A) does not enter into a binding contract for the reinvestment of such Net Proceeds in Broadcast Assets on or before the Contract Deadline Date or (B) does not actually reinvest such Net Proceeds on or before the Reinvestment Deadline Date (any such Net Proceeds, or portion thereof, not so used to restore or replace assets by the Recovery Reinvestment Deadline,

not subject to a binding contract on the Contract Deadline Date or not so
reinvested on the Reinvestment Deadline Date being herein referred to as "Excess

Proceeds"), then (x) the Administrative Agent shall, on the Recovery

Reinvestment Deadline, Contract Deadline Date or the Reinvestment Deadline Date,
as the case may be, apply all Excess Proceeds held in the Cash Collateral
Account toward the repayment of the Loans, together with interest accrued to the
date of such payment and any amounts payable under Section 4.11 and (y) the then

Aggregate Commitment shall be permanently reduced on such applicable date by an
amount equal to the aggregate amount of such Excess Proceeds. In addition, to
the extent that, after giving effect to any repayment of the Loans and reduction
of the Aggregate Commitment required by the preceding sentence, the sum of the
Aggregate Outstandings of Credit of all Lenders exceeds the Total Available
Commitment (as reduced), then (in addition to the Borrower's obligations under
Section 4.2(c) above) any amounts remaining of such Excess Proceeds shall

continue to be held by the Administrative Agent in the Cash Collateral Account.
Notwithstanding the foregoing provisions of this Section 4.2(d), the Borrower

and the Restricted Subsidiaries shall not be required to apply any Net Proceeds
in accordance with this Section 4.2(d) unless or until such Net Proceeds either
singularly or when aggregated with all other Net Proceeds from all Dispositions
and Recovery Events exceeds \$1,000,000. Notwithstanding anything to the contrary
set forth herein, in the event (i) a Default or Event of Default exists and is
continuing 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
immediately paid to the Administrative Agent for deposit in the Cash Collateral
Account and the Administrative Agent shall apply all such Net Proceeds toward
the repayment of the Loans and to cash collateralize the L/C Obligations as
aforesaid and (B) the then Aggregate Commitment shall be permanently reduced by
an amount equal to the amount of all such Net Proceeds received on or after such
events.

(e) In the event that the Borrower or any Restricted Subsidiary issues
or sells any Equity Interests of the Borrower or a Restricted Subsidiary (other
than Disqualified Stock, the New Preferred Stock or Senior Preferred Stock
issued in respect of the Allied Warrant), then no later than the third Business
Day following the date of receipt of the cash proceeds from any such issuance or
sale of such Equity Interests (other than proceeds from the issuance or sale of
such 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 repay the Loans in an
amount equal to the cash proceeds of such Equity Interests, net of underwriting
discounts and commissions and other reasonable costs associated therewith (the
"Equity Proceeds"); provided that the Borrower shall not be required to repay

the Loans under this Section 4.2(e) with any such Equity Proceeds that (i) are

reinvested in Permitted Acquisitions or permitted Capital Expenditures by the
Borrower or a Restricted Subsidiary within 30 days of the receipt of such Equity
Proceeds or (ii) are received by the Borrower from the initial Public Equity
Offering.

(f) In the event that any Loan Party creates, incurs, acquires or
issues any Indebtedness or Disqualified Stock other than Indebtedness permitted
under Section 8.2, then no later than the third Business Day following the date

of receipt of the proceeds (the "Debt Proceeds") from the creation, incurrence,

acquisition or issuance of any such Indebtedness or Disqualified Stock, the
Borrower shall (i) repay the Loans in an amount equal to the amount of such Debt
Proceeds and (ii) the then Aggregate Commitment shall be permanently reduced by
the amount of

such Debt Proceeds. To the extent that, after giving effect to any repayment of the Loans and reduction of the Aggregate Commitment required by the preceding sentence, the sum of the Aggregate Outstandings of Credit of all Lenders exceeds the Total Available Commitment (as reduced), then (in addition to the Borrower's obligations under Section 4.2(c) above) any amounts remaining of such Debt Proceeds shall be deposited in the Cash Collateral Account.

(g) In the case of any reduction of the Aggregate Commitment, the Borrower shall, if applicable, comply with the requirements of Section 4.2(c).

The application of any prepayment to the Loans pursuant to this Section 4.2 shall be made first to ABR Loans and second to Eurodollar Loans. 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.

(h) As security for the Obligations, the Borrower hereby grants, conveys, assigns, pledges, sets over and transfers to the Administrative Agent, for the benefit of the Lenders, and creates in the Administrative Agent's favor for the benefit of the Lenders, a security interest in, all money (including interest), instruments and securities at any time held in or acquired in connection with the Cash Collateral Account together with all proceeds thereof. The Cash Collateral Account shall be under the sole dominion and control of the Administrative Agent, and the Borrower shall not have any right to withdraw or cause the Administrative Agent to withdraw any funds deposited in the Cash Collateral Account except as provided in Sections 4.2(d) and 4.2(i). At any

time and from time to time, upon the Administrative Agent's request, the Borrower promptly shall execute and deliver any and all such further agreements, documents, instruments and certificates, including financing statements, as may be necessary, appropriate or desirable in the Administrative Agent's reasonable judgment to obtain the full benefits (including perfection and priority) of the security interest created or intended to be created by this Section 4.2(h) and

of the rights and powers herein granted. The Borrower shall not create or suffer to exist any Lien on any amounts or investments held in the Cash Collateral Account other than the Lien granted under this Section 4.2(h).

(i) The Administrative Agent shall, after the date on which the Aggregate Commitment shall have been terminated, apply any proceeds held in the Cash Collateral Account first to pay any unpaid Obligations then outstanding

hereunder in such order as the Administrative Agent may determine and then to refund any remaining amount to the Borrower.

4.3 Commitment Fees, etc. (a) The Borrower agrees to pay to the

Administrative Agent for the account of each Lender, a commitment fee, on the average daily amount of the Available Commitment of such Lender computed at a rate per annum based on the Leverage Ratio in effect for the fiscal quarter (for which financial statements are available) preceding the payment date determined as follows:

Leverage Ratio -----	Commitment Fee -----
Greater than 5.00 to 1.00	0.500%
Less than or equal to 5.00 to 1.00 but greater than 4.00 to 1.00	0.375%
Less than or equal to 4.00 to 1.00	0.250%

For purposes of calculating the commitment fee due hereunder, the Leverage Ratio shall be determined as at the end of each of the first three quarterly periods of each fiscal year of the Borrower and as at the end of each fiscal year of the Borrower, based on the relevant financial statements delivered pursuant to Section 7.1(a) or (b) and the Compliance Certificate delivered pursuant to Section 7.2(b); changes in the Leverage Ratio shall become effective on the date

which is the earlier of (i) two Business Days after the date the Administrative Agent receives such financial statements and the corresponding Compliance Certificate and (ii) the 45th day after the end of each of the first three quarterly periods of each fiscal year or the 90th day after the end of each fiscal year, as the case may be, and shall remain in effect until the next change to be effected pursuant to this Section 4.3; provided, that (a) until the

first such financial statements and Compliance Certificate are delivered after the Effective Date, the commitment fee shall be determined by reference to the Leverage Ratio set forth in the Compliance Certificate delivered to the Administrative Agent pursuant to Section 6.2(h), and (b) if any financial

statements or the Compliance Certificates referred to above are not delivered within the time periods specified above, then, for the period from and including the date on which such financial statements and Compliance Certificate are required to be delivered until the date on which such financial statements and Compliance Certificate are delivered, the commitment fee as at the end of the fiscal period that would have been covered thereby shall be deemed to be the commitment fee which would be applicable when the Leverage Ratio is greater than 6.50 to 1.00. Notwithstanding anything to the contrary contained herein, during the fiscal quarter in which the Borrower closes its initial Public Equity Offering, the Borrower shall have the right to resubmit to the Administrative Agent and each Lender a new Compliance Certificate which recalculates the "Indebtedness" component of the Leverage Ratio as of such date and, to the extent there is a change in the Leverage Ratio reflected therein, a new commitment fee for the then occurring fiscal quarter shall begin to accrue, effective two Business Days after the date the Administrative Agent receives such new Compliance Certificate and shall remain in effect until the next change to be effected pursuant to this definition.

Such commitment fee shall be (i) payable quarterly in arrears on the last Business Day of each March, June, September and December and on the Termination Date and (ii) fully earned and non-refundable upon payment thereof.

(b) The Borrower shall pay (without duplication of any fee payable under Section 4.3(a)) to the Administrative Agent the fees provided for in the

Fee Letter on the dates and in the amounts provided for therein.

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 Administrative 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 Administrative 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 Administrative 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 Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing in reasonable detail the calculations used by the Administrative Agent in determining any interest rate pursuant to Section 4.1

(a).
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(c) The fees described in this Agreement and the Fee 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 Administrative Agent an irrevocable notice substantially in the form of Exhibit J (a "Notice of Conversion/Continuation"), by 10:00 A.M. Dallas, Texas time 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 Administrative Agent a Notice of Conversion/Continuation by 10:00 A.M. Dallas, Texas, time 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 Administrative 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 Loan may be converted into a Eurodollar Loan if the Interest Period selected therefor would expire after the Termination 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 Administrative 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 Administrative 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 Loans shall be equal to \$1,000,000 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 Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative Agent, and any reduction of the Commitments shall be allocated by the Administrative 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 Administrative 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 noon, Dallas, Texas time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Administrative Agent's office specified in Section 11.2, in Dollars and in immediately

available funds. Payments received by the Administrative 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 Administrative 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 Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative 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 Administrative Agent. A certificate of the Administrative 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 Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall notify the Borrower of the failure of such Lender to make such amount available to the Administrative Agent and the Administrative 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 Initial 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 Administrative 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 Initial 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 Administrative 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 Administrative 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 Administrative Agent or any Lender as a result of a present or former connection between the Administrative 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 Administrative 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 Initial 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 Administrative Agent or any Lender hereunder or under any Note, the amounts so payable to the Administrative Agent or such Lender shall be increased to the extent necessary to yield to the Administrative 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 Administrative 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 Administrative Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative 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

Administrative 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 Administrative 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 Initial Effective Date.

(c) If a Lender (or Transferee) or the Administrative 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 Administrative 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.

4.1 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 Administrative 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 Administrative Agent and each Lender that:

5.1 Financial Condition. (a) The consolidated balance sheet of the

Borrower and the Restricted Subsidiaries at December 31, 1998, 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 the 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 and except for interim financial statements, which are subject to normal year-end adjustments and lack footnotes). Except as set forth in Schedule 5.1 and except for the Atlanta Acquisition and the Dogwood Acquisition,

during the period from December 31, 1998, to and including the Effective Date there has been no sale, transfer or other disposition by the Borrower or any of the 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 the Restricted Subsidiaries at December 31, 1998

(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).

(c) (i) The pro forma financial information, Budgets and projections attached hereto as Schedule 5.1(c) furnished to the Administrative Agent by or

on behalf of the Borrower in connection with this Agreement, the Atlanta Acquisition, the Dogwood Acquisition and the transactions contemplated hereby and thereby and (ii) all pro forma financial information, Budgets and projections furnished to the Administrative Agent or any Lender in connection with or pursuant to this Agreement or any other Loan Document after the date of this Agreement and on or prior to the date on which this representation and warranty is made or deemed made, were in each case prepared and furnished to the Administrative 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 Restricted Subsidiaries and represented the Borrower's management's good faith estimate of the consolidated projected financial performance of the Borrower and the Restricted Subsidiaries based on the information available to the Responsible Officers at the time so furnished.

(d) All Information made available to the Administrative Agent or any Lender by or on behalf of the Borrower in connection with or pursuant to this Agreement or any other Loan Document on or prior to the date on which this representation and warranty is made or deemed made 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, taken as a whole, not materially misleading in light of the circumstances under which such statements were made.

5.2 No Change. Since December 31, 1998, 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 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 to grant any security interests provided for therein and, in the case of the Borrower, to borrow hereunder, and has taken all necessary 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 or 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 borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents other than (a) the recording of the Mortgages required by Section 6.1(t) or Section 7.9 and the filings and notices

required by the Pledge Agreements and Security Agreements and (b) 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 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, the Atlanta Acquisition, the Dogwood Acquisition or any of the transactions contemplated hereby or thereby or (b) as to which there is a reasonable possibility of an adverse determination and, that if adversely determined, could, individually or in the aggregate, 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 material 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.

(c) As of the date of this Agreement, (i) neither the Borrower nor any Restricted Subsidiary has received any notice of, nor has any knowledge of, any pending or contemplated condemnation proceeding affecting the Mortgaged Properties or any sale or disposition thereof in lieu of condemnation and (ii) neither the Borrower nor any Restricted Subsidiary is obligated under any right of first refusal, option or other contractual right to sell, assign or otherwise dispose of any Mortgaged Property or any interest therein.

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 (i) has filed all other Tax Returns that are required to have been filed by it pursuant to applicable foreign, state, local or other law, except where the failure to so file could not reasonably be expected to have a Material Adverse Effect and (ii) 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.

(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 with any Person other than another Loan Party, except as required in connection with the sale of property under that certain Lease Agreement between Great Lakes Radio, Inc. and Bell as in effect on the Initial Effective Date, or in connection with the proration of Taxes in connection with Dispositions and Acquisitions. 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. Neither the Borrower nor any Subsidiary is

engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No part of the proceeds of any Loan has been or will be used by the Borrower or any Subsidiary, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board including Regulations T, U and X. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said 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 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 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 of the Common Equity) 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) 3,000 authorized shares of common stock, par value \$.01 per share, which consists of (a) 1,000 shares of class A common stock of which 58.03 shares are outstanding as of the Effective Date, and fully-paid and non-assessable, (b) 1,000 shares of class B common stock of which 84.36 shares are outstanding as of the Effective Date, and fully-paid and non-assessable, and (c) 1,000 shares of Non-Voting Common Stock of which 93.8 shares are outstanding as of the Effective Date, and fully-paid and non-assessable, and (ii) 290,000 authorized shares of Preferred Stock, \$.01 par value per share, which consists of (a) 140,000 shares of 15% Series A Senior Cumulative Redeemable Preferred Stock of which 84,843.03 shares are outstanding as of the Effective Date 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 the Effective Date 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 Persons. Until the closing of the initial Public Equity Offering of the Borrower, no voting trusts, agreements or other voting arrangements or any other agreements exist with respect to the Common Equity of the Borrower other than those agreements relating to the sale of Common Equity and New Preferred Stock of the Borrower which may be entered into in contemplation of and in connection with the initial Public Equity Offering of the Borrower (provided that any such agreements are terminated in the event the Borrower does not close its initial Public Equity Offering) and other than those listed on Schedule 5.14(b). No voting trusts, agreements or

other voting arrangements or any other agreements exist with respect to the

Equity Interests of any Restricted Subsidiary. Until the closing of the initial Public Equity Offering of the Borrower, no outstanding subscription, contract, convertible or exchangeable security, option, warrant, call or other Rights (whether absolute or contingent, statutory or otherwise) (collectively, "Equity

Agreements") obligating or permitting the Borrower 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 the Borrower (excluding the Senior Preferred Stock) exists other than Equity Agreements relating to the sale of Common Equity and New Preferred Stock of the Borrower entered into in contemplation of and in connection with the initial Public Equity Offering of the Borrower (provided that all such Equity Agreements are terminated in the event the Borrower does not close its initial Public Equity Offering), the Warrants, the Allied Warrant and any options to purchase Common Equity of the Borrower granted to employees of the Borrower or any Restricted Subsidiary, provided such options are concurrently pledged to the Lenders as security for the Obligations. No Equity Agreements obligating or permitting any Restricted Subsidiary 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 Restricted Subsidiary exists. 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, until (i) the closing of the initial Public Equity Offering of the Borrower, (ii) the repurchase or redemption of the outstanding Senior Preferred Stock and (iii) the exercise of all of the outstanding Warrants for common stock of the Borrower pursuant to the terms and provisions of the Warrant Certificates as in effect on the date hereof, the Lenders will at all times hold a valid and perfected first priority Lien on all of the issued and outstanding Equity Interests of each Loan Party (other than the Senior Preferred Stock and Equity Interests of Borrower issued to Allied Capital Corporation or Allied Investment Corporation in connection with the Atlanta Acquisition), 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 Assets 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, other than the renewal of FCC Licenses in accordance with the procedures of the FCC from time to time;

(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 Administrative 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 Administrative Agent or any Lender by the Borrower pursuant to this Agreement or any other Loan Document have been prepared and furnished to the Administrative 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 Administrative 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. (a) Each Pledge Agreement is effective to

create in favor of the Administrative Agent, for the ratable benefit of the Lenders and other secured parties named therein, a legal, valid and enforceable security interest in that portion of the Collateral described therein and proceeds thereof and, when such Collateral is delivered to the Administrative Agent, such Pledge Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the pledgors thereunder in such Collateral and the proceeds thereof, in each case prior and superior in right to any other Person.

(b) Each Security Agreement is effective to create in favor of the Administrative Agent, for the ratable benefit of the Lenders and other secured parties named therein, a legal, valid and enforceable security interest in that portion of the Collateral described therein and proceeds thereof and, when financing statements in appropriate form as filed in the offices specified in the Perfection Certificates, such Security Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the grantors thereunder in such Collateral and the proceeds thereof, in each case prior and superior in right to any other Person, to the extent provided in such Security Agreement, other than with respect to the rights of Persons pursuant to Liens expressly permitted by Section 8.3.

(c) The Mortgages are effective to create in favor of the Administrative Agent, for the ratable benefit of the Lenders and other secured parties named therein, a legal, valid and enforceable Lien on all of the right, title and interest of the grantor named therein in and to the Mortgaged Properties thereunder and the proceeds thereof, and when the Mortgages are filed in the offices specified in the Perfection Certificates, the Mortgages shall constitute fully perfected Liens on, and security interests in, all right, title and interest of the such grantor in such Mortgaged Property and the proceeds thereof, in each case prior and superior in right to any other Person, other than with respect to the rights of Persons pursuant to Liens expressly permitted by Section 8.3.

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 Initial 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 Initial Effective Date except as set forth on Schedule 5.22(a) hereto (as supplemented from time to time).

(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. Schedule 5.24(a) (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 therefor in excess of \$50,000. 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, in either case, 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, except as disclosed in Schedule 5.24.

5.25 Ownership of Stations. Schedule 5.25 (as supplemented from time to time) completely and correctly lists each radio broadcast station owned directly or indirectly by any Loan Party (individually, a "Station" and collectively, the "Stations"). No Loan Party owns any radio broadcast 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 (i) affecting the broadcasting industry generally or (ii) which could not reasonably be expected to have a Material Adverse Effect, 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. (S) 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 Administrative Agent shall have received (i)

this Agreement duly executed and delivered by the Borrower; (ii) Notes, duly executed and delivered by the Borrower and payable to the order of each Lender, (iii) a Pledge Agreement duly executed and delivered by the Borrower and each Restricted Subsidiary, including Atlanta and Dogwood, (iv) Pledge Agreements duly executed and delivered by the Hughes-Liggins Entities, the Management Stockholders and Mary Catherine Sneed, (v) a Pledge Agreement duly executed and delivered by the Warranholders, (vi) Pledge Agreements duly executed and delivered by the ROA Stockholders other than Allied Capital Corporation and Allied Investment Corporation, (vii) a Security Agreement duly executed and delivered by the Borrower and each Restricted Subsidiary, including Atlanta, Dogwood, Atlanta Licenses and Dogwood Licenses, (viii) an Intellectual Property Security Agreement duly executed by the Borrower and each Restricted Subsidiary, including Atlanta, Dogwood, Atlanta Licenses and Dogwood Licenses, and (ix) a Guaranty duly executed and delivered by each Restricted Subsidiary, including Atlanta, Dogwood, Atlanta Licenses and Dogwood Licenses.

(b) Closing Certificates. The Administrative Agent shall have

received a certificate (the "Closing Certificate") for each Loan Party and

each of the Hughes-Liggins Entities, dated the Effective Date, substantially in the form of Exhibit K, with appropriate insertions and

attachments (including the Charter Documents of such Loan Party), in each case reasonably satisfactory in form and substance to the Administrative Agent, executed by a Responsible Officer and the Secretary or any Assistant Secretary of each Loan Party, which certificate shall state that the consent or approval thereby certified has not been amended, modified, revoked or rescinded.

(c) Fees. The Administrative Agent shall have received:

(i) all fees and expenses required to be paid at such time under

Sections 3.3 and 4.3;

(ii) all fees required to be paid at such time under the Fee Letter; and

(iii) all reasonable fees and expenses of counsel to the Administrative Agent in connection with this Agreement and the other Loan Documents.

(d) Legal Opinions. The Administrative Agent shall have received,

with a counterpart for each Lender, the following executed legal opinions:

(i) the executed legal opinions of Kirkland & Ellis,
substantially in the forms of Exhibit L-1 and L-2;

(ii) the executed legal opinion of Davis Wright Tremaine LLP,
FCC counsel to the Borrower, substantially in the form of Exhibit M;

and

(iii) from such local counsel to the Loan Parties as the
Administrative Agent may require in respect of the Mortgages and other
Security Documents, each in form and substance satisfactory to the
Administrative Agent.

(e) Financial Statements. The Lenders shall have received (i) audited

consolidated financial statements of the Borrower and its consolidated
Subsidiaries and audited consolidated financial statements of Atlanta and
Dogwood for the 1998 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.

(f) Governmental and Third Party Approvals. All material

Authorizations and third-party approvals (including, without limitation,
all FCC Licenses and consents) necessary or appropriate in connection with
the Atlanta Acquisition, the Dogwood Acquisition, the financing thereof and
the other transactions contemplated by the Loan Documents shall have been
obtained and shall be in full force and effect, and all applicable waiting
periods (except with respect to the Borrower's acquisition of control of
Atlanta and Dogwood and the simultaneous transfer by Atlanta of its FCC
Licenses to Atlanta Licenses and the simultaneous transfer by Dogwood of
its FCC Licenses to Dogwood Licenses) shall have expired without any action
being taken or threatened by any competent authority which would restrain,
prevent or otherwise impose materially adverse conditions on the Atlanta
Acquisition, the Dogwood Acquisition, the financing thereof or the other
transactions contemplated by the Loan Documents and copies of all such
Authorizations and third-party approvals shall be delivered to the
Administrative Agent.

(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 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, any of the Restricted Subsidiaries or
Atlanta or Dogwood is a party or by which any of them is bound.

(i) Pledged Securities and Instruments of Transfer. The

Administrative 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 Administrative Agent, desirable to perfect or continue to protect the Liens created by the Security Documents shall have been executed and delivered by the pledgors or grantors thereunder; and (ii) all Collateral shall be free and clear of Liens except for Liens permitted by Section 8.3 and other Liens approved by the Lenders.

(k) Material Adverse Change. There shall exist no material adverse

change in the financial condition or business operations of the Borrower, the Restricted Subsidiaries or Atlanta or Dogwood since December 31, 1998.

(l) Projections and Certified Pro Forma Financial Information. The

Administrative Agent shall have received (i) a pro forma consolidated balance sheet for the Borrower and the Restricted Subsidiaries (giving effect to the Atlanta Acquisition, the extensions of credit to be made hereunder and the use of proceeds hereunder) dated as of December 31, 1998, certified to by a Responsible Officer, and (ii) management's five year projections for the Borrower and the Restricted Subsidiaries, after giving effect to the Atlanta Acquisition and the Dogwood Acquisition.

(m) Lien Searches. The Administrative Agent shall have received the

results of a recent search by a Person reasonably satisfactory to the Administrative 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, Atlanta, Dogwood and Atlanta Licenses 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, the Restricted Subsidiaries, Atlanta, Dogwood, or to the Collateral, 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) Insurance. The Administrative Agent shall have received

certificates of insurance naming (i) the Administrative Agent as loss payee for the benefit of the Lenders and (ii) each of the Lenders as an additional insured, as required by Section 7.5(b).

(o) Standstill Agreement. (i) The Administrative Agent shall have

received an original fully executed copy of the Standstill Agreement, (ii) the Borrower shall have caused each Investor's certificate representing the Senior Preferred Stock to contain the legend required in the Standstill Agreement, and (iii) the Borrower shall have caused each Warrant Certificate to contain the legend required in the Standstill Agreement.

(p) License Subsidiaries and Operating Agreements. The Borrower shall

have caused all Necessary Authorizations relating to the Stations (including Station WHTA, Fayetteville, Georgia) to have been transferred to a License Subsidiary, which License Subsidiary shall (i) be a Wholly Owned Restricted Subsidiary, (ii) shall have no 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), (iii) shall have no assets, other than the Necessary Authorizations and (iv) 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 Administrative Agent shall have received a fully executed copy of each such Operating Agreement.

(q) FCC Consents. The Borrower (i) shall have received all of the

Necessary Authorizations (A) for the consummation of the transactions contemplated herein (including the Atlanta Acquisition and the transfer of Atlanta's FCC Licenses to Atlanta Licenses and the Dogwood Acquisition and the transfer of Dogwood's FCC Licenses to Dogwood Licenses) and in any related agreements or documents, (B) the period for seeking reconsideration, review or appeal of such Necessary Authorizations shall have expired, except with respect to: (1) the Borrower's acquisition of control of Allur-Detroit, Inc., and the simultaneous transfer by Allur-Detroit, Inc. of its FCC Licenses to a License Subsidiary, (2) the Borrower's acquisition of control of Atlanta and the simultaneous transfer by Atlanta of its FCC Licenses to a License Subsidiary and (3) the Borrower's acquisition of control of Dogwood and the simultaneous transfer by Dogwood of its FCC Licenses to a License Subsidiary and (C) no such reconsideration, review or appeal shall have been sought by any party; and (ii) shall have delivered to the Administrative Agent copies of Form 732, evidencing: (A) the initial consent by the FCC of the transfer to Atlanta Licenses of FCC Licenses previously held by Atlanta; (B) the initial consent by the FCC of the transfer to Dogwood Licenses of the FCC Licenses previously held by Dogwood; and (C) the consent by the FCC to the ownership by Hughes and Liggins, considered together, of more than 50% of the Equity Interests in the Borrower.

(r) Perfection Certificate. The Administrative Agent shall have

received a Perfection Certificate, dated the date of this Agreement, duly executed by each Loan Party.

(s) Amendment to Preferred Stockholders' Agreement. The

Administrative Agent shall have received a Fifth Amendment to the Preferred Stockholders' Agreement in the form attached hereto as Exhibit N.

(t) Mortgages. The Mortgages covering the Mortgaged Properties

specified on Schedule 5.24(b), duly executed and delivered by the Borrower and each applicable Restricted Subsidiary, including Atlanta.

(u) Mortgagee Policies of Title Insurance/Surveys. To the extent

reasonably required by the Administrative Agent (A) mortgagee policies of title insurance and endorsements of existing mortgagee policies of title insurance, in such amounts as are

approved by the Administrative Agent, insuring that the Mortgages create in favor of the Administrative Agent for the benefit of the Lenders a first priority Lien on the real property and interests in real property covered by the Mortgages and reflecting a state of title and exceptions thereto, if any, reasonably acceptable to the Administrative Agent and containing such endorsements as the Administrative Agent may require and (B) copies of recent surveys with respect to each tract of real property covered by each Mortgage, dated and certified in a manner reasonably satisfactory to the Administrative Agent and the title insurance company issuing the mortgagee policies of title insurance and prepared in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and American Congress on Surveying and Mapping in 1992 by an independent professional licensed land surveyor satisfactory to such title insurance company.

(v) Copies of Exception Documents. To the extent required by the

Administrative Agent, copies of all recorded documents referred to, or listed as exceptions to title in, the title policy or policies and a copy, certified by such parties as the Administrative Agent may reasonably deem appropriate, of all other documents affecting the property covered by each Mortgage.

(w) Landlord Waivers and Consents. To the extent required by the

Administrative Agent, Landlord Waivers and Consents signed by each lessor of real property leased by the Borrower or any Restricted Subsidiary (including Atlanta and Dogwood), waiving such lessor's liens in and to the equipment or fixtures of the applicable Loan Party located on the leased premises and consenting to an assignment of the applicable lease to the Lenders or purchasers of the Lenders after an Event of Default.

(x) Cancellation of Liens. Evidence that all Liens other than Liens

permitted by Section 8.3 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 Administrative Agent.

(y) Consummation of Atlanta Acquisition and the Dogwood Acquisition.

The Lenders shall have received satisfactory evidence that the Atlanta Acquisition and the Dogwood Acquisition shall have been consummated prior to or concurrently with the making of the initial Loans pursuant to and in accordance with the terms and conditions of the Atlanta Acquisition Agreement and related acquisition documentation reasonably satisfactory in form and substance to the Lenders (no material provision thereof having been amended, supplemented, waived or otherwise modified, without the prior written consent of the Lenders).

(z) Appointment of Service Agent. Evidence that Corporation Service

Company has accepted its appointment as agent for the Borrower and the Restricted Subsidiaries (including Atlanta and Dogwood) to receive service of process in any legal action or proceeding relating to the Loan Documents brought in the State of New York during the period from the Effective Date through two years following the Termination Date.

(aa) Repayment and Cancellation of Certain Indebtedness. (i) All

Atlanta Existing Indebtedness and all Indebtedness not permitted by Section

8.2 shall have been paid or otherwise discharged in full, and all Liens

created in connection therewith shall have been terminated and (ii) the
Lenders shall have received satisfactory evidence (including receipt by the
Agent of copies of canceled instruments and securities) that such
Indebtedness has been paid and loan documentation, security interests,
guaranties and Liens with respect thereto have been terminated and released
concurrently with the making of the initial Loans.

6.2 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 this Agreement) 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) No Material Litigation. 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.

(b) 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.

(c) 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.

(d) No Default. No Default or Event of Default shall have occurred

and be continuing on such date or will occur immediately after giving
effect to the extension of credit requested to be made on such date and the
proposed use of the proceeds thereof.

(e) 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 6.2(a) through and including (d).

(f) Consent to Extensions of Credit. The Administrative Agent shall

have received (i) a consent in writing signed by Investors holding a
majority of the outstanding shares of Senior Preferred Stock and the
Borrower with respect to any extensions of credit requested hereunder
which, when aggregated with all other extensions of credit hereunder
outstanding at such time, causes the Aggregate Outstandings of Credit of
all Lenders to exceed \$57,500,000, and (ii) the execution by 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") of a directors' consent authorizing each extension of credit

requested hereunder, in each case until the earlier to occur of (x) the
date of the

closing of the initial Public Equity Offering of the Borrower and the repurchase and/or redemption of all of the Senior Preferred Stock outstanding on the Effective Date and (y) the date the Administrative Agent has received a written notice from at least two Independent Directors that no such further consent is required.

(g) Compliance Certificate. The Administrative Agent shall have

received a pro forma Compliance Certificate duly executed by a Responsible Officer of the Borrower and each of the Restricted Subsidiaries giving effect to the requested extension of credit, the use of proceeds thereof and any transaction to be consummated in connection therewith certifying to the Lenders that (i) no Default or Event of Default exists both before and immediately after giving effect to such extension of credit, the uses thereof and transactions to be consummated in connection therewith and (ii) the Borrower can incur such Indebtedness under the Senior Subordinated Debt Documents and any other documents evidencing Subordinated Debt permitted to be incurred by the Borrower 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 6.2 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 Administrative Agent hereunder or under any other Loan Document, the Borrower shall and shall cause each of the Restricted Subsidiaries to:

7.1 Financial Statements. Furnish to each of the Lenders:

(a) as soon as available, but in any event no later than 90 days after the end 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 the 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 first two months, 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 each of the Lenders:

(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, EBITDA, Fixed Charges, Funded Debt, and Consolidated Interest Expense and the underlying assumptions therefor

and the latest quarterly Arbitron ratings for each Station showing the 12+ share of audience (as designated by Arbitron) and the Borrower's target demographic share of audience;

(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; and

(g) on or before the 90th day after the end of each fiscal year of the Borrower, updated versions of the five year projections for the Borrower and the Restricted Subsidiaries delivered to the Administrative Agent pursuant to Section 6.1(1)(ii), setting forth in satisfactory detail the

changes to such financial projections and the underlying assumptions thereto.

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 Administrative 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 Administrative Agent to be named, in a manner reasonably satisfactory to the Administrative 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) the Lenders to be named as an additional insured 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 Administrative 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 Administrative 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 \$1,000,000 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 of which 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 of which 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 Administrative 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 Collateral (other than: (A) the Equity Interests of Unrestricted Subsidiaries; and (B) minority Equity Interests in Persons that are not Subsidiaries, acquired in accordance with and pursuant to Sections 8.8(b) and 8.8(d) if the Borrower or Restricted Subsidiary, as the case may be, is contractually prohibited from creating a Lien in such minority Equity Interests), of the Borrower and such Restricted Subsidiaries (except to the extent prohibited by law or as otherwise provided by law or as otherwise provided in the Security Agreements or Intellectual Property Security Agreements) including but not limited to the following: (i) all of the Borrower's and such Restricted Subsidiaries' present and future assets (other than (A) Equity Interests in Unrestricted Subsidiaries; and (B) minority Equity Interests in Persons that are not Subsidiaries, acquired in accordance with and pursuant to Sections 8.8(b) and 8.8(d) if the Borrower or Restricted Subsidiary, as the case may be, is contractually prohibited from creating a Lien in such minority Equity Interests), including, without limitation, their equipment, inventory, accounts receivable, instruments, general intangibles, intellectual property and real estate (in each case, unless otherwise agreed by the Administrative Agent); 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 Initial 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 Administrative Agent such amendments to the Pledge Agreements of the applicable Loan Party as the Administrative Agent deems necessary or advisable in order to grant to the Administrative 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 Administrative 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 Administrative 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 Administrative Agent, and (v) if requested by the Administrative Agent, the Borrower shall cause to be delivered to the Administrative 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 Administrative Agent.

(c) With respect to any newly acquired assets or transfers of assets to the Borrower or a Restricted Subsidiary (other than: (A) Equity Interests in Unrestricted Subsidiaries, and (B) minority Equity Interests in Persons that are not Subsidiaries, acquired in accordance with and pursuant to Section 8.8(b), if the Borrower or Restricted Subsidiary, as the case

may be, is contractually prohibited from creating a Lien in such minority Equity Interests), promptly after acquiring or receiving any such asset, execute and deliver or cause to be delivered to the Administrative Agent in a form reasonably acceptable to the Administrative Agent (i) one or more Mortgages (unless otherwise agreed by the Administrative Agent), Pledge Agreements, Security Agreements and/or Intellectual Property Security Agreements which grant to the Administrative 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 as otherwise provided in the Security Agreements and

Intellectual Property Security Agreements) and (ii) such additional agreements and other documents as the Administrative Agent reasonably deems necessary to establish a valid, enforceable and perfected first priority security interest in such Collateral including but not limited to Collateral consisting of Intellectual Property (subject, except for Equity Interests, to any Liens permitted by Section 8.3 and as otherwise provided in the Security

Agreements and Intellectual Property Security Agreements).

(d) Upon request of the Administrative Agent, promptly execute and deliver or cause to be executed and delivered to the Administrative Agent in a form reasonably acceptable to the Administrative Agent (i) one or more Mortgages, Pledge Agreements, Security Agreements and/or Intellectual Property Security Agreements which grant to the Administrative Agent a first priority perfected security interest (subject, except for Equity Interests, to any Liens permitted by Section 8.3 and as otherwise provided in the Security Agreements

and Intellectual Property Security Agreements) in such Collateral of the Borrower or a Restricted Subsidiary, including Equity Interests of direct or indirect Restricted Subsidiaries, as shall be specified by the Administrative Agent and (ii) such additional agreements and other documents as the Administrative 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

Loans and the Letters of Credit only (i) to finance a portion of the costs for the acquisition of all of the stock of Atlanta, (ii) to fund Permitted Acquisitions and (iii) for working capital and general corporate purposes.

7.11 New Restricted Subsidiaries. Immediately upon the creation or

acquisition thereof, the Borrower shall notify the Administrative Agent about any newly created or acquired Restricted Subsidiary and shall provide the Administrative 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 Administrative 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 Administrative Agent may deem reasonably necessary or appropriate in order to create, perfect and maintain the Liens in favor of the Administrative 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 Administrative 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 Administrative 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 Administrative 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 Administrative Agent and the Lenders in any such action taken or proposed to be taken by the Administrative Agent or any Lender.

7.14 Appraisals of Collateral. If at any time the Administrative

Agent reasonably determines that it must have current appraisals of any of the Collateral to comply with any Law, upon request by the Administrative Agent (which request shall not be made more frequently than once every 12 months), the Borrower shall cooperate with the Administrative Agent to enable the Administrative 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 Administrative 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 to exceed the sums of: (i) \$1,000,000 for each New Radio Market, provided that such amount is expended within two calendar years of the Borrower's or Restricted Subsidiary's entry into such market, (ii) during any fiscal year set forth below to be greater than the amounts set forth opposite such fiscal years below:

Fiscal Year Ended -----	Amount -----
1999	\$3,500,000
2000 and thereafter	\$1,000,000

In the event that the amount of Capital Expenditures made by the Borrower and the Restricted Subsidiaries during any period set out in clause (ii) above is less than the Capital Expenditure limitation for such period set forth above, then the difference between such limitation and the amount of Capital Expenditures actually expended shall be added to the Capital Expenditure limitation for the next such 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 any time during any period set forth below to be less than the ratio set forth opposite such period:

Period -----	Ratio -----
January 1, 1999 through and including December 31, 2001	2.00 to 1.00
January 1, 2002 and thereafter	2.25 to 1.00

(c) Leverage Ratio. Permit the Leverage Ratio at any time during any period set forth below to be more than the ratio set forth opposite such period:

Period -----	Ratio -----
January 1, 1999, through and including December 30, 1999	7.00 to 1.00
December 31, 1999, through and including March 30, 2000	6.75 to 1.00
March 31, 2000 through and including June 29, 2000	6.50 to 1.00
June 30, 2000 through and including September 30, 2000	6.00 to 1.00
October 1, 2000 through and including March 31, 2001	5.50 to 1.00
April 1, 2001 through and including September 30, 2001	5.00 to 1.00

October 1, 2001 through and including March 31, 2002	4.75 to 1.00
April 1, 2002 through and including December 31, 2002	4.50 to 1.00
January 1, 2003 and thereafter	4.00 to 1.00

(d) Senior Leverage Ratio. Permit the Senior Leverage Ratio at any

time during any period set forth below to be more than the ratio set forth opposite such period:

Period	Ratio
January 1, 1999 through and including September 30, 1999	4.00 to 1.00
October 1, 1999 through and including December 31, 1999	3.75 to 1.00
January 1, 2000 through and including December 31, 2000	3.50 to 1.00
January 1, 2001 and thereafter	2.25 to 1.00

(e) Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage

Ratio at any time to be less than 1.25 to 1.00

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) provided no Default or Event of Default shall have occurred and be

continuing either before or immediately after giving effect to the incurrence thereof, the Borrower may issue the New Exchange Debentures so long as (i) such Debentures (A) are unsecured, (B) have a final maturity and a weighted average life no earlier and no shorter than the Senior Subordinated Indebtedness, (C) the terms and conditions applicable thereto (including but not limited to the subordination provisions thereof) shall be no more favorable to the holders or lenders of such Subordinated Debt than the terms, conditions and provisions as are applicable to the Senior Subordinated Indebtedness, (D) the Guaranty Obligations of the Restricted Subsidiaries, if any, relating thereto are no more favorable to the lenders of such Subordinated Debt than the Senior Subordinated Guaranties, and (F) the New Exchange Debentures are issued only in exchange for, and against the cancellation of, shares of New Preferred Stock and (ii) the Borrower has previously delivered to each of the Lenders updated versions of the five year projections for the Borrower and the Restricted Subsidiaries delivered to the Administrative Agent pursuant to Section 6.1(l)(ii),

demonstrating that the Borrower will be in compliance with the Interest Coverage Ratio for the 12 month period following the issuance of such New Exchange Debentures;

(f) Indebtedness of the Borrower and the Restricted Subsidiaries of up to \$2,500,000 in the aggregate at any time outstanding consisting of Purchase Money Indebtedness and/or Capital Lease Obligations;

(g) Indebtedness existing on the Effective Date and set forth on Schedule 8.2;

(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;

(i) without duplication of the terms of Section 8.12, New Preferred

Stock, and

(j) unsecured Indebtedness of the Borrower of up to \$5,000,000 in the aggregate at any time outstanding.

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;

(d) Liens securing up to \$2,500,000 in the aggregate at any time outstanding of Purchase Money Indebtedness and Capital Lease Obligations permitted under Section 8.2(f); and

(e) Liens securing up to \$100,000 of Indebtedness in the aggregate at any time outstanding.

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;

(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;

(d) in connection with Permitted Acquisitions where the Borrower or a Wholly Owned Restricted Subsidiary is the survivor thereof; and

(e) a License Subsidiary may merge into or be acquired by another License Subsidiary.

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 but excluding Equity Interests of the Borrower) (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 the Restricted Subsidiaries (other than in connection with its formation and then only to the Borrower or another Restricted Subsidiary), 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 capital stock of Unrestricted Subsidiaries; and

(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 Permitted Sale Representations, (iii) no
Default or Event of Default shall have occurred and be continuing either
before or immediately after the consummation of such transaction and (iv)
the Borrower shall, to the extent required, pay the proceeds to the
Administrative Agent in accordance with Section 4.2(d) when and if due.

Upon request by and at the expense of the Borrower, the Administrative 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) repurchases of Common Equity of the
Borrower from any employee of the Borrower (other than a Principal Shareholder)
whose employment with the Borrower or any Restricted Subsidiary has ceased,
provided that the aggregate amount of such repurchases shall not exceed

\$1,000,000 in the aggregate during any fiscal year and provided further that a

Responsible Officer of the Borrower delivers a certificate to and in favor of
the Administrative Agent and the Lenders certifying that no Default or Event of
Default shall have occurred and be continuing either before or immediately after
the making of such Restricted Payment; and (b) the repurchase or redemption of
all of the Senior Preferred Stock and accrued dividends thereon outstanding on
the Initial Effective Date, concurrently with the closing of the initial Public
Equity Offering of the Borrower and with a portion of the proceeds therefrom.

8.7 Limitation on Acquisitions. Purchase or enter into any agreement -----

(including letters of intent other than letters of intent that do not provide
for a deposit or payment by the Borrower or any Restricted Subsidiary of more
than \$20,000 individually or \$100,000 in the aggregate at any time for all such
letters of intent then in effect) to purchase or option to purchase any stock,
bonds, notes, debentures or other securities of, or any assets of, in each case
to the extent such purchase would involve all or substantially all of a radio
broadcasting station of, or a business unit of, any Person (collectively,
"Acquisitions") without the prior written consent of the Majority Lenders;

provided, however, that: (a) the Borrower may enter into purchase contracts for

(i) the WDWL Acquisition on the terms set out in the in the Second Amendment to
Credit Agreement and

Limited Waiver among the Lenders and the Borrower dated February 9, 1999, (iii) the WFUN Acquisition on the terms set out in the Limited Waiver among the Lenders and the Borrower dated November 23, 1998, (iv) the WKJS Acquisition and the WSOJ Acquisition on the terms described in Schedule 8.7, and (v) the WENZ

Acquisition on the terms set out in the Limited Waiver among the Lenders and the Borrower (the foregoing permissions being limited to the entering into such contracts and the payment of earnest money deposits, but not extending to the Borrower's closing of any such Acquisition), provided in the case of the WENZ

Acquisition that the terms and provisions of the related Asset Purchase Agreement, escrow deposit agreement and related documentation are satisfactory in form and substance to the Administrative Agent and the Lenders; (b) the Borrower may consummate the Atlanta Acquisition and the Dogwood Acquisition, and (c) so long as (i) no Default or Event of Default shall have occurred and be continuing either immediately before or immediately after such Acquisition, (ii) the Borrower has closed or is closing concurrently with such Acquisition its initial Public Equity Offering and received net cash proceeds therefrom in an amount not less than \$50,000,000 (excluding any amounts expended out of the proceeds of such Offering used to repurchase the Senior Preferred Stock and the Warrants referred to in clause (iii) below) and (iii) all of the Senior Preferred Stock and accrued dividends thereon outstanding on the Initial Effective Date shall have been repurchased or is being repurchased concurrently with such Acquisition and all of the Warrants outstanding on the Initial Effective Date shall have been exercised for common stock of the Borrower pursuant to the terms and provisions of the Warrant Certificates as in effect on the Initial Effective Date:

(A) the Borrower may make Acquisitions of radio broadcasting stations (or 100% of the capital stock of any Person owning radio broadcasting stations) ("Industry Acquisitions"), provided that, (x) concurrently with such

Acquisition, such Person becomes a Wholly Owned Restricted Subsidiary of the Borrower, (y) the total consideration for Industry Acquisitions (excluding the Allur Acquisition and the Bell Acquisition) singly or in the aggregate do not exceed \$50,000,000 in the aggregate in the period beginning on the Initial Effective Date and continuing through the term of this Agreement and (z) such Acquisitions are in markets ranked by Arbitron as one of the 30 largest markets in the United States

(the transactions described in clause (A) above or otherwise permitted by the Majority Lenders being herein referred to collectively as "Permitted

Acquisitions").

8.8 Investments. Make any Investment in any Person, other than:

(a) Permitted Investments;

(b) provided no Default or Event of Default shall have occurred and be

continuing both before and immediately after the making of such Investment, Investments after the Initial Effective Date in an amount not to exceed \$5,000,000 in the aggregate over the term of this Agreement; and

(c) Permitted Acquisitions.

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 Administrative 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 Initial 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 Initial Effective Date;

(v) the existence of, or the performance by the Borrower or any of the 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 Initial 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; and

(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.

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) by reason of customary nonassignment provisions in leases entered into in the ordinary course of business and consistent with past practices;

(iii) Purchase Money Indebtedness for property acquired in the ordinary course of business that only impose restrictions on the property so acquired;

(iv) this Agreement;

(v) agreements relating to the financing of the acquisition of real or tangible personal property acquired after the Initial 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

(vi) 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"); provided, however, that no more than 3% of the fair market value of the assets of the Borrower and the Restricted Subsidiaries (without duplication) may, at any time, be in other media or entertainment businesses.

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 Equity Interests of the Borrower and the Restricted Subsidiaries may be pledged pursuant to the Pledge Agreements, (c) the Borrower may issue common stock in connection with

its initial Public Equity Offering, provided that concurrently with the closing

of such initial Public Equity Offering, the Borrower shall have repurchased all
of the Senior Preferred Stock outstanding on the Effective Date (other than the
Senior Preferred Stock issued in connection with exercise of the Allied Warrant)
with a portion of the proceeds from such initial Public Equity Offering or the
sale of the New Preferred Stock and provided, further that all of the Warrants

outstanding on the Initial Effective Date shall have been exercised for common
stock of the Borrower pursuant to the terms and provisions of the Warrant
Certificates as in effect on the Initial Effective Date, (d) prior to the
closing of the Borrower's initial Public Equity Offering, the Borrower may issue
common stock of the Borrower to employees of the Borrower or the Restricted
Subsidiaries or to the Investors upon the exercise of their Warrants, and in
connection with the Atlanta Acquisition so long as all such common stock (other
than common stock issued to Allied Capital Corporation or Allied Investment
Corporation in connection with the Atlanta Acquisition) is pledged to the
Administrative Agent for the benefit of the Lenders as security for the
Obligations, (e) in connection with the exercise by Allied of the Allied
Warrant, the Borrower may issue to Allied a number of shares of the Series A 15%
Cumulative Redeemable Preferred Stock of Borrower, par value \$0.01 having a
liquidation value of up to \$4,000,000, provided, that no such Senior Preferred

Stock shall be issued until Allied has assumed in writing all the obligations
and liabilities under, and become a party to, the Standstill Agreement as an
"Investor" thereunder and (f) provided that (i) no Default or Event of Default

shall have occurred and be continuing either before or immediately after such
issuance or sale, (ii) the Borrower has closed its initial Public Equity
Offering, (iii) all of the Senior Preferred Stock outstanding on the Initial
Effective Date (other than the Senior Preferred Stock issued in connection with
the exercise of the Allied Warrant) has been (or, concurrently with the sale of
the New Preferred Stock will be) repurchased or redeemed and all of the Warrants
outstanding on the Initial Effective Date have been exercised, the Borrower may
issue or sell common stock or New Preferred Stock, subject to the Borrower's
compliance with the provisions of Sections 4.2(e).

8.13 Limitation on Material Agreements. (a) No Loan Party will enter

into any amendment, modification or waiver without the prior written consent of
the Majority Lenders (i) of any term or provision of the Senior Subordinated
Debt Documents, the Standstill Agreement, the New Exchange Debenture Indenture,
or the Amended and Restated Certificate of Incorporation that is adverse in any
material respect to rights of the Lenders under the Loan Documents, or (ii) of
any term or provision of the Securities Purchase Agreement, the Warrant
Agreement, the Exchange Agreement, the Preferred Stockholders' Agreement or any
other Preferred Stock Document (or document governing the rights and preferences
of the New Preferred Stock or of the holders thereof) that adds more
restrictions upon, or events of default with respect to, or is otherwise less
favorable in any respect to, the Borrower or that otherwise is in conflict with
any of the covenants of the Borrower set forth in this Agreement and the other
Loan Documents, other than waivers of compliance by any Loan Party of the terms
of any of such agreements. Notwithstanding anything to the contrary contained
in this Section 8.13, the Borrower may amend the Amended and Restated

Certificate of Incorporation in order to authorize additional shares of common
stock of the Borrower in connection with the initial Public Equity Offering of
the Borrower and to authorize the New Preferred Stock.

(b) No Loan Party will (i) enter into any LMA Agreement other than (w)
a LMA Agreement with Broadcast Holdings, Inc. covering Station WYCB-AM (x) a
Time Brokerage

Agreement between Atlanta and Dogwood dated April __, 1997 and (y) LMA Agreements allowing the Borrower or any Restricted Subsidiary to operate radio stations to be acquired in connection with Permitted Acquisitions, 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 the Majority Lenders. The Borrower agrees to promptly deliver to the Administrative Agent a copy of each LMA Agreement entered into by a Borrower or a Restricted Subsidiary on or after the Initial Effective Date.

(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 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.

8.15 Preferred Stock Documents and New Preferred Stock. After the

closing of the initial Public Equity Offering, permit any of the Preferred Stock Documents, or any of the documents governing the rights and preferences of the New Preferred Stock or of the holders thereof, to contain any redemption rights with respect to the holders of the Senior Preferred Stock or of the New Preferred Stock prior to one year after the Termination Date (except with respect to a change of control as defined in the Preferred Stockholders' Agreement) or to contain any rights whatsoever to cause a sale of any Loan Party.

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 Administrative 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 \$1,000,000; 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; or

(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

(n) the death, disability and/or incapacity (which disability or incapacity renders such Person unable to discharge their respective duties as an officer and/or director of the Borrower as previously performed by such Person for a period of 90 consecutive days) of Liggins and Hughes, and a successor satisfactory to the Majority Lenders does not assume their respective responsibilities and positions within 60 days of such death, disability and/or incapacities;

(o) any Loan Party's on-the-air broadcasting operations are interrupted at any time for more than 5 consecutive days, unless the broadcasting operations of all or substantially all the radio stations in the relevant market are also interrupted for a like period of time;

(p) the Borrower shall fail to cause any computer application that is material to its or any of the Restricted Subsidiaries' business and operations to be year 2000 compliant, except to the extent that such failure could not reasonably be expected to have a Material Adverse Effect;

(q) the consent of the FCC with respect to the Allur Acquisition shall not have become a Final Order on or before June 30, 1999; or

(r) the consent of the FCC with respect to the Atlanta Acquisition or the consent of the FCC with respect to the Dogwood Acquisition shall not have become a Final Order on or before August 31, 1999.

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 Administrative Agent may, or upon the request of the Majority Lenders, the Administrative 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 Administrative Agent may, or upon the request of the Majority Lenders, the Administrative 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 Administrative 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 Administrative 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. AGENTS

10.1 Appointment. Each Lender hereby irrevocably designates and

appoints the Administrative Agent as the administrative agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative 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 Administrative 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 Administrative 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 Administrative Agent.

10.2 Delegation of Duties. The Administrative 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 Administrative 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 Administrative Agent. The Administrative 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 Administrative Agent. The Administrative 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 Administrative Agent. The Administrative 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 Administrative 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 Administrative Agent shall not be deemed

to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative 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 Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative 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 Administrative Agent shall have

received such directions, the Administrative 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 Administrative Agent and the Other Lenders.

Each Lender expressly acknowledges that neither the Administrative 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 Administrative Agent hereinafter taken, including any review of the affairs of the Borrower, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative 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 Administrative 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 Administrative

Agent hereunder, the Administrative 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 Administrative 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 Administrative Agent in Its Individual Capacity. The

Administrative 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 Administrative Agent were not the Administrative Agent hereunder and under the other Loan Documents. With respect to the Loans made by it, the Administrative 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 Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

10.9 Successor Administrative Agent. (a) The Administrative Agent may

resign as the Administrative Agent upon 30 days' notice to the Lenders and the appointment of a successor Administrative Agent as hereinafter provided. If the Administrative Agent shall resign as the Administrative 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 Administrative Agent for the Lenders, which successor Administrative Agent shall be approved by the Majority Lenders (which approval shall not be unreasonably withheld). If no successor Administrative 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 Administrative Agent has not accepted such appointment within 30 days after such resignation, then the resigning Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor Administrative Agent hereunder shall be either a Lender or, if none of the Lenders is willing to serve as successor Administrative Agent, a major international bank having combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor Administrative Agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as the Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. After any retiring Administrative Agent's resignation as the Administrative 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 Administrative Agent under this Agreement and the other Loan Documents.

(b) In the event that the Administrative Agent shall have breached any of its material obligations to the Lenders hereunder, the Majority Lenders may remove the Administrative Agent, effective on the date specified by them, by written notice to the Administrative 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 Administrative Agent, which successor Administrative Agent shall be approved by the Majority Lenders (which approval shall not be unreasonably withheld). If no successor Administrative 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 Administrative Agent has not accepted such appointment within 30 days after notification to the Administrative Agent of its removal, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor Administrative Agent hereunder shall be either a Lender or, if none of the Lenders is willing to serve as successor Administrative Agent, a major international bank having combined capital and surplus of at least \$500,000,000. Such successor Administrative 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 Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative 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 Administrative Agent's removal hereunder as the Administrative 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 Administrative Agent under this Agreement and the other Loan Documents. If at any time there shall not be a duly

appointed and acting Administrative Agent, the Borrower agrees to make each payment due hereunder and under the Notes directly to the Lenders entitled thereto during such time.

10.10 Other Agents. The Borrower and each Lender hereby covenant and

agree that the Administrative Agent, the Syndication Agent and the Documentation Agent shall not have any duties or responsibilities hereunder, or any fiduciary relationship with the Borrower, the Administrative Agent or any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Administrative Agent and the Syndication Agent, each in its capacity as such.

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 Administrative 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 Administrative 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 as expressly permitted in the Security Documents and except for any Collateral which is permitted to be disposed of pursuant to Section 8.5, all of which Collateral may be released by the

Administrative Agent pursuant to such applicable Security Document and 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 Administrative 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 Administrative Agent and all future holders of the Notes. In the case of any waiver, the Loan Parties, the Lenders and the Administrative 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 Administrative Agent, and as set forth in Schedule 1.1A (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, 8th Floor
Lanham, Maryland 20706
Attention: Scott R. Royster, Chief Financial Officer
Fax: (301) 306-9426

with copies to:

Alfred C. Liggins, President
Fax: (301) 306-9694
and

Linda Eckard, General Counsel
Fax: (301) 306-9426

The Administrative
Agent/Issuing Lender: NationsBank, N.A.
901 Main Street, 64th Floor
Dallas, Texas 75202
Attn: Todd Shipley
Fax: (214) 508- 9390

provided that any notice, request or demand to or upon the Administrative 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 Administrative 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 Administrative 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 Administrative Agent, (b) to pay or reimburse each Lender and the Administrative 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 Administrative 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 Administrative 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. 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 Administrative 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

Administrative Agent for its acceptance and recording in the Register (with a copy to the Borrower) and upon payment to the Administrative Agent of a processing fee in the amount of \$3,500 by the applicable Lender and/or Assignee; provided that, (i) no such assignment shall be in an amount less than \$5,000,000

or a whole multiple of \$100,000 in excess thereof or, if less than \$5,000,000, the entire amount of such Lender's applicable Commitment; and (ii) no such assignment shall be made without the prior consent of the Administrative 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. 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 Administrative 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 Administrative Agent, on behalf of the Borrower, shall maintain at the address of the Administrative 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 Administrative 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 and the Borrower, if applicable, together with payment to the Administrative Agent of a registration and processing fee of \$3,500 from the applicable Lender and/or Assignee, the Administrative 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 Administrative 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 Administrative Agent. This Agreement shall become effective when the Administrative Agent has received original counterparts hereof executed by the Borrower, the Administrative Agent and each Lender named on Schedule 1.1A on the date of the initial extension of credit made under this

Agreement (such date herein referred to as the "Effective Date").

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 Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Administrative 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 NEW YORK.

11.12 Submission To Jurisdiction; Waivers. The Borrower hereby

irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgement in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) designates and appoints Corporation Service Company, with offices at 375 Hudson Street, New York, New York 10014, as agent to receive for and on behalf of the Borrower service of process in New York. In the event that C T Corporation System resigns or ceases to serve as the Borrower's agent for service of process hereunder, the Borrower agrees forthwith (i) to designate another agent for service of process in the State of New York and (ii) to give prompt written notice to the Administrative Agent of the name and address of such agent. In addition, the Borrower agrees that service of process in any such action or proceeding may also be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 11.2 or at such other address of which the

Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 11.12 any special, exemplary, punitive or consequential

damages.

11.13 Acknowledgments. 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 Administrative 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 Administrative 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, (a) 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), (b) characterize any nonprincipal payment as an expense, fee, or premium rather than as interest, (c) exclude voluntary prepayments and the effects thereof, and (d) "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.

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 Administrative Agent or any other Lender, (ii) to any Assignee or Participant or prospective transferee, if such transferee has agreed in writing to be bound by this Section 11.16, (iii) to its employees, directors,

agents, attorneys, accountants and other professional advisors, (iv) as may be required or appropriate in any report, statement or testimony submitted to the NAIC or any Governmental Authority having or claiming jurisdiction over such Lender (including the Board and the Federal Deposit Insurance Corporation or any similar organization, whether in the United States or elsewhere, and their respective successors), (v) as may be required or appropriate in response to any summons or subpoena or in connection with any litigation, (vi) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (vii) which has been publicly disclosed other than in breach of this Agreement, or (viii) in connection with the exercise of any remedy hereunder.

11.17 Agreement of Lenders. The Administrative Agent and the Lenders

agree to comply with their respective covenants, if any, set forth in the Security Documents.

11.18 References to Credit Agreement. All references to this Credit

Agreement herein or in any Loan Document or other document, instrument or certificate or other writing executed or delivered in connection herewith will be deemed for all purposes to refer to this Credit Agreement as among the Borrower, the Lenders, the Administrative Agent, the Syndication Agent and the Documentation Agent as the same may be amended, modified, restated, supplemented, renewed, extended, increased, rearranged and/or substituted from time to time.

11.19 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.

[Remainder of Page Intentionally Left Blank; Signature Pages Follow.]

EXECUTED as of the day and year first mentioned.

RADIO ONE, INC., the Borrower

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

NATIONSBANK, N.A.,
as the Administrative Agent and as a Lender

By: -----
Name: Todd Shipley
Title: Senior Vice President

FIRST UNION NATIONAL BANK,
as the Syndication Agent and as a Lender

By: -----
Name: -----
Title: -----

CREDIT SUISSE FIRST BOSTON,
as a Lender

By: -----
Name: -----
Title: -----

By: -----
Name: -----
Title: -----

Schedule 1.1A

Commitments and Addresses of Lenders

FUNDING OFFICE OF ADMINISTRATIVE AGENT:

NationsBank, N.A.
901 Main Street, 64th Floor
Dallas, Texas 75202
Attn: Sahar Sharkawy
Fax: (214) 508-2118

OFFICE OF ISSUING LENDER:

NationsBank, N.A.
901 Main Street, 64th Floor
Dallas, Texas 75202
Attn: Sahar Sharkawy
Fax: (214) 508-2118

NAME AND ADDRESS OF LENDERS:

NAME AND ADDRESS OF LENDER	Commitment	Specified Percentage
Credit Suisse First Boston Eleven Madison Avenue New York, New York 10010 Attn: Todd Morgan Fax: (212) 325-8314	\$20,000,000	20%
First Union National Bank 301 S. College St. DC-5 Charlotte, NC 28288 Attn: David Kraybill Fax: (212) 383-5292	\$40,000,000	40%
NationsBank, N.A. 901 Main Street, 64th Floor Dallas, Texas 75202 Attn: Todd Shipley Fax: (214) 508-9390	\$40,000,000	40%

Schedule 1.1B

Expense Add Backs to EBITDA

With respect to the financial calculations based on the four fiscal quarter period ending March 31, 1998, to be delivered by the Borrower hereunder, the Borrower shall be entitled to a one time expense add back to EBITDA in connection with the Bell Acquisition for such four fiscal quarter period ending March 31, 1998 in an amount equal to \$680,112. With respect to the financial calculations based on the four fiscal quarter period ending December 31, 1998, the Borrower shall be entitled to a one time expense add back to EBITDA in connection with the Allur Acquisition for such four fiscal quarter period ending December 31, 1998, in an amount equal to \$200,000. With respect to the

financial calculations including the fiscal quarter ended December 31, 1998, the Borrower shall be entitled to a one time expense add back to EBITDA in connection with the Allur Acquisition in an amount not exceeding \$800,000 representing the payment of employee bonuses and contributions related to Allur, provided that: (i) the funds for such payment are paid out of the purchase price paid by the Borrower in the Allur Acquisition; and (ii) such payment does not lower the net worth of the Borrower or any of its Subsidiaries (including Allur) after giving effect to the reduction in such purchase price resulting from such payment. It is understood by the Borrower that any further add backs to EBITDA for any other four fiscal quarter period shall be negotiated with the Lenders.

Schedule 5.1(c)

Pro Forma Financial Information, Budgets and Projections

Schedule 5.4

Required Consents and Approvals

Schedule 5.14(a)

List of Restricted Subsidiaries and Owners of Equity Interests

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List of Shareholder and Voting Agreements, Warrants,
Restrictions on Transfer of Equity Interests

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Schedule 5.23

Chief Executive Office; Chief Place of Business

Schedule 5.24(a)

List of Real Property Owned and Leased

Schedule 5.24(b)

List of Mortgaged Properties

Schedule 5.25
Stations Owned

Schedule 5.26

Necessary Authorizations

Schedule 5.27
Patents and Trademarks

Schedule 6.1(a)(a)

1. Subordinated Purchase Money Note, dated as of June 20, 1995, payable to order of Design Media, Inc. in the original principal amount of \$235,000
2. Promissory Note in the original principal amount of \$1,000,000 payable to the order of Alfred Liggins, dated as of June 20, 1995
3. Senior Secured Debenture dated March 31, 1997, payable by Radio One of Atlanta, Inc. and Dogwood Communications Inc. to the order of Allied Capital Corporation in the original principal amount of \$1,350,000
4. Senior Secured Debenture dated March 31, 1997, payable by Radio One of Atlanta, Inc. and Dogwood Communications Inc. to the order of Allied Investment Corporation in the original principal amount of \$2,450,000
5. Senior Secured Debenture dated March 31, 1997, payable by Radio One of Atlanta, Inc. and Dogwood Communications Inc. to the order of Allied Capital Financial Corporation in the original principal amount of \$1,900,000
6. Senior Secured Debenture dated March 31, 1997, payable by Radio One of Atlanta, Inc. and Dogwood Communications Inc. to the order of Allied Capital Corporation II in the original principal amount of \$2,650,000
7. Senior Secured Debenture dated March 31, 1997, payable by Radio One of Atlanta, Inc. and Dogwood Communications Inc. to the order of Allied Investment Corporation II in the original principal amount of \$1,500,000
8. Senior Secured Debenture dated March 31, 1997, payable by Radio One of Atlanta, Inc. and Dogwood Communications Inc. to the order of Allied Capital Financial Corporation II in the original principal amount of \$150,000
9. Accrued Interest Note dated March 31, 1997, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., payable to the order of Allied Capital Financial Corporation II, in the original principal amount of \$9,156.75
10. Accrued Interest Note dated March 31, 1997, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., payable to the order of Allied Investment Corporation, in the original principal amount of \$53,109.17
11. Accrued Interest Note dated March 31, 1997, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., payable to the order of Allied Capital Corporation II, in the original principal amount of \$38,458.37
12. Accrued Interest Note dated March 31, 1997, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., payable to the order of Allied Investment Corporation II, in the original principal amount of \$109,881.05
13. Accrued Interest Note dated March 31, 1997, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., payable to the order of Allied Capital Financial Corporation, in the original principal amount of \$155,664.82
14. Senior Secured Debenture dated September 30, 1998, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., in the amount of \$2,000,000, payable to the order of Allied Capital Corporation

15. Senior Secured Subordinated Promissory Note due April 1, 2001, made by Radio One of Atlanta, Inc. and Dogwood Communications Inc., dated April 7, 1997, payable to the order of Alta Subordinated Debt Partner III, L.P., in the original principal amount of \$1,576,959.91
16. Promissory Note in the original principal amount of \$1,000,000, increasing to \$1,388,878.63, issued by Radio One of Atlanta, Inc., dated June 20, 1995, payable to the order of Syndicated Communications Venture Partners II, L.P.

Schedule 8.2

Indebtedness

Schedule 8.7

Terms of WKJS Acquisition and WSOJ Acquisition

Borrower may enter into an agreement to enable the Borrower (provided the Borrower can otherwise fully comply with the terms and conditions of the Credit Agreement and the other Loan Documents) to acquire all or substantially all of the assets, property and business used in the operation of Stations WKJS-FM, Crewe, Virginia, and WSOJ-FM, Petersburg, Virginia (the "Stations"), as more

specifically set forth in Section 1 of the below-described Asset Purchase Agreement (collectively, the "Assets"), from FM 100, Inc., a Virginia (the

"Seller"), for a total consideration of \$12,000,000 (the "Richmond II

Acquisition"), plus additional contingent consideration as specified in the

Richmond II Asset Purchase Agreement identified below pursuant to (i) an Asset Purchase Agreement, to be dated on or about February 26, 1999, by and between the Borrower and the Seller (the "Richmond II Asset Purchase Agreement") in the

form delivered to the Administrative Agent and the Lenders on the Effective Date, and (ii) an Escrow Agreement, to be dated on or about February 26, 1999, by and among the Borrower, the Seller and Media Services Group, Inc., as escrow agent thereunder in the form delivered to the Administrative Agent and Lenders on the Effective Date (the "Richmond II Escrow Agreement" and, together with the

Richmond II Asset Purchase Agreement, the "Richmond II Acquisition Agreements"),

and (b) to, in connection with entering into such Richmond II Acquisition Agreements, and as required thereunder, deposit into escrow, pursuant to the Richmond II Escrow Agreement, a nonrefundable deposit of \$500,000 (the "Richmond

II Earnest Money Deposit") simultaneously with the execution and delivery of the

Richmond II Acquisition Agreements, which will be applied to the Richmond II Acquisition purchase price upon consummation of the Richmond II Acquisition.

Nothing in the permission granted in Section 8.7 to the Borrower's entering in to the Richmond II Acquisition Agreements: (a) waives any conditions precedent or covenants required to be met by the Borrower under the Credit Agreement or the other Loan Documents with respect to the consummation of the Richmond II Acquisition; or (b) constitutes an undertaking or commitment on the part of any Lender to increase its Commitment under the Credit Agreement or otherwise amend the Credit Agreement in order to facilitate or permit consummation of the Richmond II Acquisition.

The Borrower has represented to the Lenders that 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 stockholder of the Borrower) is required to be obtained or made by the Borrower or any other Loan Party in connection with the Borrower's execution and delivery of the Richmond II Acquisition Agreements or its tender of the Richmond II Earnest Money Deposit other than such as have been obtained or made and are in full force and effect or which are immaterial.

Unless the Borrower fully complies with all conditions precedent, covenants, terms and conditions of the Credit Agreement and the other Loan Documents prior to or contemporaneously with the consummation of the Richmond II Acquisition, then the Borrower may not consummate the Richmond II Acquisition and the Borrower may, among other things, forfeit the Richmond II Earnest Money Deposit.

Schedule 8.9

Existing Affiliate Transactions

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MERGER AGREEMENT

By and Among

RADIO ONE, INC.
as "Parent"

ROA MERGER SUBSIDIARY, INC.

ALTA SUBORDINATED DEBT PARTNERS III, L.P.,
ALLIED CAPITAL CORPORATION,
ALLIED INVESTMENT CORPORATION,
SYNDICATED COMMUNICATIONS VENTURE PARTNERS II, L.P.,
MARY CATHERINE SNEED
and
ALFRED C. LIGGINS, III
as "Stockholders"

and

RADIO ONE OF ATLANTA, INC.

MARCH ____, 1999

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Exhibit A -- Certificate of Merger
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 Exhibit G -- Form of Warrant - Allied Capital Entities
 Disclosure Schedule--Exceptions to Representations and Warranties Concerning
 Radio One of Atlanta, Inc.

MERGER AGREEMENT

Agreement entered into on March __, 1999, by and among Radio One, Inc., a Delaware corporation (the "Parent"), ROA Merger Subsidiary, Inc., a Delaware corporation ("Transitory Subsidiary"), Alta Subordinated Debt Partners III, L.P., Allied Capital Corporation, Allied Investment Corporation, Syndicated Communications Venture Partners II, L.P., Mary Catherine Sneed and Alfred C. Liggins, III (collectively the "Stockholders"), and Radio One of Atlanta, Inc., a Delaware corporation (the "Company"). The Parent, Transitory Subsidiary, the Company and the Stockholders are referred to collectively herein as the "Parties".

The Stockholders in the aggregate own all of the outstanding capital stock of the Company.

This Agreement contemplates a transaction in which the Parent will acquire all of the outstanding capital stock of the Company in exchange for cash and the capital stock of Parent through a reverse subsidiary merger of Transitory Subsidiary with and into the Company (the "Merger").

For federal income tax purposes, it is intended that the Merger will qualify as a reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. Definitions.

"Accredited Investor" has the meaning set forth in Regulation D promulgated under the Securities Act.

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses, and fees, including court costs and reasonable attorneys' fees and expenses.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act.

"Allied Capital Entities" means Allied Capital Corporation and Allied Investment Corporation.

"Allied Stock Pledge Agreement" means the Stock Pledge Agreement made as of March 31, 1997, by Liggins and the Company in favor of the Allied Capital Entities, as amended by Amendment No. 1 thereto made as of September 30, 1998.

"Applicable Rate" means the corporate base rate of interest publicly announced from time to time by Bank of America, N.A. plus 1% per annum.

"Alta" means Alta Subordinated Debt Partners III, L.P.

"Certificate of Merger" has the meaning set forth in (S)2(c), below.

"Class A Common Stock" means Company's Class A Common Stock, par value \$1.00 per share.

"Class B Common Stock" means the Company's Class B Common Stock, par value \$1.00 per share.

"Closing" has the meaning set forth in (S)2(b), below.

"Closing Date" has the meaning set forth in (S)2(b), below.

"Company" has the meaning set forth in the preface above.

"Company Share" means any share of the Company's Class A Common Stock, par value \$1.00 per share, or Class B Common Stock, par value \$1.00 per share.

"Communications Act" means the Communications Act of 1934, as amended.

"Disclosure Schedule" has the meaning set forth in (S)4 below.

"Effective Time" has the meaning set forth in (S)2(d), below.

"Exchange Agreement" means the Exchange and Amendment Agreement dated as of April 7, 1997 among Alta, Syncom, the Company, Liggins and Dogwood Communications, Inc.

"FCC" means the Federal Communications Commission.

"Financial Statement" has the meaning set forth in (S)4(f), below.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Income Tax" means any federal, state, local, or foreign income tax, including any interest, penalty, or addition thereto, whether disputed or not.

"Income Tax Return" means any return, declaration, report, claim for refund, or information return or statement relating to Income Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Indemnified Party" has the meaning set forth in (S)8(d), below.

"Indemnifying Party" has the meaning set forth in (S)8(d), below.

"Intellectual Property" means (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation), (g) all other proprietary rights, and (h) all copies and tangible embodiments thereof (in whatever form or medium).

"Investors' Shareholders Agreement" means the Investors' Shareholders Agreement dated as of March 31, 1997, among the Company, Liggins, Alta, the Allied Capital Entities and Syncom.

"Knowledge" means actual knowledge after reasonable investigation.

"Liggins" means Alfred C. Liggins, III.

"Merger" has the meaning set forth in (S)2(a), below.

"Merger Consideration" has the meaning set forth in (S)2(d)(vi), below.

"Most Recent Balance Sheet" means the balance sheet contained within the Most Recent Financial Statements.

"Most Recent Financial Statements" has the meaning set forth in (S)4(f) below.

"Most Recent Fiscal Month End" has the meaning set forth in (S)4(f) below.

"Most Recent Fiscal Year End" has the meaning set forth in (S)4(f) below.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Parent" has the meaning set forth in the preface above.

"Parent Capital Stock" has the meaning set forth in (S)3(b)(v), below.

"Parent Class A Shares" has the meaning set forth in (S)2(a), below.

"Parent Class B Shares" has the meaning set forth in (S)2(a), below.

"Parent Shares" means the Parent Class A Shares and the Parent Class B Shares.

"Party" has the meaning set forth in the preface above.

"Person" means an individual, a partnership, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Requisite Stockholders" means Liggins and the holders of at least fifty-one percent (51%) of the Company's capital stock held by Alta, the Allied Capital Entities and Syncom.

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

"Securities Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialmen's, and similar liens, (b) liens for taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

"Stockholders" has the meaning set forth in the preface above.

"Senior Lenders" means the several lenders parties with the Parent to the Credit Agreement dated as of June 30, 1998, and amended as of December 23, 1998, as such Credit Agreement may be further amended, modified, restated, supplemented, renewed, extended, increased, rearranged and/or substituted from time to time.

"Senior Preferred Stock" means the Parent's Series A and Series B 15% Senior Cumulative Redeemable Preferred Stock.

"Subsidiary" means any corporation with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

"Surviving Corporation" has the meaning set forth in (S)2(a), below.

"Syncom" means Syndicated Communications Venture Partners II, L.P.

"Third Party Claim" has the meaning set forth in (S)8(d), below.

"Transfer of Control Application" means the application on FCC Form 314 that Parent filed with the FCC on October 1, 1998 requesting its consent to the transfer of control of Company to Parent and assignment of Company's licenses to a wholly-owned Subsidiary of Company.

"Transitory Subsidiary" has the meaning set forth in the preface above.

"Warrant" means a warrant exercisable for Parent Shares in the form attached hereto as Exhibit F (in the case of Alta, Syncom, Liggins and Mary Catherine Sneed) or Exhibit G (in the case of the Allied Capital Entities).

2. Basic Transaction.

(a) The Merger. On and subject to the terms and conditions of this

Agreement, the Transitory Subsidiary will merge with and into the Company (the "Merger") at the Effective Time. The Company shall be the corporation surviving the Merger (the "Surviving Corporation").

(b) The Closing. The closing of the transactions contemplated by this

Agreement (the "Closing") shall take place at the offices of Kirkland & Ellis in Washington, D.C., commencing at 9:00 a.m. local time on the second business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as the Parties may mutually determine (the "Closing Date"); provided, however, that the Closing Date shall be no later than April 30, 1999.

(c) Actions at the Closing. At the Closing, (i) each of the Stockholders

will deliver to the Parent and the Transitory Subsidiary the various certificates, instruments, and documents required to be delivered by such Stockholder pursuant to (S)7(a) below, (ii) the Parent and the Transitory Subsidiary will deliver to the Stockholders the various certificates, instruments, and documents referred to in (S)7(b) below, (iii) the Company and the Transitory Subsidiary will file with the Secretary of State of the State of Delaware a Certificate of Merger in the form attached hereto as Exhibit A (the "Certificate of Merger"), (iv) the Parent will cause the Surviving Corporation to deliver to each of the Stockholders the Merger Consideration provided below in this (S)2, and (v) each of the Stockholders will deliver to the Parent stock certificates representing all of his, her, or its Company Shares, endorsed in blank or accompanied by duly executed assignment documents.

(d) Effect of Merger.

(i) General. The Merger shall become effective at the time (the

"Effective Time") the Company and the Transitory Subsidiary file the Certificate of Merger with the Secretary of State of the State of Delaware. The Merger shall have the effect set forth in the Delaware General Corporation Law. The Surviving Corporation may, at any time after the Effective Time, take any action (including executing and delivering any document) in the name and on behalf

of either the Company or the Transitory Subsidiary in order to carry out and effectuate the transactions contemplated by this Agreement.

- (ii) Certificate of Incorporation. The Certificate of Incorporation of -----
the Company shall be the Certificate of Incorporation of the Surviving Corporation.
- (iii) Bylaws. The Bylaws of the Company shall be the Bylaws of the -----
Surviving Corporation.
- (iv) Directors and Officers. The directors and officers of the -----
Company shall remain as the directors and officers of the Surviving Corporation.
- (v) Conversion of Capital Stock of the Transitory Subsidiary. At and -----
as of the Effective Time, each share of Common Stock, \$.01 par value per share, of the Transitory Subsidiary shall be converted into one share of Common Stock, \$.01 par value per share, of the Surviving Corporation.
- (vi) Conversion of Company Shares. At and as of the Effective Time, -----
(A) each share of Class A Common Stock shall be converted into the right to receive (I) nine-hundred sixty-two thousand two-hundred eighteen hundred millionths (0.00962218) of a share of Class A Common Stock, par value \$.01 per share, of Parent (the "Parent Class A Shares"), and (II) a Warrant exercisable for thirty-nine thousand three-hundred thirty-four hundred millionths (0.00039334) of a Parent Class A Share, and (B) each share of Class B Common Stock shall be converted into the right to receive (I) nine-hundred sixty-two thousand two-hundred eighteen hundred millionths (0.00962218) of a share of Class B Common Stock, par value \$.01 per share, of Parent (the "Parent Class B Shares"), (II) a Warrant exercisable for thirty-nine thousand three-hundred thirty-four hundred millionths (0.00039334) of a Parent Class B Share, and (III) cash in the amount of \$302.27 (the consideration described in this (S)2(d)(vi), the "Merger Consideration"). No Company Share shall be deemed to be outstanding or to have any rights other than those set forth in this (S)2(d)(vi) after the Effective Time.

3. Representations and Warranties Concerning the Transaction.

- (a) Representations and Warranties of the Stockholders. Each of the -----
Stockholders represents and warrants to the Parent that the statements contained in this (S)3(a) are correct and complete in all material respects as of the date of this Agreement and will be correct and complete in all material respects as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this (S)3(a)) with respect to himself, herself or itself.
 - (i) Organization of Certain Stockholders. If such Stockholder is a -----
corporation, such Stockholder is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

- (ii) Authorization of Transaction. Such Stockholder has full power -----
and authority (including, if the Stockholder is a corporation, full corporate power and authority) to execute and deliver this Agreement and to perform his, her or its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of such Stockholder, enforceable in accordance with its terms and conditions. Except for the Transfer of Control Application and filings required pursuant to the Hart-Scott-Rodino Act, such Stockholder need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.
- (iii) Noncontravention. Neither the execution and the delivery of -----
this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Stockholder is subject or, if such Stockholder is a corporation, any provision of its charter or bylaws or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any material agreement, contract, lease, license, instrument, or other arrangement to which the Stockholder is a party or by which he, she or it is bound or to which any of his, her or its assets is subject.
- (iv) Brokers' Fees. Such Stockholder has no liability or obligation -----
to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Parent could become liable or obligated.
- (v) Company Shares. Such Stockholder holds of record and owns -----
beneficially the number of Company Shares set forth next to his, her or its name in (S)4(b) of the Disclosure Schedule, free and clear of any restrictions on transfer (other than any restrictions under the Securities Act and state securities laws), taxes, Security Interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands, in each case, except as provided in the Investors' Shareholders Agreement, and, with respect to the Company Shares held by Liggins, the Allied Stock Pledge Agreement and the Exchange Agreement. Such Stockholder is not a party to any option, warrant, purchase right, or other contract or commitment that could require such Stockholder to sell, transfer, or otherwise dispose of any capital stock of the Company (other than this Agreement and the Investors' Shareholders Agreement and, with respect to the Company Shares held by Liggins, the Allied Stock Pledge Agreement and the Exchange Agreement). Such Stockholder is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any capital stock of the Company other than the Investors' Shareholders Agreement.

- (vi) Investment. Each Stockholder (A) understands that the Parent

Shares have not been, and will not be, registered under the Securities Act, or under any state securities laws, and are being offered and sold in reliance upon federal and state exemptions for transactions not involving any public offering, (B) is acquiring the Parent Shares solely for his, her or its own account for investment purposes, and not with a view to the distribution thereof, (C) is a sophisticated investor with knowledge and experience in business and financial matters, and (D) has received certain information concerning the Parent and has had the opportunity to obtain additional information as desired in order to evaluate the merits and the risks inherent in owning the Parent Shares.
- (vii) Continuity of Shareholder Interest. Prior to the Merger,

such Stockholder did not have any portion of such Stockholder's Company interest redeemed by the Company, or receive an extraordinary distribution with respect to its Company interest, and no corporation related to the Company within the meaning of Treasury Regulations Section 1.368-1(e)(3)(i)(B) acquired any stock of the Company held by such Stockholder, where such disposition or acquisition would reduce the aggregate fair market value of the Parent Shares to be received by such Stockholder (with such fair market value measured as of the Effective Time) to an amount less than fifty percent (50%) of the aggregate fair market value of the Company's stock determined immediately before any of such distributions, dispositions, or acquisitions.
- (viii) Reorganization. Such Stockholder has no plan or intention

to take any action that would cause the Merger not to qualify and continue to qualify as a reorganization under Section 368(a) of the Code.

(b) Representations and Warranties of the Parent. The Parent represents

and warrants to the Stockholders that the statements contained in this (S)3(b) are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this (S)3(b)).

(i) Organization of the Parent and the Transitory Subsidiary. Each of

the Parent and the Transitory Subsidiary is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

(ii) Authorization of Transaction. Each of the Parent and the

Transitory Subsidiary has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Parent and the Transitory Subsidiary, enforceable in accordance with its terms and conditions. Except for the Transfer of Control Application and filings required pursuant to the Hart-Scott-Rodino Act, the Parent and the Transitory Subsidiary need not give any notice to,

make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

- (iii) Noncontravention. Neither the execution and the delivery of -----
this Agreement, nor the consummation of the transactions contemplated hereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Parent or the Transitory Subsidiary is subject or any provision of its charter or bylaws or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Parent or the Transitory Subsidiary is a party or by which it is bound or to which any of its assets is subject, except for such conflicts as will be waived and such notices that will be given prior to the Closing Date.
- (iv) Brokers' Fees. Neither the Parent nor the Transitory Subsidiary -----
has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which any Stockholder could become liable or obligated.
- (v) Capitalization. The entire authorized capital stock of the Parent -----
consists of: (i) 140,000 shares of 15% Series A Cumulative Redeemable Preferred Stock, par value \$.01 per share, of which 124,467.10 shares are issued and outstanding; (ii) 150,000 shares of 15% Series B Cumulative Redeemable Preferred Stock, par value \$.01 per share, of which 84,843.03 shares are issued and outstanding, and 4,000 shares of which are issuable pursuant to a warrant outstanding as of the date hereof; (iii) 1,000 shares of Class A Common Stock, par value \$.01 per share, none of which are issued and outstanding, 147.04 shares of which are issuable pursuant to warrants outstanding as of the date hereof, and 60.39 shares of which are issuable pursuant to the terms, and subject to the conditions, of this Agreement (including pursuant to the Warrants constituting a portion of the Merger Consideration); (iv) 1,000 shares of Class B Common Stock, par value \$.01 per share, of which 46.15 shares are issued and outstanding, and 39.76 shares of which are issuable pursuant to the terms, and subject to the conditions of this Agreement (including pursuant to the Warrants constituting a portion of the Merger Consideration); and (v) 1,000 shares of Class C Common Stock, par value \$.01 per share, of which 93.80 shares are issued and outstanding, (all such shares of capital stock are referred to herein as the "Parent Capital Stock"). All of the issued and outstanding shares of Parent Capital Stock have been duly authorized, and are validly issued, fully paid, and nonassessable. Except as described above, and except as provided in Parent's Amended and Restated Certificate of Incorporation, there are no outstanding or authorized options, warrants, purchase rights, subscription rights,

conversion rights, exchange rights, or other contracts or commitments that could require the Parent to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Parent. Except for the Stockholders Agreement dated as of March 2, 1999, among Liggins and Catherine L. Hughes, there are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock of the Parent.

(vi) Continuity of Business Enterprise. It is the present intention

of the Parent to continue at least one significant historic business line of the Company, or to use at least a significant portion of the Company's historic assets in a business, in each case within the meaning of Treasury Regulations Section 1.368-1(d). In addition, the Parent has no plan or intention to transfer the stock of the Company following the Merger to (i) a corporation that is not a member of the Parent's "qualified group" within the meaning of Treasury Regulations Section 1.368-1(d)(4)(ii), or (ii) a partnership (including any entity classified as such for federal income tax purposes).

(vii) Reorganization. The Parent has no plan or intention to take

any action that would cause the Merger not to qualify and continue to qualify as a reorganization under Section 368(a) of the Code.

4. Representations and Warranties Concerning the Company and Its Subsidiaries.

The Company represents and warrants to the Parent that the statements contained in this (S)4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this (S)4), except as set forth in the disclosure schedule delivered by the Company to the Parent on the date hereof (the "Disclosure Schedule"). The Disclosure Schedule will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this (S)4.

(a) Organization, Qualification, and Corporate Power. Each of the Company

and its Subsidiaries is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. Each of the Company and its Subsidiaries is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, except where the lack of such qualification would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Company and its Subsidiaries. Each of the Company and its Subsidiaries has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. (S)4(a) of the Disclosure Schedule lists the directors and officers of each of the Company and its Subsidiaries.

(b) Capitalization. The entire authorized capital stock of the Company

consists of 14,670 shares of common stock, par value \$1.00, of which 10,000 shares are Class A Common Stock and 3,970 shares are Class B Common Stock, of which 6,030

shares of Class A Common Stock are issued and outstanding and 3,970 shares of Class B Common Stock are issued and outstanding. All of the issued and outstanding Company Shares have been duly authorized, are validly issued, fully paid, and nonassessable. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require the Company to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock of the Company other than the Investors' Shareholders Agreement.

- (c) Noncontravention. Neither the execution and the delivery of this

Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which any of the Company and its Subsidiaries is subject or any provision of the charter or bylaws of any of the Company and its Subsidiaries or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which any of the Company and its Subsidiaries is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets), except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Company and its Subsidiaries or on the ability of the Parties to consummate the transactions contemplated by this Agreement. None of the Company and its Subsidiaries needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the Parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Company and its Subsidiaries or on the ability of the Parties to consummate the transactions contemplated by this Agreement.
- (d) Title to Assets. The Company and its Subsidiaries have good and valid

title to, or a valid leasehold interest in, the properties and assets used by them, located on their premises, or shown on the Most Recent Balance Sheet or acquired after the date thereof, free and clear of all Security Interests, except for properties and assets disposed of in the Ordinary Course of Business since the date of the Most Recent Balance Sheet.
- (e) Subsidiaries. (S)4(e) of the Disclosure Schedule sets forth for each

Subsidiary of the Company (i) its name and jurisdiction of incorporation, (ii) the number of shares of

authorized capital stock of each class of its capital stock, (iii) the number of issued and outstanding shares of each class of its capital stock, the names of the holders thereof, and the number of shares held by each such holder, and (iv) the number of shares of its capital stock held in treasury. All of the issued and outstanding shares of capital stock of each Subsidiary of the Company have been duly authorized and are validly issued, fully paid, and nonassessable. One of the Company and its Subsidiaries holds of record and owns beneficially all of the outstanding shares of each Subsidiary of the Company, free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state securities laws), taxes, Security Interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require any of the Company and its Subsidiaries to sell, transfer, or otherwise dispose of any capital stock of any of its Subsidiaries or that could require any Subsidiary of the Company to issue, sell, or otherwise cause to become outstanding any of its own capital stock. There are no outstanding stock appreciation, phantom stock, profit participation, or similar rights with respect to any Subsidiary of the Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of any capital stock of any Subsidiary of the Company. None of the Company and its Subsidiaries controls directly or indirectly or has any direct or indirect equity participation in any corporation, partnership, trust, or other business association which is not a Subsidiary of the Company.

(f) Financial Statements. Attached hereto as Exhibit B are the following

financial statements (collectively the "Financial Statements"): (i) audited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow as of and for the fiscal years ended December 31, 1996 and December 31, 1997 (the "Most Recent Fiscal Year End") for the Company and its Subsidiaries; and (ii) unaudited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow (the "Most Recent Financial Statements") as of and for the twelve months ended December 31, 1998 (the "Most Recent Fiscal Month End") for the Company and its Subsidiaries. The Financial Statements (including the notes thereto) have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby and present fairly the financial condition of the Company and its Subsidiaries as of such dates and the results of operations of the Company and its Subsidiaries for such periods; provided, however, that the Most Recent Financial Statements are subject to normal year-end adjustments (which will not be material individually or in the aggregate) and lack footnotes and other presentation items.

(g) Events Subsequent to Most Recent Fiscal Month End. Since the Most

Recent Fiscal Month End, there has not been any material adverse change in the business, financial condition, operations, results of operations, or future prospects of the Company and its Subsidiaries taken as a whole. Without limiting the generality of the foregoing, since that date:

- (i) none of the Company and its Subsidiaries has sold, leased, transferred, or assigned any material assets, tangible or intangible, outside the Ordinary Course of Business;
- (ii) none of the Company and its Subsidiaries has entered into any material agreement, contract, lease, or license outside the Ordinary Course of Business;
- (iii) no party (including any of the Company and its Subsidiaries) has accelerated, terminated, made material modifications to, or canceled any material agreement, contract, lease, or license to which any of the Company and its Subsidiaries is a party or by which any of them is bound;
- (iv) none of the Company and its Subsidiaries has imposed any material Security Interest upon any of its assets, tangible or intangible;
- (v) none of the Company and its Subsidiaries has made any material capital expenditures outside the Ordinary Course of Business;
- (vi) none of the Company and its Subsidiaries has made any material capital investment in, or any material loan to, any other Person outside the Ordinary Course of Business;
- (vii) the Company and its Subsidiaries have not created, incurred, assumed, or guaranteed more than \$1,000,000 in aggregate indebtedness for borrowed money and capitalized lease obligations;
- (viii) none of the Company and its Subsidiaries has granted any license or sublicense of any material rights under or with respect to any Intellectual Property;
- (ix) none of the Company and its Subsidiaries has declared, set aside, or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased, or otherwise acquired any of its capital stock;
- (x) none of the Company and its Subsidiaries has experienced any material damage, destruction, or loss (whether or not covered by insurance) to its property;
- (xi) none of the Company and its Subsidiaries has made any loan to, or entered into any other transaction with, any of its directors, officers, and employees outside the Ordinary Course of Business;
- (xii) none of the Company and its Subsidiaries has entered into any employment contract or collective bargaining agreement, written or oral, or modified the

terms of any existing such contract or agreement except to provide for increases in compensation for fiscal year 1999;

- (xiii) none of the Company and its Subsidiaries has granted any increase in the base compensation of any of its directors, officers, and employees outside the Ordinary Course of Business;
 - (xiv) none of the Company and its Subsidiaries has adopted, amended, modified, or terminated any bonus, profit-sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, and employees (or taken any such action with respect to any other Employee Benefit Plan); and
 - (xv) none of the Company and its Subsidiaries has committed to any of the foregoing.
- (h) Undisclosed Liabilities. None of the Company and its Subsidiaries has -----
any material liability of a type required to be disclosed as a liability on its balance sheet according to generally accepted accounting principles (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, including any liability for taxes), except for (i) liabilities set forth on the face of the Most Recent Balance Sheet (rather than in any notes thereto) and (ii) liabilities which have arisen after the Most Recent Fiscal Month End in the Ordinary Course of Business.
- (i) Legal Compliance. Each of the Company and its Subsidiaries has -----
complied in all material respects with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any of them alleging any failure so to comply, except where the failure to comply would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Company and its Subsidiaries.
- (j) Tax Matters. Each of the Company and its Subsidiaries has filed all -----
Income Tax Returns that it was required to file, and has paid all Income Taxes shown thereon as owing, except where the failure to file Income Tax Returns or to pay Income Taxes would not have a material adverse effect on the financial condition of the Company and its Subsidiaries taken as a whole.
- (k) Tangible Assets. The buildings, machinery, equipment, and other -----
tangible assets that the Company and its Subsidiaries own and lease are free from material defects (patent and latent), have been maintained in accordance with normal industry practice, and are in good operating condition and repair (subject to normal wear and tear).

- (l) Litigation. (S)4(l) of the Disclosure Schedule sets forth each

instance in which any of the Company and its Subsidiaries (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party or, to the Knowledge of the Company and its Subsidiaries, is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator.
- (m) Disclosure. The representations and warranties contained in this (S)4

do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained in this (S)4 not misleading.
- (n) Continuity of Business Enterprise. The Company operates at least one

significant historic business line, or owns at least a significant portion of its historic business assets, in each case within the meaning of Treasury Regulations Section 1.368-1(d).
- (o) Continuity of Shareholder Interest. Prior to the Merger, the Company's

shareholders neither had portions of their Company interests redeemed by the Company, nor received extraordinary distributions with respect to their Company interests, and no corporation related to the Company within the meaning of Treasury Regulations Section 1.368-1(e)(3)(i)(B) acquired any Company stock, where such dispositions or acquisitions would reduce the aggregate fair market value of the Parent Shares to be received by the Company's shareholders as a group (with such fair market value measured as of the Effective Time) to an amount less than fifty percent (50%) of the aggregate fair market value of the Company's stock determined immediately before any of such distributions, dispositions, or acquisitions.
- (p) Reorganization. The Company has no plan or intention to take any

action that would cause the Merger not to qualify and continue to qualify as a reorganization under Section 368(a) of the Code.

5. Pre-Closing Covenants. The Parties agree as follows with respect to the

period between the execution of this Agreement and the Closing.

- (a) General. Each of the Parties will use his, her or its reasonable best

efforts to take all action and to do all things necessary, proper, or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in (S)7 below).
- (b) Notices and Consents. The Company and its Subsidiaries will give any

notices to third parties, and will use reasonable best efforts to obtain any third party consents, that the Parent reasonably may request in connection with the matters referred to in (S)4(c) above. Each of the Parties will give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies in connection with any matters pertaining to such Party and referred to in (S)3(a)(ii), (S)3(b)(ii), and (S)4(c) above. Without limiting the generality of the foregoing:

- (i) Not later than five (5) business days after the execution of this Agreement, the Parent and the Company will file any Notification and Report Forms and related material that may be required to file with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Act, will use their reasonable best efforts to obtain a waiver from the applicable waiting period, and will make any further filings pursuant thereto that may be necessary, proper, or advisable in connection therewith; and
 - (ii) The Parent and the Company 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 Transfer of Control Application. No party by commission or omission shall put in jeopardy its qualifications as an FCC licensee, or impair the routine processing of the Transfer of Control Application. The Company will use its best efforts and otherwise cooperate with the Parent, and the Stockholders shall likewise use their reasonable best efforts and otherwise cooperate with the Parent 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. 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 the Stockholders, the Parent and the Company shall jointly resubmit the Transfer of Control Application.
- (c) Exclusivity. None of the Stockholders will (i) solicit, initiate, or ----- encourage the submission of any proposal or offer from any Person relating to the acquisition of any capital stock or other voting securities, or any substantial portion of the assets, of any of the Company and its Subsidiaries (including any acquisition structured as a merger, consolidation, or share exchange) or (ii) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing. None of the Stockholders will vote their Company Shares in favor of any such acquisition structured as a merger, consolidation, or share exchange.
- (d) Waiver of Rights. Each Stockholder (i) hereby waives and relinquishes ----- its rights under Article IV, Section 5.1 and Article XI of the Investors' Shareholders Agreement with respect to the transactions contemplated by this Agreement, and (ii) agrees that the Investors' Shareholders Agreement will terminate and be of no further force or effect upon the Closing.
- (e) Agreement to Vote. Each Stockholder will vote their Company Shares in ----- favor of the Merger.
- (f) Substantially All of Company's Assets. Following the Merger, the ----- Surviving Corporation will hold at least ninety percent (90%) of the fair market value of the net

assets and at least seventy percent (70%) of the fair market value of the gross assets held by the Company immediately prior to the Merger. For this purpose, amounts, if any, paid by or on behalf of the Company for expenses of the Merger, amounts, if any, paid by the Company to dissenters or to shareholders who receive cash or other property and all redemptions and distributions (except for regular, normal distributions) made by the Company immediately preceding or in contemplation of the Merger will be included as assets of the Company immediately prior to the Merger.

(g) Reorganization. None of the Parties will take any action that would -----
cause the Merger not to qualify and continue to qualify as a reorganization under Section 368(a) of the Code.

6. Post-Closing Covenants. The Parties agree as follows with respect to the -----
period following the Closing.

(a) General. In case at any time after the Closing any further action is -----
necessary to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under (S)8 below). The Stockholders acknowledge and agree that from and after the Closing the Parent will be entitled to possession of all documents, books, records (including tax records), agreements, and financial data of any sort relating to the Company and its Subsidiaries.

(b) Litigation Support. In the event and for so long as any Party actively -----
is contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving any of the Company and its Subsidiaries, each of the other Parties will cooperate with him, her or it and his, her or its counsel in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as shall be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefor under (S)8 below).

(c) Certain Taxes. All transfer, documentary, sales, use, stamp, -----
registration and other such Taxes and fees (including any penalties and interest) applicable to each Stockholder incurred in connection with this Agreement shall be paid by such Stockholder when due, and each Stockholder will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable law, Parent will, and will cause its affiliates to, join in the execution of any such Tax Returns and other documentation.

(d) Reorganization. None of the Parties will take any action that would

cause the Merger not to qualify and continue to qualify as a
reorganization under Section 368(a) of the Code.

7. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Parent. The obligation of each of the

Parent and the Transitory Subsidiary to consummate the transactions to be
performed by it in connection with the Closing is subject to satisfaction
of the following conditions:

- (i) the representations and warranties set forth in (S)3(a) and (S)4 above shall be true and correct in all material respects at and as of the Closing Date;
- (ii) the Stockholders shall have performed and complied with all of their respective covenants hereunder in all material respects through the Closing;
- (iii) the Company and its Subsidiaries shall have procured all of the material third party consents required pursuant to (S)5(b) above;
- (iv) no action, suit, or proceeding shall be pending before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement, (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, (C) affect adversely the right of the Parent to own the Company Shares and to control the Company and its Subsidiaries, or (D) affect materially and adversely the right of any of the Company and its Subsidiaries to own its assets and to operate its businesses (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);
- (v) each of the Stockholders shall have delivered to the Parent a certificate to the effect that each of the conditions specified above in (S)7(a)(i)-(ii) is satisfied, and the Company shall have delivered to the Parent a certificate to the effect that each of the conditions specified above in (S)7(a)(iii)-(iv) is satisfied;
- (vi) the FCC shall have granted the Transfer of Control Application and such grant shall be in full force and effect, all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated, and the Parties, the Company, and its Subsidiaries shall have received all other material authorizations, consents, and approvals of governments and governmental agencies referred to in (S)3(a)(ii), (S)3(b)(ii), and (S)4(c) above;
- (vii) the Parent and each of the Stockholders shall have entered into a Registration Rights Agreement in form and substance as set forth in Exhibit C attached hereto and the same shall be in full force and effect;

- (viii) the Parent shall have received from each Stockholder that is not a natural person (A) a copy of resolutions duly adopted by such Stockholder's board of directors authorizing such Stockholder to enter into this Agreement and consummate the transactions contemplated hereby, certified by the secretary or assistant secretary of such Stockholder as being complete and correct and in full force and effect as of the Closing Date, and (B) an incumbency certificate dated as of the Closing Date with respect to the officer executing this Agreement on behalf of such Stockholder;
- (ix) the Parent shall have obtained on terms and conditions satisfactory to it in its sole discretion all of the financing it needs in order to consummate the transactions contemplated hereby;
- (x) a majority of the Parent's directors that are not Affiliates of the Company shall have approved the transactions contemplated hereby;
- (xi) the holders of eighty percent (80%) of the Parent's Senior Preferred Stock shall have approved the transactions contemplated hereby;
- (xii) the Parent shall be satisfied that no material adverse change in the financial condition, results of operation, business, assets, properties or prospects of the Company shall have occurred since December 31, 1998;
- (xiii) the Parent shall have received an opinion from a nationally recognized investment bank stating the transactions contemplated hereby are fair to the Parent from a financial point of view;
- (xiv) the Parent and Mary Catherine Sneed shall have executed amendments to Ms. Sneed's employment and equity incentive agreements on terms satisfactory to Parent in its sole discretion;
- (xv) Alta and Syncom shall each have entered into, and shall have pledged all the Parent Class A Shares and Warrants issuable to it hereunder for the benefit of the Senior Lenders pursuant to, a pledge agreement in the form attached hereto as Exhibit D;
- (xvi) Mary Catherine Sneed shall have entered into, and shall have pledged all the Parent Class A Shares and Warrants issuable to her hereunder for the benefit of the Senior Lenders pursuant to, a pledge agreement in the form attached hereto as Exhibit E; and
- (xvii) all actions to be taken by the Stockholders in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Parent.

The Parent may waive any condition specified in this (S)7(a) if it executes a writing so stating at or prior to the Closing.

- (b) Conditions to Obligation of the Stockholders. The obligation of each -----
Stockholder to consummate the transactions to be performed by him, her or it in connection with the Closing is subject to satisfaction of the following conditions:
- (i) the representations and warranties set forth in (S)3(b) above shall be true and correct in all material respects at and as of the Closing Date;
 - (ii) each of the Parent and the Transitory Subsidiary shall have performed and complied with all of its covenants hereunder in all material respects through the Closing;
 - (iii) no action, suit, or proceeding shall be pending before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (A) prevent consummation of any of the transactions contemplated by this Agreement or (B) cause any of the transactions contemplated by this Agreement to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);
 - (iv) the Parent shall have delivered to each of the Stockholders a certificate to the effect that each of the conditions specified above in (S)7(b)(i)-(iii) is satisfied in all respects;
 - (v) the FCC shall have granted the Transfer of Control Application and such grant shall be in full force and effect, all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated, and the Parties, the Company, and its Subsidiaries shall have received all other material authorizations, consents, and approvals of governments and governmental agencies referred to in (S)3(a)(ii), (S)3(b)(ii), and (S)4(c) above;
 - (vi) the Parent and each of the Stockholders shall have entered into a Registration Rights Agreement in form and substance as set forth in Exhibit C attached hereto and the same shall be in full force and effect;
 - (vii) each of the Stockholders shall have received from the Parent and the Transitory Subsidiary (A) a true, correct and complete copy of such Party's Amended and Restated Articles of Incorporation, certified by the secretary of state of Delaware, (B) a certificate of good-standing with respect to such Party issued by the secretary of state of Delaware not more than ten (10) business days prior to the Closing Date, (C) a copy of resolutions duly adopted by such Party's board of directors authorizing such Party to enter into this Agreement and consummate the transactions contemplated hereby,

certified by the secretary or assistant secretary of such Party as being complete and correct and in full force and effect as of the Closing Date, and (D) an incumbency certificate dated as of the Closing Date with respect to the officer executing this Agreement on behalf of such Party;

- (viii) the transactions contemplated hereby shall have been approved by a majority of the Company's board of directors and by the Requisite Stockholders; and
- (ix) all actions to be taken by the Parent and the Transitory Subsidiary in connection with the consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Requisite Stockholders.

The Requisite Stockholders may waive any condition specified in this (S)7(b) if they execute a writing so stating at or prior to the Closing.

8. Remedies for Breaches of This Agreement.

- (a) Survival of Representations and Warranties. Except as specifically provided below, all of the representations and warranties of the Parties contained in (S)3 above shall survive the Closing (even if the damaged Party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) and continue in full force and effect forever thereafter (subject to any applicable statutes of limitations); provided, however, that the representations made by each Stockholder pursuant to (S)3(a)(iv) and (S)3(a)(vi) shall survive the Closing only for a period of two years and shall thereafter be of no further force or effect. The representations and warranties of the Company contained in (S)4 shall terminate as of the Closing and shall be of no further force or effect.
- (b) Indemnification Provisions for Benefit of the Parent. In the event any of the Stockholders breaches any of his, her or its covenants in (S)2(e) above or any of his, her or its representations and warranties in (S)3(a) above, and, if there is an applicable survival period pursuant to (S)8(a) above, provided that the Parent makes a written claim for indemnification against such Stockholder pursuant to (S)10(h) below within such survival period, then such Stockholder severally and not jointly agrees to indemnify the Parent from and against the entirety of any Adverse Consequences the Parent may suffer through and after the date of the claim for indemnification (including any Adverse Consequences the Parent may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach.
- (c) Indemnification Provisions for Benefit of the Stockholders. In the event the Parent breaches any of its representations, warranties, and covenants contained herein, and, if there is an applicable survival period pursuant to (S)8(a) above, provided that any of the Stockholders makes a written claim for indemnification against the Parent pursuant to (S)10(h) below within such survival period, then the Parent agrees to

indemnify each of the Stockholders from and against the entirety of any Adverse Consequences the Stockholder may suffer through and after the date of the claim for indemnification (including any Adverse Consequences such Stockholder may suffer after the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by the breach.

(d) Matters Involving Third Parties.

- (i) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other Party (the "Indemnifying Party") under this (S)8, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.
- (ii) Any Indemnifying Party will have the right to assume the defense of the Third Party Claim with counsel of his, her or its choice reasonably satisfactory to the Indemnified Party at any time within 15 days after the Indemnified Party has given notice of the Third Party Claim; provided, however, that the Indemnifying Party must conduct the defense of the Third Party Claim actively and diligently thereafter in order to preserve its rights in this regard; and provided further that the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim.
- (iii) So long as the Indemnifying Party has assumed and is conducting the defense of the Third Party Claim in accordance with (S)8(d)(ii) above, (A) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the payment of money damages by one or more of the Indemnifying Parties and does not impose an injunction or other equitable relief upon the Indemnified Party and (B) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be withheld unreasonably).
- (iv) In the event none of the Indemnifying Parties assumes and conducts the defense of the Third Party Claim in accordance with (S)8(d)(ii) above, however, (A) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner he or it reasonably may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith) and (B) the Indemnifying Parties will remain responsible for any Adverse Consequences the

Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim to the fullest extent provided in this (S)8.

- (c) Determination of Adverse Consequences. The Parties shall make -----
appropriate adjustments for tax consequences and insurance coverage and take into account the time cost of money (using the Applicable Rate as the discount rate) in determining Adverse Consequences for purposes of this (S)8.
- (f) Exclusive Remedy. The remedies provided in (S)8(a) through (e) are -----
intended to be the sole remedies of the Parties as to the other Parties subsequent to the Closing Date as to all matters arising out of the breach of any representations, warranties or covenants contained in this Agreement, except as expressly specified to the contrary in this (S)8(f). In the event that all conditions set forth in (S)7 are satisfied within the time provided in (S) 9(a) and the Closing of the transactions is not consummated as a result of actions taken by Parent, on the one hand, or the Stockholders on the other hand, any Stockholder or the Parent, as the case may be, shall be entitled to seek as against the other Party or Parties all remedies normally available to a party for breach of a contract, including but not limited to specific performance and damages proximately caused by the breach.

9. Termination.

- (a) Termination of Agreement. Certain of the Parties may terminate this -----
Agreement as provided below:
- (i) the Parent and the Requisite Stockholders may terminate this Agreement by mutual written consent at any time prior to the Closing;
- (ii) the Parent may terminate this Agreement by giving written notice to each of the Stockholders at any time prior to the Closing (A) in the event any of the Stockholders or the Company has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, the Parent has notified the Stockholders and the Company of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before April 30, 1999, by reason of the failure of any condition precedent under (S)7(a) hereof (unless the failure results primarily from the Parent itself breaching any representation, warranty, or covenant contained in this Agreement); and
- (iii) the Requisite Stockholders may terminate this Agreement by giving written notice to the Parent at any time prior to the Closing (A) in the event the Parent has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, any of the Stockholders has notified the Parent of the breach, and the breach has continued without cure for a period of 30 days after the notice of breach or (B) if the Closing shall not have occurred on or before April 30, 1999, by reason of the failure

of any condition precedent under (S)7(b) hereof (unless the failure results primarily from any of the Stockholders themselves breaching any representation, warranty, or covenant contained in this Agreement).

- (b) Effect of Termination. If any Party terminates this Agreement pursuant

to (S)9(a) above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to any other Party (except for any liability of any Party then in breach).

10. Miscellaneous.

- (a) Nature of Certain Obligations. The covenants of each of the

Stockholders in (S)2(c) above concerning his, her or its Company Shares and the representations and warranties of each of the Stockholders in (S)3(a) above concerning the transaction are several obligations. This means that the particular Stockholder making the representation, warranty, or covenant will be solely responsible to the extent provided in (S)8 above for any Adverse Consequences the Parent may suffer as a result of any breach thereof.
- (b) Press Releases and Public Announcements. No Party shall issue any

press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of the Parent and the Requisite Stockholders; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its reasonable best efforts to advise the other Parties prior to making the disclosure).
- (c) No Third-Party Beneficiaries. This Agreement shall not confer any

rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.
- (d) Entire Agreement. This Agreement (including the documents referred to

herein) constitutes the entire agreement among the Parties and supersedes any prior negotiations, understandings, agreements, or representations by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof.
- (e) Succession and Assignment. This Agreement shall be binding upon and

inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his, her or its rights, interests, or obligations hereunder without the prior written approval of the Parent and the Requisite Stockholders; provided, however, that the Parent may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates and (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases the Parent nonetheless shall remain responsible for the performance of all of its obligations hereunder).

- (f) Counterparts. This Agreement may be executed in one or more

counterparts, each of which shall be deemed an original but all of
which together will constitute one and the same instrument.
- (g) Headings. The section headings contained in this Agreement are

inserted for convenience only and shall not affect in any way the
meaning or interpretation of this Agreement.
- (h) Notices. All notices, requests, demands, claims, and other

communications hereunder will be in writing. Any notice, request,
demand, claim, or other communication hereunder shall be deemed duly
given if (and then two business days after) it is sent by registered
or certified mail, return receipt requested, postage prepaid, and
addressed to the intended recipient as set forth below:

If to the Stockholders:

Radio One of Atlanta, Inc.
5900 Princess Garden Parkway
Lanham, Maryland 20706
Attention: Alfred C. Liggins, III, President
Fax: (301) 306-9694

and

Alta Subordinated Debt Partners III, L.P.
c/o Burr, Egan, Deleage & Co.
One Post Office Square, Suite 3800
Boston, MA 02109
Attention: Brian W. McNeill
Fax: (617) 482-1944

and

Syndicated Communications Venture Partners II, L.P.
8401 Colesville Road, Suite 300
Silver Spring, MD 20910
Attention: Terry L. Jones, Vice President
Fax: (301) 608-3307

and

Mary Catherine Sneed
c/o Radio One of Atlanta, Inc.
75 Piedmont Street, 10/th/ Floor
Atlanta, GA 30303
Fax: (404)688-7686

Copy to:

Goodwin Procter & Hoar LLP
Exchange Place
Boston, MA 02109
Attention: John J. Egan, P.C.
Fax: (617) 523-1231

and

Alston & Bird LLP
One Atlantic Center
1201 West Peachtree Street
Atlanta, GA 30309-3424
Attention: Randall D. Grayson, Esq.
Fax: (404)881-7777

If to the Parent:

Radio One, Inc.
5900 Princess Garden Parkway
Lanham, Maryland 20706
Attention: Scott R. Royster, Chief Financial Officer
Fax: (301)306-9426

Copy to:

Kirkland & Ellis
655 Fifteenth Street, N.W.
Washington, D.C. 20005
Attention: Richard L. Perkal, Esq.
Fax: (202)879-5200

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

- (i) Governing Law. This Agreement shall be governed by and construed in -----
accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (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.

- (j) Amendments and Waivers. No amendment of any provision of this

Agreement shall be valid unless the same shall be in writing and signed by the Parent and the Requisite Stockholders. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.
- (k) Severability. Any term or provision of this Agreement that is invalid

or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.
- (l) Expenses. Each of the Parent and the Company will bear its own costs

and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. The Company will bear a portion not to exceed \$50,000.00 of the Stockholders' aggregate costs and expenses (including reasonable legal fees and expenses) in connection with this Agreement and the transactions specifically contemplated hereby.
- (m) Construction. The Parties have participated jointly in the negotiation

and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.
- (n) Incorporation of Exhibits, Annexes, and Schedules. The Exhibits,

Annexes, and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written.

RADIO ONE, INC.

By: Alfred C. Liggins, III
Title: President

ROA MERGER SUBSIDIARY, INC.

By: Alfred C. Liggins, III
Title: President

RADIO ONE OF ATLANTA, INC.

By: Alfred C. Liggins, III
Title: President

ALTA SUBORDINATED DEBT PARTNERS III, L.P.

By: _____
Title: _____

ALLIED CAPITAL CORPORATION

By: _____
Title: _____

ALLIED INVESTMENT CORPORATION

By: _____
Title: _____

SYNDICATED COMMUNICATIONS VENTURE PARTNERS II, L.P.

By: _____

Title: _____

Mary Catherine Sneed

Alfred C. Liggins, III

DISCLOSURE SCHEDULE

EXCEPTIONS TO REPRESENTATIONS AND WARRANTIES
CONCERNING RADIO ONE OF ATLANTA, INC.

4.(a) Organization, Qualification and Corporate Power. Officers and

Directors of the Company:

Alfred C. Liggins, III	Director, President
Catherine L. Hughes	Director, Secretary
Scott R. Royster	Executive Vice President, Chief Financial Officer
Terry L. Jones	Director
Brian W. McNeill	Director

4.(b) Capitalization.

Alfred C. Liggins, III	3,970 shares of Class B Common Stock
Mary Catherine Sneed	700 shares of Class A Common Stock
Allied Capital Entities	1,430 shares of Class A Common Stock
Syncom	2,400 shares of Class A Common Stock
Alta	1,500 shares of Class A Common Stock

(c) Noncontravention. Consummation of the transactions contemplated by

the Agreement will require the filings described in Sections 5(b)(i) and (ii) of the Agreement.

(d) Title to Assets. Pursuant to the Investment Agreement dated March

31, 1997 among the Company, Dogwood Communications Inc. and the Allied Capital Entities, the Company has granted to the Allied Capital Entities a security interest in all of the Company's tangible and intangible assets to secure the Company's obligations under that agreement. Pursuant to the Subordinated Security Agreement dated June 20, 1995, between the Company and Design Media, Inc., the Company has granted to Design Media, Inc. a security interest in all of the Company's tangible and intangible assets to secure the Company's obligations under the Note (as such term is defined in such agreement).

(e) Subsidiaries. The Company has no Subsidiaries.

See also the disclosure under Sections 4(b) and (d), above.

(g) Events Subsequent to Most Recent Fiscal Month End. The Company has

loaned or will loan an aggregate of approximately \$200,000 to Sneed.

(l) Litigation. On November 24, 1998, the Company settled a claim

brought against it by Fawn Marsh, a former employee. Keenan Nix, counsel for Marsh, has from time to time suggested to the Company that he may bring additional claims against the Company on behalf of other employees.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement"), made and entered into as of this 23rd day of November, 1998, by and between Arch Broadcasting, L.P, an Illinois limited partnership ("Seller") and Radio One Inc., a Delaware corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller at the time of Closing holds certain licenses, permits and authorizations issued by the Federal Communications Commission (the "Commission") for the operation of Station WFUN(FM), Bethalto, Illinois (the "Station");

WHEREAS, Seller at the time of Closing holds title to certain assets herein described in Section 1.1; and

WHEREAS, the Seller owns or leases and desires to sell and/or assign, and Buyer desires to purchase and/or assume certain of the assets, property and business used in the operation of the Station; and

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

SECTION I

ASSETS TO BE SOLD

1.1 On the Closing Date, Seller shall sell, assign, transfer, convey, set over, and deliver to Buyer, and Buyer shall purchase and/or accept assignment of the following (hereinafter collectively the "Assets"):

1.1.1 Authorizations. All licenses, permits and authorizations issued

or granted by the Commission for the operation of, or used in connection with the operation of the Station (hereinafter "Commission Authorizations"), whether or not such grant occurs prior to or after the date of this Agreement, as listed in Schedule 1.1.1.

1.1.2 Real Property. All of the Seller's rights in and to the land,

buildings, improvements, and other real property and all leaseholds and other interests in real property and the buildings and improvements thereon (hereinafter collectively the "Real Property"), consisting of all real property and leases, contracts and agreements creating such interests listed and described in Schedule 1.1.2., whether or not such rights vest prior to or after the date of this Agreement.

1.1.3 Tangible Personal Property. All of Seller's rights in and to the

fixed and tangible personal property used in the operation of the Station, including, but not limited to the physical assets and equipment, leasehold improvements, furniture, fixtures, receivers, programming, tapes, transmitters, switches and related equipment, and music libraries listed in Schedule 1.1.3, together with replacements thereof, additions and alterations thereto, and substitutions therefor, made between the date hereof and the Closing Date (hereinafter collectively the "Tangible Personal Property").

1.1.4 Agreements. All Seller's rights to and in the contracts and

agreements, and leases to which Seller or the Station are a party listed in Schedule 1.1.4 (hereinafter collectively "Agreements"), together with all contracts, agreements and leases, entered into or acquired by the Seller between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement.

1.1.5 Intangibles. All right, title and interest of Seller in and to

the call letters "WFUN", together with other, intangible property of Seller used or useful in the operation of or otherwise pertaining to the Station as set forth on Schedule 1.1.5 attached hereto and made a part hereof (hereinafter collectively the "Intangibles").

1.1.6 Business Records. All of Seller's financial records, engineering

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reports, advertising reports, programming studies, consulting reports, computing software, marketing data, ledger sheets, customer lists and business and personnel records relating solely to the business or operation of the Station (hereinafter collectively "Business Records") or to the assets or agreements purchased by Buyer.

1.2 Excluded Assets. The Assets shall not include the following assets

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along with all rights, title and interest therein which shall be referred to as the "Excluded Assets";

1.2.1 All cash, cash equivalents or similar type investments of Seller, such as certificates of deposit, Treasury bills and other marketable securities on hand and/or banks;

1.2.2 All tangible and intangible personal property disposed of or consumed in the ordinary course of business between the date of this Agreement and the Closing Date, or as permitted under the terms hereof;

1.2.3 The Accounts Receivable of the Station as of 11:59 p.m., local time, on the day prior to the Closing date;

1.2.4 All agreements that have terminated or expired prior to the Closing date in the ordinary course of business and as permitted hereunder;

1.2.5 Seller's minute books, charter documents, stock record books and such other books and records as pertaining to the organization, existence or share capitalization of Seller and duplicate copies of such records as are necessary to enable seller to file its tax returns and reports as well as any other records or materials relating to seller generally and not involving specific aspects of the Station's operation;

1.2.6 Contracts of insurance, including the cash surrender value thereof, and all insurance proceeds or claims made by seller relating to property or equipment repaired, replaced or restored by Seller prior to the Closing Date;

1.2.7 Any and all other claims made by Seller with respect to transactions prior to the Closing Date and the proceeds thereof to the extent the Station has been made whole for any loss or damage they or their assets may have suffered or incurred as a result of the item, event or occurrence giving rise to such claim; and

1.2.8 All pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller.

SECTION 2

PURCHASE PRICE
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2.1 Purchase Price. In consideration of Seller's performance of this Agreement, the sale, assignment, transfer, conveyance, setting over, and delivery of the Assets as defined hereinabove to Buyer, the total purchase price (the "Purchase Price") to be paid by Buyer shall be the sum of Thirteen Million Six Hundred Thousands DOLLARS (\$13,600,000.00)

2.2 Payment of Purchase Price. The Purchase Price shall be paid to Seller as follows:

(a) Upon the full and complete execution of the Agreement, Buyer shall deliver to Escrow Agent an earnest money escrow deposit in the amount of Four Hundred Thirty Thousand DOLLARS (\$430,000.00) (the "Escrow Earnest Deposit") in the form of a cashier's check or by wire transfer of immediately available funds. This amount shall be deposited in an interest bearing account in a federally insured institution pursuant to the terms of an Escrow Agreement as set forth in Exhibit A. The Escrow Earnest Deposit shall be applied at the closing

toward the purchase price. In addition, Buyer shall deliver to Seller's counsel, Shainis & Peltzman, Chartered, the sum of Two Hundred and Fifty Thousand DOLLARS (\$250,000.00). This money shall immediately be available to Seller. Buyers, at the time of execution of the instant Asset Purchase Agreement, shall be provided an assignment of Seller's rights in the principal of the Two Hundred Fifty Thousand DOLLARS (\$250,000.00) escrow with Coltre Broadcasting, Inc.

(b) At the Closing Date, Buyer will pay to Seller in the form of a cashier's check or by wire transfer of immediately available funds to a bank designated by Seller the sum of Eleven Million Four Hundred Seventy-five Thousand DOLLARS (\$11,475,000.00), as adjusted to reflect any Adjustments made at Closing pursuant to Section 3 and any adjustments.

(c) At the Closing Date, Buyer will place into an escrow account by wire transfer of immediately available funds the sum of One Million Six Hundred Ninety-five Thousand DOLLARS (\$1,695,000.00) plus tax liability reimbursement. Such sum shall be held in an escrow agreement between the Seller and Buyer to be executed at closing governing the use and distribution of those funds.

2.3 Allocation of Purchase Price. Prior to the Closing Date, the parties

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agree to allocate the Purchase Price in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986. In the event that the parties are unable to reach such an agreement prior to the Closing Date, they will select a qualified, independent and nationally recognized appraiser of broadcast properties and that firm's decision shall be binding upon the parties and the fees and expenses shall be borne equally by Buyer and Seller. The parties also agree to use such Purchase Price allocation in completing and filing Internal Revenue Code Form 8594 for federal income tax purposes.

SECTION 3

ADJUSTMENTS

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3.1 Adjustment Time. The "Adjustment Time" as used herein shall be 12:01

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A.M. current local time on the Closing Date.

3.2 Adjustment Items. The following items (the "Adjustment Items") shall

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be prorated as of the Adjustment Time, assuming a 365-day year or a 30-day or 31-day month, as appropriate, and monies shall be paid at Closing in accordance with Section 3.3 herein below.

3.2.1 Rentals or other charges, payable or paid in respect of leasehold interests or tenancies, or leased transmitter sites, studios, offices or other Real Property or equipment under any lease or tenancy of Real Property, and any and all equipment leases described in Schedule 1.1.2.

3.2.2 Real and personal property taxes and assessments (including sewerage assessments and fees), levied or assessed against or otherwise paid or payable with respect to any of the Assets.

3.2.3 Transferable license, permit, and registration fees, and like items.

3.2.4 Wages and salaries of employees (but not including accruals for bonuses, commissions on the sale of advertising broadcast prior to the Closing date, vacation pay, sick leave and severance pay, all of which obligations, if any, shall remain the responsibility of Seller), time sales agreements, license fees, and all other income and expenses attributable to the ownership and operation of the Station.

3.2.5 Charges for utilities (including but not limited to electricity, fuel, water, basic monthly telephone charges, long distance telephone calls, and sanitation and garbage disposal) furnished to or in connection with the Station.

3.2.6 License agreements with ASCAP, BMI and SESAC.

3.2.7 Unpaid obligation of Seller with respect to any lease, contract, or agreement which Buyer assumes, including, without limitation, unpaid prepaid premiums on any insurance policies that Seller has agreed to assign to Buyer and Buyer elects to assume.

3.2.8 Other similar items applicable to the Assets and/or attributable to the operations and/or the business of the Station, it being the intention of the parties that all operations and the business of the Station prior to the Adjustment Time shall be for the account of Seller, and all operations and business of the Station after the Adjustment Time shall be for the account of Buyer.

3.2.9 Security deposits, if any.

3.2.10 If the amount of any real or personal property tax to be prorated is not known on the Closing Date, such tax shall be apportioned on the basis of the most recent tax assessment.

3.2.11 Buyer shall have no obligation to employ any of the employees of Seller. On execution of this Agreement, Seller shall deliver to Buyer a detailed list of all employees of the Station, their salaries, benefits and any other job-related matters for Buyer's review.

3.3 Adjustments After Closing Date. If the amount of any items to be
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adjusted cannot be readily ascertained or agreed upon on the Closing Date, proration of such items shall be determined within thirty (30) days after the Closing Date and payment therefor shall be made to

the party entitled thereto within five (5) days after notice of such determination thereof has been given to Buyer or Seller, as the case may be. In the event of any disputes between parties as to adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in this Section and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties. The accountant's resolution of the dispute shall be final and binding on the parties, and a judgement may be entered thereon in any court of competent jurisdiction. The fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. The inability of Seller and Buyer to resolve any adjustment shall not entitle Buyer to delay the return of the Accounts Receivable pursuant to Section 11.

SECTION 4

APPLICATION TO AND CONSENT BY COMMISSION

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4.1 Commission Consent. Consummation of the purchase and sale provided

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for herein and the performance of the obligations of Seller and Buyer under this Agreement are subject to the condition that the Commission shall have given its consent in writing, without any condition materially adverse to Buyer or Seller, to the assignment of the Commission Authorizations and all Other Authorizations to Buyer. Such consent shall have become final (i.e. no longer subject to administrative or judicial review).

4.2 Application For Commission Consent.

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(a) Seller and Buyer agree to proceed expeditiously and with due diligence and to use their best efforts and to cooperate with each other in seeking the Commission's approval of the transactions contemplated hereunder. Within five (5) days after the date of this Agreement,

each party shall prepare and file with the Commission the Assignment Application and all information, data, exhibits, resolutions, statements, and other materials necessary and proper in connection with such Assignment Application. Each party further agrees expeditiously to prepare Application amendments whenever such amendments are required by the Commission or its rules.

(b) Except as otherwise provided herein, each party will be solely responsible for the expenses incurred by it in the preparation, filing and prosecution of its respective portion of the Assignment Application. All filing fees and grant fees imposed by the Commission should be paid one-half (1/2) each by Seller and Buyer.

(c) Each party agrees to comply with any condition imposed on it by the Commission, except that no party shall be required to comply with a condition that would have a material adverse effect upon it unless the condition was imposed as the result of a circumstance which constitutes a breach by that party of any of its representations, warranties, or covenants in this Agreement. Buyer and Seller shall oppose any efforts for reconsideration or judicial review of the grant by the Commission of the Assignment Application (but nothing in this Section shall limit any party's right to terminate this Agreement pursuant to Section 17 of this Agreement).

4.3 Notice of Application. Seller shall, at its expense, give due notice
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of the filing of the Assignment Application by broadcasting on the Station, or by such other means as may be required by the rules and regulations of the Commission.

4.4 Delay in Approval of Application. Either party at its option may
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terminate this Agreement by five (5) business days prior written notice to the other party, and without liability to the other party, at any time after one-hundred eighty (180) days after the date of this

Agreement if the Commission has not granted the Assignment Application within that time, or at any time after two-hundred forty (240) days after the date of this Agreement if the Commission grant of the Assignment Application has not become final, provided that the party requesting termination is not the cause of the Commission failing to timely grant the Assignment Application. In the event of such termination, each party shall bear its own expenses, and the Escrow Agent shall return to Buyer the Escrow Earnest Deposit plus accrued interest. In the event Buyer is unable to procure Commission approval of the Assignment Application due to events arising out of Seller's ownership of the Assets, Seller agrees to undertake to satisfy any problems or issues with the Commission or, alternatively, Buyer may at its option elect to terminate this Agreement and shall receive a refund of the Escrow Earnest Deposit plus accrued interest plus repayment of the Two-Hundred Fifty Thousand DOLLARS (\$250,000.00). In the event Buyer is unable to procure Commission approval of the Assignment Application due to issues relating to Buyer's qualifications, Seller, at its option, may elect to terminate this Agreement and shall retain the Escrow Earnest Deposit plus accrued interest.

SECTION 5

ASSUMPTIONS
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5.1 Buyer's Assumed Obligations. Buyer covenants and agrees to assume at
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Closing and discharge following the Closing all of the unperformed duties of the Seller accruing under the leases and the Agreements listed in Schedules 1.1.2 and 1.1.4 and under all advertising contracts for the sale of time for cash on the Station, but only to the extent that such duties accrue after the Closing date based on the operation of the Station by Buyer following the Closing Date. Barter obligations shall be assumed by Buyer up to Five Thousand Dollars (\$5,000.00) in the aggregate.

5.2 Seller's Liability. Seller shall, remain liable for and covenants to
=====
pay, satisfy, or discharge, all liabilities, payment, obligations, and duties
under (a) the Agreements and any leases or other instruments transferred or
assigned to Buyer hereunder, accruing prior to or by reason of events occurring
prior to the Closing Date, and (b) all Agreements not being transferred to Buyer
no matter when the obligations occur.

SECTION 6

REPRESENTATIONS AND WARRANTIES OF THE SELLER
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To the extent Seller's representations and warranties are predicated on the
representations and warranties made to it in an Asset Purchase Agreement dated
July 6, 1998, as amended on September 8, 1998, Seller has no independent
knowledge of any untrue statements contained therein. However, Seller has not
independently verified these representations and warranties.

6.1 Organization and Standing.
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6.1.1 Seller is now and on the Closing Date will be a limited
partnership validly existing and in good standing under the laws of the State of
Illinois. Seller has the full power to own the assets and to carry on the
business of the Station as it now is being conducted and is qualified and in
good standing in the State of Illinois.

6.1.2 Seller has the full power and authority to enter into this
Agreement and all of Seller's Closing Documents that require Seller's signature.
Appropriate resolutions to the effect will be provided at Closing. The
execution, delivery and performance of this Agreement (as of the date of
execution of this Agreement and on the Closing Date) and the Seller's Closing
Documents (on the Closing Date) are or will be authorized by all necessary
action of the seller.

6.2 Binding Effect of Agreement. This Agreement constitutes a valid and
=====

binding obligation of Seller enforceable against Seller in accordance with the terms of the Agreement. Upon execution, the Seller's Closing Documents will constitute valid and binding obligations of Seller enforceable against Seller in accordance with their terms. The execution, delivery, and performance of this Agreement or any of the Closing Documents does not violate any provision of the Limited Partnership Agreement of Seller, or any contract provision or other commitment to which Seller or any of its officers or directors of the Station is a party or under which it or its property is bound, or any judgement or order, and will not result in the creation or imposition of any lien, charge, security interest, or encumbrance of any nature whatsoever upon any Assets.

6.3 Business Records and Financial Statements.
=====

6.3.1 Seller has maintained the business records of the Station in the usual, regular and ordinary manner in accordance with good business practices.

6.3.2 Seller has provided Buyer with the financial statements for the Station (the "Financial Statements"). The Financial Statements have been prepared on an accrual basis in accordance with generally accepted accounting principles. The Financial Statements accurately reflect the books, records and accounts of the Station in all material respects and present fairly the financial condition and results of the operation of the Station, as of the dates and for the periods indicated.

6.4 Real and Tangible Personal Property.
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6.4.1 Real Property. Schedule 1.1.2 attached hereto accurately lists
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and describes all the Real Property leased or otherwise held or used by the Station which is being assigned or transferred to the Buyer. The Real Property listed in Schedule 1.1.2 comprises all of the real property interests necessary to conduct the business or operations of the Station as now conducted. Seller has good and marketable fee simple title, insurable at standard rates, to all of the fee estates (including the improvements thereon) included in Real Property, free and clear of all liens, mortgages, pledges, covenants, easements, restrictions, encroachments, leases, charges, and other claims and encumbrances of any nature whatsoever, and without reservation or exclusion of any mineral, timber, or other rights or interests, except for liens for real estate taxes not yet due and payable. To the extent the property is subject to any easements, restrictions, encroachments and/or state and local zoning ordinances, these are listed in schedule 1.1.2.a. Buyer accepts existing easements, restrictions, encroachments and state and local zoning ordinances provided none of them prevent the use of the properties for their present purpose.

6.4.2 Patents, Trademarks, Copyrights. The Intangible Property

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includes all call signs, slogans, and logos used to promote or identify the Station. Seller has no knowledge of any infringement or unlawful or unauthorized use of those promotional rights, including without limitation the use of any call sign, slogan or logo by any broadcast station or cable system in the Bethalto, Illinois metropolitan area which may be confusingly similar to the call signs, slogans, and logos currently used by the Station.

6.4.3 Tangible Personal Property. Schedule 1.1.3 attached hereto

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accurately lists all, the material Tangible Personal Property owned, leased, or otherwise held by the Station and/or Seller which is intended to be conveyed hereunder, except as disclosed in Schedule 1.1.3. Seller is the owner of and at Closing will have good, clear, marketable, and indefeasible title to

all of the Tangible Personal Property listed in Schedule 1.1.3, free and clear of all liens, charges, encumbrances, restrictions, debts, demands, or claims of any kind or nature whatsoever.

6.4.4 Condition of Tangible Personal Property. The Tangible Personal

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Property listed in Schedule 1.1.3 (except as expressly noted herein) is in good maintenance, operating condition, and repair in accordance with generally accepted standards of practice in the broadcast industry, and to Seller's knowledge, is free from defects and workmanship in all material respects.

6.5 Agreements.

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6.5.1 Schedule 1.1.4 accurately lists all agreements and other contracts (or, when the same are oral, a complete and correct description thereof) with respect to the Station to be conveyed hereby (except for contracts for the sale of advertising time for cash) to which, as of the date hereof, Seller and/or the Station is a party or by which Seller and/or the station may be bound or obligated in any way.

6.5.2 The Agreements listed in Schedule 1.1.4 are in full force and effect and are valid, binding, and enforceable in accordance with their terms, and except as stated in Schedule 1.1.4, are assignable by Seller to Buyer on the same terms and conditions as Seller now enjoys, and to the best of Seller's knowledge, Seller has performed in all material respects, all the obligations imposed upon Seller under any such Agreements or other obligations that are to be performed as of the making of this warranty. Notwithstanding any other Section of this Agreement, to the extent that the consent or approval of any third person is required under any Agreement in order to assign such Agreement from Seller to Buyer, Seller shall in good faith endeavor to obtain such consents and approvals. If any such consent or approval is not obtained, then Buyer shall have no obligation to assume that Agreement at Closing.

6.5.3 To Seller's knowledge, there is no default by or claim of default against the Seller or any other party to the Agreements listed in Schedule 1.1.4 or any event occurring that, with or without notice, lapse of time or the occurrence of any other event, would result in a default under any such Agreement by Seller or any other party. There are no contracts or agreements to which the Seller and/or the Station is a party which may be binding upon the Assets to be sold hereunder other than the Agreements expressly set forth in Schedule 1.1.4 and other contracts and agreements entered into in the usual course of business.

6.5.4 Leases. Schedule 1.1.2 accurately describes all of the leases

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which Buyer has agreed to assume to which the Seller and/or the Station are a party or under which Seller and/or the Station are bound for the rental of real property. All such leases are in full force and effect and valid, binding, and enforceable in accordance with their terms, and Seller has duly performed all of its material obligations under such leases. To the best of Seller's knowledge, there is no default by or claim of default against Seller or any other party to such leases, or any event or circumstance that with the passage of time or the giving of notice or both would result in a default by Seller or any other party, or any notice or termination existing with respect to any of such leases. Seller's leases are assignable to Buyer on the same terms and conditions as Seller now enjoys, except as stated in Schedule 1.1.2..

6.6 Authorizations.

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6.6.1 Seller at the time of Closing shall be the holder of all licenses, permits, and authorizations necessary to operate the business of the Station as it now is being conducted, including, without limitation, all Commission Authorizations listed in Schedule 1.1.1. All such

Commission Authorizations are validly existing authorizations for the operation of facilities described therein under the Communications Act of 1934, as amended. There is no action pending nor to the Seller's knowledge, threatened, before the Commission or other body to revoke, refuse to renew, suspend or modify any of the Commission Authorizations, or any action which may result in the denial of any pending applications, the issuance of any cease and desist orders, or the imposition of any administrative sanctions whatsoever with respect to the Station or its operation, except as required to transfer same to Buyer.

6.6.2 All reports, applications and other documents required to be filed by Seller with the Commission or any other administrative body with respect to the Station or its operations have been filed and all such reports, applications and documents are true and correct in all material respects. There are no matters that might result in the suspension or revocation of any Commission Authorizations or any Other Authorizations pertaining to the Station.

6.7 Litigation and Insurance.
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6.7.1 Litigation; Compliance With Law. The Station is in compliance
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in all material respects with all applicable federal, state and local laws, ordinances and regulations, including compliance with the Communications Act and all rules and regulations issued thereunder. Other than proceedings affecting the broadcasting industry in general, there is no complaint, claim, litigation, investigation, or judicial, administrative, or other proceeding of any nature, including, without limitation, a grievance, arbitration, or insolvency or bankruptcy proceeding, pending, or to the best of the Seller's knowledge, threatened, against the Station, Seller, or any of the Assets being sold or transferred to Buyer, including, without limitation, any proceeding which may (a) adversely affect the Assets or the Commission Authorizations to be

assigned hereunder, or the operation of the Station, or the ability of Buyer to own and operate the Station, or the use, ownership, or operation of any Assets by Buyer, (b) restrain or enjoin the Closing or the consummation of the transactions contemplated hereby, or (c) result in the revocation, modification or suspension of the Commission Authorizations, or the issuance or imposition of any administrative sanction that might adversely affect the Assets or the Commission Authorizations, or the operation of the Station or the ability of Buyer to own and operate the Station or the use, ownership, or operation of any of the Assets by Buyer. In addition, to Seller's knowledge, no such litigation, investigation, or proceedings has been threatened. Seller will give Buyer prompt notice of its discovery of any such basis or the institution or the threat of any such litigation, investigation, or proceeding. Seller is not in default in respect to any judgement, order, writ, injunction, decree, rule, or regulation of any applicable court or governmental body, which default could have a materially adverse effect on the Assets or the Station.

6.7.2 Insurance. All of the tangible Personal Property listed in
=====

Schedule 1.1.3 is insured under the policies listed and described in Schedule 6.7.2, including, without limitation, public liability and broadcaster's liability insurance for the Station. All such policies are in full force and effect, and all premiums for all such fire, flood, and extended coverage insurance and such public liability and broadcaster's liability insurance have been paid when due.

6.8 Employees and Labor Relations.
=====

6.8.1 Seller: (a) is not a party to any collective bargaining agreement covering or relating to any of Station's employees and has not recognized, and to Seller's knowledge, is not required to recognize, and has received no demand for recognition by any

contract with any of the employees of the Station or to any other employment contract, labor agreement, or union agreement, written or oral; (b) other than as disclosed in the Schedules, has not promulgated any policy or entered into any agreement relating to the payment of pensions, profit sharing, or bonuses to any of its employees whose employment, if terminated or suspended, for which Buyer will be liable; and (c) to Seller's knowledge, has not committed any unfair labor practices.

6.8.2 Seller has complied in all material respects with all applicable laws, rules and regulations relating to the employment of labor, including those relating to rates, hours, equal employment opportunity, collective bargaining, and the withholding and payment of taxes and contributions and has withheld all amounts required by law or agreement to be withheld from the wages or salaries of the Station's employees and is not liable to the employees or any government body for arrears of wages or for any tax or penalty for failure to comply with the foregoing.

6.8.3 Seller has delivered to Buyer a list of all employees, their salaries, benefits and other job related matters for the Buyer's review. Buyer shall have no obligation to employ any of the Seller's employees.

6.9 Taxes and Other Matters.
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6.9.1 Payment of Taxes. All returns and reports concerning franchise
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taxes, unemployment insurance, withholding and payroll taxes, sales taxes, personal property taxes, license taxes, social security taxes, and all other reports required to have been filed by the Seller relating to the Assets, the Station, and/or its operation pursuant to any law or regulation have been duly filed, and all taxes, interest, assessments, and penalties which are due to any taxing

authority, federal, state, or local, with respect to any tax period ending on or prior to the making of this warranty have been duly paid.

6.9.2 Insolvency Proceedings. No insolvency proceedings of any kind,
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including without limitation bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary, affecting Seller or the Purchased Assets are pending or threatened. Seller has not made an assignment for the benefit of creditors or taken any action with a view to, or that would constitute a valid basis for, the institution of any such insolvency proceedings.

6.9.3 Intangibles. Seller has full and exclusive right, title to or
=====

interest in and to all of the Intangibles, including, without limitation, the call letters "WFUN" and all copyrights, patents, program rights, trade names, trade marks, logos, service marks, proprietary information, and other similar rights or symbols associated therewith, together with all goodwill associated therewith and all intellectual properties, as described on Schedule 1.1.5, free from infringements, interferences, litigation and disputes of any kind or nature whatsoever.

6.9.4 Environment Matters.
=====

(a) To the best of Seller's knowledge, Seller has complied in all material respects with all laws, rules and regulations of all federal, state, and local governments (and all agencies thereof) concerning the environment, public health and safety, and employee health and safety, and no charge, complaint, action, suit proceeding, hearing, investigation, claim, demand, or notice has been filed or commenced against Seller alleging any failure to comply with any such law, rule or regulation. Seller has not performed an environmental assessment of the site, but is not aware of any environmental problems.

(b) To the best of Seller's knowledge, after due investigation, Seller has no liability and Seller has not handled or disposed of any substance, arranged for the disposal of any substance, or owned or operated any property of facility in any manner that could form the basis for any present or future charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand (under the common law or pursuant to any statute) against Seller giving rise to any liability for damage to any site, location, or body of water (surface or subsurface) or for illness or personal injury.

6.9.5 No Untrue Statements or Omission. No representation or warranty
=====

made by Seller in this Agreement or any Schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished by Seller, or on its behalf, to Buyer and pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statements contained therein not misleading. All representations and warranties of Seller set forth in this Agreement shall be true, complete and accurate in all material respects as of the Closing Date as if made on that date.

SECTION 7

WARRANTIES, REPRESENTATIONS AND COVENANTS OF BUYER
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Buyers covenants, represents, and warrants as follows:

7.1 Organization and Standing. Buyer is now and on the Closing Date will
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be a corporation validly existing and in good standing under the laws of the State of Delaware and Buyer will as of the Closing be qualified and in good standing in the States of Illinois and Missouri.

7.2 Authorization and Binding Obligation. Buyer has all necessary power and

=====

authority to enter into this Agreement and at Closing will have all necessary power and authority to execute all of Buyer's Closing Documents that require Buyer's signature. Appropriate resolutions to that effect shall be provided at closing. The execution, delivery and performance of this Agreement (as of the date of execution of this Agreement and on the Closing Date) and the Buyer's Closing Documents (on the Closing Date) are or will be authorized by all necessary action of Buyer. This Agreement constitutes a valid and binding obligations of Buyer enforceable against Buyer in accordance with the terms of this Agreement. Upon execution, the Buyer's Closing Documents will constitute valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms.

7.3 No Contravention. The execution, delivery and performance of this

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Agreement or any of Buyer's Closing Documents does not violate any provision of the Articles of Incorporation or By-laws of Buyer, or any contract provision or other commitment to which Buyer or any of its officers or directors is bound, or any judgement or order.

7.4 Litigation. Except for administration rule making or other proceedings

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of general applicability to the broadcast industry, there is no litigation, proceeding, judgment, claim, action, investigation or complaint, before the Commission, other governmental body, or court, of any nature pending or, to the best of Buyer's knowledge, threatened against or affecting it which would affect Buyer's authority or ability to carry out this Agreement.

7.5 Information Held in Confidence. From the date hereof until the Closing

=====

Date, Buyer and other representatives of Buyer, including Buyer's lenders, if any, will hold in strict confidence, and will not disclose to any third party, any data and information obtained in

connection with this transaction with respect to the business of Seller, except insofar as any of such data and information may be required by law to be publicly disclosed or submitted to the Commission. If the transactions contemplated by this Agreement are not consummated, Buyer will return to Seller all such data and information may be required by law to be publicly disclosed or submitted to the Commission. If the transactions contemplated by this Agreement are not consummated, Buyer will return to Seller all Such data and information, including, but not limited to, all documents, copies of documents and memoranda or other materials prepared by Buyer which incorporate data or information obtained from Seller and all other data and information made available to Buyer in connection with this transaction, except that which may be required to be submitted to the Commission.

7.6 Access. Seller and its authorized representatives shall have, after the
=====

Closing Date, The right to obtain, upon prior request, access to originals or copies of all logs, books, relevant records, contracts and documents relating to ownership of the Station by Seller.

7.7 Buyer's Qualifications. There is no fact that would, under present law
=====

(including the Communications Act of 1934, as amended) and the present rules and regulations of the Commission, disqualify Buyer from being the assignee of the Station or that would delay Commission approval of the Assignment Application. Should Buyer become aware of any such fact, it will so inform Seller and will use its best 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.

7.7.1 Insolvency Proceedings. No insolvency proceedings of any kind,
=====

including without limitation bankruptcy, receivership, reorganization, composition, or arrangement with creditors, voluntary or involuntary affecting Buyer are pending or threatened. Buyer has not made any assignment for the benefit or creditors or taken any action with a view to or that would constitute a valid basis for, the institution of any such insolvency proceedings.

7.8 No Untrue Statements or Omission. No representation or warranty made

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by Buyer in this Agreement or any Schedule, exhibit, statement, certificate, or other document heretofore or hereafter furnished to Seller and Pursuant to this Agreement or in connection with the transactions contemplated hereby contains or will contain any knowingly untrue statement or knowingly omits to state a material fact necessary to make the statement contained therein not misleading.

7.9 Reliance. Neither Buyer nor any person acting as Buyer's

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representative or on Buyer's behalf has relied on any representation or statement of Seller or any other person except as expressly set forth in this Agreement. Buyer acknowledges that it has been given full opportunity to examine, to its satisfaction, the Contracts listed or described in Schedule 1.1.4.

SECTION 8

SELLER'S CONDUCT OF BUSINESS PRIOR

TO CLOSING AND BUYER'S ACCESS TO INFORMATION

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8.1 Affirmative Covenants of Seller. From the date of this Agreement until

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the Closing Date, Seller shall have complete control and supervision of and sole responsibility for the Station and its operation, and during such period, Seller shall or shall exercise its rights to cause the licensee of the Station to:

8.1.1 Make reasonable efforts to endeavor to protect the service area of the Station from interference from other Stations, existing or proposed, of which Seller has actual knowledge, to the extent such interference is prohibited by the Commission's rules and regulations, and promptly give Buyer notice of any proposed interference.

8.1.2 Deliver to Buyer, within five (5) business days after filing thereof with the Commission, copies of any and all reports, application, and/or responses relating to the Station which are filed with the Commission on or prior to the Closing Date, including a copy of any Commission inquiries to which the filing is responsive (in the event of an oral Commission inquiry, Seller will furnish a written summary thereof).

8.1.3 Give prompt notice to Buyer of any occurrence that comes to Seller's attention that may constitute a misrepresentation, breach of warranty, or nonfulfillment of any covenant or condition on the part of the Seller or Buyer contained in this Agreement.

8.2 Negative Covenants of Seller. Between the date hereof and the Closing
=====
Date, Seller shall not, and shall exercise its rights to cause the licensee of the station not to with respect to the Assets, the Station, or the operation thereof, without the consent of Buyer, which consent shall not be unreasonably withheld:

8.2.1 Cancel, modify, alter, amend, encumber, or any way discharge, terminate, or impair any material Agreements or leases pertaining to the Station.

8.2.2 By any act or omission surrender, modify adversely, forfeit, or fail to renew under regular terms the Commission Authorizations with respect to the Station or give the Commission grounds to institute any proceedings for the revocation, suspension or modification of any such Commission Authorization, or fail to prosecute with due diligence any pending applications with respect to such Commission Authorizations.

8.2.3 Create or suffer or permit the creation of any mortgage, conditional sales agreement, security interest, lien, hypothecation, pledge, encumbrance, restriction, liability charge claim or imperfection of title on any of the Assets or with respect thereto.

8.2.4 Take any action that would prevent Seller from consummating the transactions contemplated in this Agreement.

8.2.5 Other than in the usual and ordinary course of business, sell or dispose of any of the Assets. Seller shall replace all Assets thus disposed of in the usual and ordinary course of business with assets having an aggregate value at least equal to the aggregate value of the Assets sold or otherwise disposed of.

8.3 Access to Information.
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8.3.1 Access to the Assets. Between the date hereof and the Closing
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Date, upon reasonable notice Seller, subject to the consent of Coltre Broadcasting, Inc., will give to Buyer and its authorized representatives and agents, including engineers, accountants, lawyers, and other representatives, reasonable access during reasonable business hours to the Assets. Such access shall remain subject to the reasonable availability of representatives of Seller to accompany Buyer's representatives. Seller shall furnish to Buyer such information and materials concerning the Station's affairs as Buyer may reasonably request, so far as such access, information and materials pertain to the operation of the Station.

8.4 Restrictions on Buyer. Nothing contained in this Agreement shall give
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Buyer any right to control the programming or operations of the Station prior to the Closing Date.

8.5 Buyer's Covenants. From the date of this Agreement until the Closing
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Date, Buyer covenants that it will take no action, or fail to take any action, that would disqualify it from becoming the licensee of the Station or delay the grant of the Assignment Application by the Commission. Furthermore, Buyer shall give prompt notice to Seller of any occurrence of which Buyer has actual knowledge that may constitute a misrepresentation, breach of warranty or

nonfulfillment of any covenant or condition on the part of Buyer or Seller contained in this Agreement.

8.6 Environmental Assessment. Within thirty (30) days after filing the

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assignment of license application, Buyer may retain, at its expense, an environmental assessment firm to perform a Phase I and Phase II Environmental Assessment of the Real Property, title to which will be conveyed at closing. Seller agrees to cause its officers, directors, employees, agents and representatives and to use its best efforts to cause Coltre Broadcasting, Inc. to cooperate with Buyer and such firm in performing such Environmental Assessment. Buyer shall provide a copy of such Environmental Assessment to Seller but such delivery shall not relieve Seller of any obligation with respect to any representation, warranty or covenant in this Agreement or waive any condition to Buyer's obligations under this Agreement. If the Environmental Assessment shows the presence of any condition that must be cured or removal at a cost in excess of Fifty Thousand DOLLARS (\$50,000.00), then Buyer may terminate this Agreement, in which event Escrow Earnest Deposit and all interest earned thereon plus the Two Hundred Fifty Thousand DOLLARS (\$250,000.00) shall be returned to Buyer and the parties shall be released and discharged from any further obligation.

8.7 Cooperation with Respect to Financial and Tax Matters. Between the

=====

date hereof and the Closing Date, Seller, its officers, directors and employees shall cooperate and Seller shall cause its independent accounting firm and use its best efforts to cause Coltre Broadcasting, Inc. to cooperate with Buyer for the purpose of preparing Financial Statements reviewed by Buyer's independent accountants for purposes of including such statements in any reports filed by Buyer with any governmental authority and disclosing to financial institutions to obtain financing.

Buyer shall be permitted to disclose the Financial Statements for the Station for the years 1995 through the Closing Date in any reports filed by the Buyer with any governmental authority.

SECTION 9

CONDITIONS FOR CLOSING

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9.1 Closing. The Closing of this Agreement shall take place at the offices

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of Seller, or such other place as shall be mutually agreed upon by Buyer and Seller, within ten (10) days after the grant by the Commission of the Assignment Application has become final (i.e. no longer subject to administrative or judicial review) or February 15, 1999, whichever comes later, and assuming all other conditions to Closing have been met. Moreover, a delineation of additional conditions precedent to Buyer's obligation to close shall be contained in a subsequent document to be executed by the parties. For purposes of this Agreement, a "Final Order" means that the grant by the Commission to the consummation of the transactions contemplated by this Agreement is in full force and is no longer subject to administrative or judicial review, recall or reconsideration.

9.2 Conditions Precedent to Obligations of Buyer. The performance of the

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obligations of the Buyer under this Agreement is subject to the satisfaction of each of the following express conditions precedent, provided that Buyer may, at its election, waive any of such conditions on the Closing Date, notwithstanding that such condition is not fulfilled on the Closing Date:

9.2.1 Seller shall have delivered to Buyer the Seller's Closing Documents as described in Section 10.1 below.

9.2.2 Each of the Seller's representations and warranties contained in this Agreement or in any Schedule, certificate, or document delivered pursuant to the provisions

hereof, or in connection with the transactions contemplated hereby, shall be true and correct in all material respects at and as of the Closing Date with the same force and effect as if each such representation or warranty were made at and as of such time, except with respect to such changes as are contemplated or permitted by this Agreement.

9.2.3 Seller shall have performed and complied in all material respects with all covenants, agreements and obligations required by this Agreement to be performed or complied with by it prior to the Closing Date and shall be in full compliance therewith on the Closing Date.

9.2.4 Seller shall be the holder of the requisite Commission Authorizations and have good and marketable title to all other Assets described in Section 1.1

9.2.5 All outstanding mortgages, liens, security agreements, and other charges and encumbrances on the Assets, shall have been discharged and satisfied, or arrangements made to discharge same at Closing.

9.2.6 Seller shall have delivered to Buyer an inventory of the Tangible Personal property to be conveyed, current as of the Closing Date. There shall be no material changes between Schedule 1.1.3 and the inventory of Tangible Personal Property as of the Closing Date other than changes that have been agreed to and accepted by Buyer, in its reasonable discretion.

9.2.7 Seller shall have delivered to Buyer an opinion dated the Closing Date from counsel for Seller, in form and substance reasonably satisfactory to counsel for Buyer.

9.2.8 Seller shall have obtained all consents, approvals, and waivers of other persons or parties as may be required for the consummation of the transactions contemplated by

this Agreement and such consents shall contain terms no less favorable than now enjoyed by Seller, including consents to assign the Agreements listed in Schedules 1.1.2 and 1.1.4.

9.2.9 Lien Search. Sellers shall have obtained and delivered to

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Buyer, at Seller's expense, at least 10 days prior to the Closing Date, 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 Illinois and Madison and St. Louis Counties, demonstrating that the Real Property and all other Assets are free and clear of all liens, mortgages and encumbrances except for encumbrances to be discharged on the closing Date 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.

9.2.10 Compensation. Seller shall have satisfied all amounts due

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

9.3 Conditions Precedent to Obligations of Seller. The performance of the

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obligations of the Seller under this Agreement is subject to the satisfaction of each of the following express conditions precedent, provided that Seller may, at its election, waive any of such conditions at Closing, notwithstanding that such condition is not fulfilled on the Closing Date:

9.3.1 Buyer shall have delivered to Seller the Buyer's Closing Documents (as defined in Section 10.2 below).

9.3.2 Each of Buyer's representations and warranties contained in this Agreement or in any Schedule, certificate or document delivered pursuant to the provision

hereof, or in connection with the transactions contemplated hereby, shall be true and correct in all material respects at and as of Closing Date, as though each such representation or warranty was made at and as of such time, except in respect of such changes as are contemplated or permitted by this Agreement.

9.3.3 Buyer shall have performed all of the obligations set forth in Section 2.2 of this Agreement with respect to the payment of the Purchase Price.

9.3.4 Buyer shall have agreed in a form reasonably acceptable to Seller to assume all obligations under the Agreements assigned to Buyer arising on or after the Closing Date.

9.3.5 Seller shall have received an opinion dated the Closing Date from counsel for Buyer, in form and substance reasonably satisfactory to counsel for Seller.

9.4 Failure of Conditions Precedent to Obligations of Buyer. In case of
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the failure of any of the conditions precedent described in Section 9.2 hereof, and if Seller, after having received written notice of such failure from Buyer and having had a reasonable opportunity (i.e. fifteen (15) days) has failed to cure same, Buyer shall have the right to terminate this Agreement without liability. In addition, if the failure to such condition precedent constitutes a material default by Seller, Buyer shall have the right, as its option, to exercise any or all of its rights or remedies for default provided in Section 17 hereof. Buyer shall not be deemed to have waived any failure by Seller to fulfill any of the conditions precedent described in Section 9.2 if Buyer does not have actual knowledge of such failure at the time of Closing.

9.5 Failure of Conditions Precedent to Obligations of Seller. In case of
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the failure of any of the conditions precedent described in Section 9.3 hereof, and if buyer, after having

received written notice of such failure from Seller and having had a reasonable opportunity (i.e. fifteen (15) days has failed to cure the same, Seller shall have the right to terminate this Agreement without liability. In addition, if the failure of such condition precedent results from a material default by Buyer, Seller shall have the right, at its option, to exercise any or all of its rights or remedies for default provided in Section 17 hereof. Seller shall not be deemed to have waived any failure by Buyer to fulfill any of the conditions precedent described in Section 9.3 if Seller does not have actual knowledge of such failure at the time of Closing.

SECTION 10

OBLIGATIONS AT CLOSING

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10.1 Closing Documents to be Delivered by Seller. At the Closing,

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Seller shall deliver to Buyer the following ("Seller's Closing Documents"):

10.1.1 An executed Bill of Sale in form and substance reasonably satisfactory to Buyer transferring to Buyer all Tangible Personal Property to be transferred hereunder.

10.1.2 A special warranty deed in the usual form in the State of Illinois, conveying good and marketable title to the Real Property and any improvements thereon , with all required documentary stamps attached and in proper form for recording.

10.1.3 An executed Assignment and Assumption Agreement in form and substance reasonably satisfactory to Buyer assigning the Buyer the Agreement to be assigned hereunder.

10.1.4 An executed Assignment and Transfer in form and substance reasonably satisfactory to counsel for Buyer assigning and transferring to Buyer all of the Commission Authorizations and the Intangibles.

10.1.5 A certified copy of the resolutions of Seller authorizing the execution delivery, and performance of this Agreement by Seller and the consummation of the transactions provided for herein, attested to by the Secretary of Seller's General Partner.

10.1.6 An opinion of Seller's counsel, dated as of the Closing Date.

10.1.7 A certificate executed by Seller's general partner stating that (a) all of the representations and warranties of Seller set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Seller on or prior to the Closing Date have been performed in all material respects.

10.1.8 All Business Records.

10.1.9 Possession and/or ownership of and all right, title and/or interest in and to the Assets.

10.1.10 An assignment of the Accounts Receivable for collection only pursuant to Section 11 hereof.

10.1.11 Instructions executed on behalf of Seller directing the Escrow Agent to deliver the Escrow Deposit to Seller.

10.1.12 Consents referred to in Section 9.2.8.

10.1.13 Title Insurance. Buyer shall have obtained, at Seller's
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expense, ALTA extended form title insurance policies insuring Buyer's fee simple absolute interest in the Real Property in Edwardsville subject only to those exceptions expressly accepted by Buyer in writing within fifteen (15) days of its receipt of a preliminary commitment of title insurance therefor. 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 Seller 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 zoning ordinance.

10.2 Closing Documents to be Delivered by Buyer. At the Closing, Buyer
===== shall deliver to Seller the following ("Buyer's Closing Documents"):

10.2.1 The Purchase Price as provided in Section 2.2.

10.2.2 A certificate executed by Buyer's President stating that; (a) all of the representations and warranties of Buyer set forth in this Agreement are in all material respects true, correct, and accurate as of the Closing Date, and (b) all covenants set forth in this Agreement to be performed by Buyer on or prior to the Closing Date have been performed in all material respects.

10.2.3 An Assignment and Assumption Agreement executed by Buyer, in form and substance reasonably satisfactory to Seller.

10.2.4 An Opinion Letter of Buyer's counsel, dated as of the Closing Date

10.2.5 A certified copy of the resolutions of Buyer authorizing the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions provided for herein, attested to by the Secretary of Buyer.

10.2.6 Instructions executed on behalf of Buyer directing the Escrow Agent

to deliver the Escrow Deposit to Seller.

SECTION 11

ACCOUNTS RECEIVABLE

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11.1 Collection Procedures. At Closing, Seller shall assign to Buyer all

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of the Accounts Receivable for purposes of collection only. Buyer shall use such efforts as are reasonable and in the ordinary course of business to collect the Accounts Receivable for a period of one hundred eighty (180) days following the Closing Date (the "Collection Period"). This obligation however, shall not extend to the institution of litigation, employment of counsel, or any other extraordinary means of collection. So long as the Accounts Receivable are in Buyer's possession, neither Seller nor its agents shall make any solicitation of them for collection purposes nor institute litigation for the collection of any amounts due thereunder. All payments received by Buyer during the Collection Period from any person obligated with respect to any of the Accounts Receivable shall be applied first to Seller's account and only after full satisfaction thereof to Buyer's account; provided, however, that if during the Collection Period any account debtor contests in writing the validity of its obligation with respect to any Account Receivable, then Buyer may return that Account Receivable to Seller after which Seller shall be solely responsible for the collection thereof. Except for the payment of all salesperson's, agency, and representative commissions due with respect to the Accounts Receivable, Buyer shall not incur or cause to be incurred any collateral or outside fees, costs or charges in connection with its efforts at collection of the Accounts Receivable without first having obtained the authorization in writing of Seller. Buyer shall remit all amounts collected on Seller's behalf no less often than the fifth (5th) business day after the close of each month during which any amounts due to Seller are

collected. Within five (5) business days following the expiration of the Collection Period, Buyer shall furnish Seller with a list of the Accounts Receivable collected during the Collection Period accompanied by a payment equal to the amount of such collections, to the extent not already paid, minus commissions. Any of the Accounts Receivable that are not collected during the Collection Period shall be reassigned to Seller after which Buyer shall have no further obligation to Seller with respect to the Accounts Receivable; provided, however, that all funds subsequently received by Buyer (without time limitation) that can be specifically identified, whether by accompanying invoice or otherwise, as a payment on any Account Receivable shall be promptly paid over or forwarded to Seller. Buyer shall not have the right to compromise, settle, or adjust the amounts of any of the Accounts Receivable without Seller's prior written consent, or to withhold any proceeds of the Accounts Receivable or to retain any uncollected Accounts Receivable after the expiration of the Collection Period for any reason whatsoever. To the extent not already paid, Seller shall be responsible for the payment of all saleperson's, agency, and representative commissions due with respect to the Accounts Receivable and shall defend and hold Buyer harmless against any claims for such commission.

SECTION 12

BROKERAGE
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Seller and Buyer each represent and warrant to the other that neither Buyer nor Seller has engaged any broker, finder or agent in connection with the transactions contemplated by this Agreement, other than Seller's engagement of Star Media Group, Inc. ("Broker"). Neither Seller nor Buyer has incurred any unpaid liability or agreed to pay any broker's, finder's or consultant's fee in connection with the transactions contemplated by this Agreement other than the fee of

Broker, the payment of which shall be the sole responsibility of Seller. Seller agrees to indemnify Buyer and Buyer agrees to indemnify Seller against any claims asserted against the other party for any such fees or commissions by any person purporting to act or to have acted for or on behalf of the indemnifying party. Notwithstanding any other provision of this Agreement, this representation and warranty shall survive the Closing Date without limitation as to time.

SECTION 13

INDEMNIFICATIONS

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13.1 Breach of Seller's Agreements, Representations, and Warranties. Seller

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shall reimburse Buyer for, and indemnify and hold harmless Buyer from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense (including without limitation, payments, fines, penalties, interest, taxes, assessments, and reasonable attorney's fees and accounting fees of any kind or nature), contingent or otherwise, whether incurred or asserted prior to or after the Closing Date, arising out of or sustained by Buyer by reason of:

(a) any material breach of any warranty, representation, or agreement of Seller contained under this Agreement or in any certificate or other instrument furnished to Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) the operation of the Station or the ownership of the Assets prior to Closing (including, but not limited to, any and all claims, liabilities, and obligations arising or required to be performed prior to the Closing Date under this Agreement, or any other lease, contract, or agreement);

(c) any transaction entered into by Seller or Coltre Broadcasting, Inc. or arising in

connection with the Station or the operation of the business or any of the Assets prior to the Closing; or

(d) any and all liabilities or obligations of Seller or Coltre Broadcasting, Inc. not specifically assumed by Buyer pursuant to this Agreement; or

(e) any and all actions, suits, or proceedings, incident to any of the foregoing.

13.2 Breach of Buyer's Agreements, Representations and Warranties.

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Buyer shall reimburse Seller for, and indemnify and hold harmless Seller from and against, any loss, damage, liability, obligation, deficiency, claim, suit, cause of action, demand, judgment, or expense (including without being limited to, payments, fines, penalties, interest, taxes, assessments, reasonable attorney's fees and accounting fees of any kind or nature), contingent or otherwise, whether incurred or asserted prior to or after Closing Date, arising out of or sustained by Seller by reason of:

(a) any material breach of any warranty, representation, or agreement of Buyer contained under this Agreement or any certificate or other instrument furnished by Buyer pursuant to this Agreement or in connection with any of the transactions contemplated hereby;

(b) the operation of the Station or the ownership of the Assets subsequent to Closing (including, but not limited to, any and all claims, liabilities and obligations first arising or required to be performed subsequent to the Closing Date under the Agreement);

(c) any transaction entered into by Buyer or first arising in connection with the Station or the operation of the business thereof or any of the Assets subsequent to the Closing;

(d) any and all liabilities or obligations of Seller specifically assumed by Buyer pursuant to this Agreement; or

(e) any and all actions, suits, or proceedings incident to any of the foregoing.

13.3 Notice of Claim. Buyer and Seller agree to give prompt written

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notice to each other of any claim for indemnification under Sections 13.1 or 13.2 hereof ("Notice of Claim"), which amount is believed to be required to discharge the obligations of the indemnifying party resulting therefrom. Within ten (10) days after having been given the Notice of Claim, the indemnifying party may deliver to the other party (i) a written notice of objection to the payment of such claim ("Notice of Objection"), which Notice of Objection shall set forth the basis for such objection; or (ii) a written notice that the indemnification party intends to defend against such claim in good faith ("Notice of Intention to Defend"). If such a Notice of Intention to Defend is delivered, the indemnified party shall have the right to hold in abeyance its claim for indemnification if and so long as such defense is conducted by the indemnifying party at the latter's expense in a manner effective to protect the indemnified party against such claim. If no Notice of Objection or Notice of Intention to Defend is given within the prescribed ten (10) day period, the indemnifying party shall promptly pay to the indemnified party the amount set forth in the Notice of Claim. If the parties are unable to resolve any Notice of Claim and corresponding Notice of Objection, either party may take whatever action it deems reasonable, including without limitation, the filing of a claim, petition, or other pleading in a court of competent jurisdiction.

13.4 Sole Remedy. Except as provided to the contrary in this Agreement,

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the right to indemnification pursuant to this Section shall be the sole and exclusive remedy of each party in connection with any breach or other violation by the other party of its representations, warranties, or covenants contained in this Agreement.

SECTION 14

RISK OF LOSS

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The risk of any loss or damage to the Assets by fire, theft, breakage, explosion, earthquake, accident, flood, rain, storm, riot, act-of-God, or public enemy, or any other casualty or cause, reasonable wear and tear excepted, prior to the Closing Date, is assumed and shall be borne by the Seller at all times before the Closing Date. If any such loss or damage occurs, Seller shall give prompt written notice of the loss or damage to Buyer and shall promptly take all steps to rebuild, replace, restore or repair any such damaged property at its own cost and expense. In the event that Seller does not fully replace or restore any such lost or damaged Asset or Assets by the time the Closing otherwise would be held, Buyer may, at its option, upon written notice to Seller, either (i) terminate this Agreement, or (ii) elect to close without restoration, in which event Seller will deliver all insurance proceeds paid or payable by reason of the loss or damage to Buyer, notwithstanding Section 1.2.6. If Buyer terminates this Agreement under this Section, each party shall bear its own expenses, and the Escrow Agent shall deliver to Buyer the Escrow Deposit and all interest earned thereon and repayment of the Two Hundred Fifty Thousand DOLLARS (\$250,000.00). Buyer's option to terminate this Agreement under this Section 14 shall arise only if such damage to the Station is so substantial that it prevents the Station from operating in its normal and customary manner for a period of five (5) consecutive days. Buyer's failure to terminate this Agreement under Section 14 in the event damage to the Station is substantial does not affect its right to other remedies under this Section 14.

SECTION 15

FEES AND EXPENSES
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Each party shall pay its own attorneys' fees and expenses which it initiates, creates, or incurs in connection with the negotiation, preparation and execution of this Agreement. Real estate transfer and recording fees assessed or levied in connection with the sale of the Real Property to the Buyer hereunder shall be paid in accordance with the custom prevailing in Bethalto, Illinois, on the Closing Date. All other expenses incurred in connection with this transaction shall be borne by the party incurring same. Buyer will pay the filing or recording fees incident to any instrument of conveyance or transfer delivered pursuant to this Agreement.

SECTION 16

BULK SALES LAW
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The parties do not believe that any bulk sales or fraudulent conveyance statute applies to the transactions contemplated by this Agreement. Buyer therefore waives compliance by Seller with the requirements of any such statutes, and Seller agrees to indemnify and hold Buyer harmless against any claim made against Buyer by any creditor of Seller as a result of a failure to comply with any such statute.

SECTION 17

DEFAULT AND TERMINATION
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17.1 A party shall "default" under this Agreement if it knowingly makes any material misrepresentation to the other party in connection with this Agreement, or materially breaches or fails to perform any of its representations, warranties, or covenants contained in this Agreement. Non-material breaches or failures shall not be grounds for declaring a party to be in default, postponing the Closing, or terminating this Agreement.

17.2 If either party believes the other to be in default hereunder, the former party shall

provide the other with written notice specifying in reasonable detail the nature of such default. If the default is not curable or has not been cured within fifteen (15) days after delivery of that notice (or such additional reasonable time as the circumstances may warrant provided the party in default undertakes diligent, good faith efforts to cure the default within such fifteen (15) day period and continues such efforts thereafter), then the party giving such notice may terminate this Agreement and/or exercise the remedies available to such party pursuant to this Agreement, subject to the right of the other party to contest such action through appropriate proceedings.

17.3 Buyer recognizes that if the transaction contemplated by this Agreement is not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if this Agreement is not consummated due to the default of Buyer, Seller shall be entitled to receive as liquidated damages the Escrow Earnest Deposit. The parties agree that such amount (i.e. Six Hundred Eighty Thousand DOLLARS (\$680,000.00)) shall constitute liquidated damages and shall be in lieu of any other remedies to which Seller might otherwise be entitled due to Buyer's wrongful failure to consummate the transaction contemplated by this Agreement. All interest or other proceeds from the investment of the Escrow Earnest Deposit shall be paid to Seller. Buyer and Seller each acknowledge and agree that the liquidated damage amount is reasonable in light of the anticipated harm which will be caused by Buyer's breach of this agreement, the difficulty of proof of loss, the inconvenience and non-feasibility of otherwise obtaining an adequate remedy, and the value of the transaction to be consummated hereunder.

17.4 Seller agrees that the Assets include unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not

specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees to waive the defense in any such suit that Buyer has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. In the event Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to the return of the Escrow Earnest Deposit plus accrued interest and repayment of the Two Hundred Fifty Thousand DOLLARS (\$250,000.00) and to pursue all available remedies at law or equity.

SECTION 18

SURVIVAL OF WARRANTIES

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18.1 All representations, warranties, and covenants made by the parties in this Agreement shall be deemed made for the purpose of inducing the other to enter into this Agreement, and shall survive the Closing and remain operative and in full force and effect, for a period of six (6) months.

18.2 Neither the acceptance nor the delivery of property hereunder shall constitute a waiver of any covenant, representation, warranty, agreement, obligation, undertaking, or indemnification of Seller or Buyer contained in this Agreement, all of which shall, unless otherwise specifically provided, survive the Closing hereunder in accordance with the terms of this Agreement and shall be binding upon and inure to the benefit of all of the parties hereto, their heirs, legal representatives, successors and assigns.

SECTION 19

NOTICES

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19.1 All notices, requests, demands, waivers, consents and other communications required or permitted hereunder shall be in writing and be deemed to have been duly given when delivered in person (against receipt) to the party to be notified at the address set out below or sent by registered or certified mail, or by express mail or courier, postage prepaid, return receipt requested, addressed to the party to be notified, as follows:

If to Seller:

Arch Broadcasting, L.P.
c/o Aaron P. Shainis, Secretary/Treasurer
1901 L Street, N.W., Suite 290
Washington, DC 20036

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

Lee J. Peltzman, Esq.
1901 L Street, N.W., Suite 290
Washington, DC 20036

If to Buyer:

Alfred C. Liggins, President
Radio One, Inc.
5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20708

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

Linda J. Eckard, Esq.
General Counsel
Radio One, Inc.
5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20708

Either party may change its address for notices by written notice to the other given pursuant to this Section. Any notice purportedly given by a means other than as provided in this

Section shall be invalid and shall have no force or effect.

SECTION 20

MISCELLANEOUS
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20.1 Headings. The headings of the Sections of this Agreement are for
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convenience of reference only, and do not form a part thereof, and do not in any way modify, interpret or construe the meaning of the sections themselves or the intentions of the parties.

20.2 Assignability. Subject to the consent of Seller, Buyer may assign its
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rights under this Agreement to the third party. Such consent shall not be unreasonably withheld.

20.3 Entire Agreement. This Agreement and any other agreements entered into
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contemporaneously herewith set forth the entire agreement of the parties and are intended to supersede all prior negotiations, understandings, and agreements and cannot be altered, amended, changed or modified in any respect or particular unless each such alteration, amendment, change or modification shall have been agreed to by each of the parties hereto and reduced to writing in its entirety and signed and delivered by each party. No provision, condition or covenant of this Agreement shall be waived by either party hereto except by a written instrument delivered to the other party and signed by the party consenting to and to be charged with such waiver.

20.4 Binding Effect and Assignment. This Agreement shall be binding upon
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and inure to the benefit of and be enforceable by the parties hereto, and their respective successors and assigns. Neither party hereto may assign this Agreement or its rights and obligations hereunder without the written consent of the other; provided, however, Buyer may assign this Agreement without Seller's consent to any entity which is a subsidiary or parent of Buyer or to another legal entity owned by Buyer or its principals, provided Buyer provides written notice to Seller. Buyer

may make a collateral assignment of its rights under this Agreement to any institutional lender who provides funds to Buyer for the acquisitions or operation of the Stations. Seller agrees to execute acknowledgements of such assignment(s) and collateral assignments in such forms as Buyer or Buyer's institutional lender(s) may from time to time request, provided that such acknowledgments create no liability for Seller. In the event of such a proposed assignment by Buyer, the provisions of this Agreement shall inure to the benefit of and be binding upon Buyer's assigns. Nothing in this Agreement, express or implied, is intended to or shall confer on any person other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

20.5 Additional Documents. The parties hereto agree to execute, acknowledge
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and deliver, at or after the Closing Date, such other and further instruments and documents as may be reasonably necessary to implement, consummate and effectuate the terms of this Agreement, the effective vesting in Buyer of title to the Assets, and/or the successful processing by the Commission of the application to be filed with it, as provided in Section 4.

20.6 Counterparts. This Agreement may be executed in one or more
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counterparts, all of which together shall comprise one and the same instrument.

20.7 Legal Actions. If either Seller or Buyer initiates any legal action or
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lawsuit against the other involving this Agreement, the prevailing party in such action or suit shall be entitled to receive reimbursement from the other party for all reasonable attorney's fees and other costs and expenses incurred by the prevailing party in respect of that litigation, including any appeal, and such reimbursement may be included in the judgement or final order issued in such proceeding. Any award of damages following judicial remedy or arbitration as a results of the breach of this

Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum rate of interest allowed by law.

20.8 Governing Law. The parties agree that this agreement and the
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transaction herein contemplated shall be interpreted, construed, and enforced under and according to the laws of the State of Illinois.

20.9 Counsel. Each party has been represented by its own counsel in
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connection with the negotiation and preparation of this Agreement and, consequently, each party hereby waives the application of any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the party whose counsel drafted that provision.

20.10 Time is of the Essence. Time shall be of the essence in this
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Agreement and the performance of each and every provision hereof.

20.11 Severability. If any term or provision of this Agreement or its
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application, to any extent, is declared to be invalid or unenforceable, the remaining terms and provisions shall not be affected and shall remain in full force and effect and to such extent are severable.

20.12 Publicity. Seller and Buyer agree that all public announcements
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relating to this agreement or the transactions contemplated hereby, including announcements to employees, will be made only as may be mutually agreed upon by the parties, which consent shall not be unreasonably withheld, except that Seller acknowledges Buyer will be issuing a press release regarding this transaction.

20.13 (a) Seller agrees that it will not amend, alter, modify or change the Asset Purchase Agreement between Seller and Coltre Broadcasting, Inc. ("Coltre APA"), dated July 6, 1998, as amended on September 8, 1998, without the prior written consent of Buyer.

(b) Prior to the consummation of the transaction contemplated by the Coltre APA, Seller agrees to promptly take any and all actions which it is required to take under the Coltre APA and to take any and all actions necessary to enforce its rights under the Coltre APA. After consummation of the transactions contemplated by the Coltre APA, the Seller agrees, solely at the discretion of the Buyer, to take any and all actions to enforce its rights under the Coltre APA, including without limitation, all rights of indemnification. The Seller further agrees and acknowledges that on and after the consummation of the transaction contemplated by the Coltre APA without prior written consent of Buyer, and Seller will, to the extent possible, permit Buyer to take any and all actions under the Coltre APA that Seller would otherwise be permitted to take. Should Buyer request that such actions be taken after consummation of the transactions contemplated by this Agreement, the Buyer shall be permitted at its expense to participate in such actions.

20.14 Post Closing Cooperation. From the date of Closing and for a period
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of three (3) years thereafter, Seller shall provide Buyer with such cooperation and information as Buyer shall reasonably request in Buyer's: (i) analysis and review of the financial statements for the Station or (ii) 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. Arch shall make its independent accounting firm available, the cost of said firm to be paid by the Buyer, and the information relied upon by that firm, including its opinions and financial statements for the Station, to provide explanations of

disclosure to any governmental authority.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and executed by their proper officers thereunto duly authorized as of the day and year first above written.

SELLER:
ARCH BROADCASTING, L.P.

BY: /s/ Aaron P. Shainis

Aaron P. Shainis
Secretary/Treasurer
Arch Broadcasting, Inc., General Partner

BUYER:
RADIO ONE, INC.

BY: /s/ Alfred C. Liggins

Alfred C. Liggins
President

AMENDMENT TO
ASSET PURCHASE AGREEMENT

Arch Broadcasting, L.P. ("Arch" or "Seller") and Radio One, Inc. ("Radio One" or "Buyer") have executed an Asset Purchase Agreement ("Agreement") dated November 23, 1998, whereby Buyer shall acquire from Seller, subject to FCC approval, the license and other assets used in the operation of Station WFUN(FM), Bethalto, Illinois. The parties, in order to clarify the November 23, 1998 Agreement and achieve certainty as to their respective obligations to one another, hereby amend the Agreement as follows:

1. Escrow Account. The funds to be placed in escrow pursuant to Section

2(c) of the Agreement shall be used for the purpose of constructing modified facilities for Station KWWR, Mexico, Missouri, at a site more particularly described in Section 2(b) below, satisfying the obligations under the agreement with KXEO Radio, Inc., as described in Section 2(a) below, and constructing modified facilities for Station WFUN, Bethalto, Illinois, at a site more particularly described in Section 2(e) below. The funds shall be held in an escrow account pursuant to an Escrow Agreement and disbursed in the manner provided in a Construction and Management Agreement as more particularly described in Section 2(h) below.

2. Additional Conditions Precedent to Obligations of Buyer. The performance

of the obligations of Buyer under the Agreement is subject to the satisfaction of each of the following express conditions precedent, provided that Buyer may, at its election, waive any of such conditions on the Closing Date, notwithstanding that such condition is not fulfilled on the Closing Date:

(a) Seller shall have entered into a binding agreement with KXEO Radio, Inc. ("KXEO Agreement"), wherein KXEO Radio, Inc., agrees to move the transmitter site for Station KWWR to the location more particularly described in Section 2(b) below, KXEO Radio, Inc., agrees to permit Seller to manage the construction of the modified facilities and such agreement with KXEO Radio, Inc., is assigned to Buyer.

(b) The Federal Communications Commission must have granted the modification application to relocate Station KWR to a site located at Latitude 39[degrees] 15' 49", Longitude 92[degrees] 08' 06" without any conditions adverse to Buyer and such grant must have become final.

(c) The land on which Station KWR proposes to construct its modified facilities as more particularly described in Section 2(b) above must be available for immediate construction of the modified facilities either through purchase or lease agreement.

(d) All regulatory approvals, including FAA and zoning, to permit construction of the modified facilities more particularly described in Section 2(b) must be obtained without any conditions adverse to Buyer and such approvals must no longer be subject to reconsideration or appeal. Or, if local zoning approval is not required, then an opinion letter from local counsel to that effect must be delivered at closing.

(e) The Federal Communications Commission must have granted the modification application to relocate Station WFUN to a site located at Latitude 38[degrees] 45' 44", Longitude 90[degrees] 11' 23" with an antenna height above average terrain of 158 meters and to change from a Class A to a Class C3 without any adverse conditions to Buyer and such grant must have become final.

(f) The land on which Station WFUN proposes to construct its modified facilities as more particularly described in Section 2(e) above must be available for immediate constructions of the modified facilities either through purchase or long term lease agreement.

(g) All regulatory approvals, including FAA and zoning, to permit construction of the modified facilities more particularly described in Section 2(e) must be obtained without any conditions adverse to Buyer and such approvals must no longer be subject to reconsideration or appeal.

(h) Seller and Buyer shall have entered into a Construction and Management Agreement in substantially the form attached hereto.

3. Closing on Acquisition from Coltre Broadcasting, Inc. Seller

acknowledges that Buyer has an interest in assurances that Seller's Acquisition of Station WFUN(FM) from Coltre Broadcasting, Inc., is properly documented. Seller agrees to permit Buyer to review the documentation prepared for Seller's closing on the acquisition of Station WFUN from Coltre Broadcasting, Inc., in advance of execution of those documents.

4. Termination of Agreement. Buyer may terminate the Agreement by five (5)

business days prior to written notice to Seller, and without liability to Seller, at any time after one hundred eighty (180) days after the date of the Agreement if any of the conditions precedent described in Section 2 have not been satisfied. Upon termination, Buyer shall be entitled to a return of the Escrow Earnest Deposit plus accrued interest and repayment of the Two Hundred Fifty Thousand Dollars (\$250,000).

5. Time is of the Essence. Time is of the essence in this Agreement and the

performance of each and every provision hereof.

6. Counterparts. The instant document may be signed in counterparts, each

one shall be deemed a duplicate original.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to Asset Purchase Agreement to be signed and executed by their proper officers thereunto duly authorized as of this 4th day of December, 1998.

SELLER:
ARCH BROADCASTING, L.P.

BY: /s/ Aaron P. Shainis

Aaron P. Shainis
Secretary/Treasurer of
Arch Broadcasting, Inc., General Partner

BUYER:

RADIO ONE, INC.

BY: /s/ Alfred C. Liggins

Alfred C. Liggins
President

ASSETS PURCHASE AGREEMENT

by and among

CLEAR CHANNEL BROADCASTING, INC.

and

CLEAR CHANNEL BROADCASTING LICENSES, INC.

and

RADIO ONE, INC.

Concerning the Sale of

Radio Stations

WENZ-FM and WERE(AM),
Cleveland, Ohio

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Exhibit

- A Approximation of Retained Property
- B Deposit Escrow Agreement
- C Assignment and Assumption Agreement

ASSETS PURCHASE AGREEMENT

THIS ASSETS PURCHASE AGREEMENT (this "Agreement") is made and entered this 29th day of March, 1999, by and among CLEAR CHANNEL BROADCASTING, INC., a Nevada corporation ("CCB"), and CLEAR CHANNEL BROADCASTING LICENSES, INC., a Nevada corporation ("CCBL") (together, "Seller"), and RADIO ONE, INC., a Delaware corporation ("Buyer").

RECITALS

WHEREAS, Seller owns and operates radio stations WENZ-FM and WERE(AM), Cleveland, Ohio (each, individually a "Station" and together, the "Stations") pursuant to licenses issued by the Federal Communications Commission ("FCC");

WHEREAS, Clear Channel Communications, Inc., the parent of Seller ("Clear Channel Parent") and CCU Merger Sub, Inc., a Delaware corporation ("Clear Channel Merger Sub"), have entered into that certain Agreement and Plan of Merger, dated October 8, 1998, as amended November 11, 1998 (the "Jacor Agreement"), with Jacor Communications, Inc., a Delaware corporation ("Jacor"), pursuant to which Jacor will merge with and into Clear Channel Merger Sub;

WHEREAS, Buyer and Seller desire that prior to, or simultaneously with, the consummation of the transactions contemplated in the Jacor Agreement (the "Jacor Closing"), in order to comply with certain regulatory limits, Seller will sell and Buyer will purchase certain assets and assume certain obligations associated with the ownership and operation of the Stations, all on the terms and subject to the conditions set forth herein; and

WHEREAS, Seller and Buyer hereby desire that Seller may, at Seller's option upon notice to Buyer and with prior FCC consent, assign the assets and licenses of the Stations to a trustee ("Trustee") who would operate and maintain the Stations between the closing under the Jacor Agreement and the Closing Date hereunder, pursuant to a trust agreement (the "Trust"), and upon such circumstances, the Trustee would be charged with consummation of the transactions contemplated hereunder on Seller's behalf and would be required to perform Seller's duties hereunder with respect to the Station Assets held in the Trust.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements hereinafter set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1
PURCHASE OF ASSETS

1.1 Transfer of Assets. On the terms and subject to the conditions

hereof and subject to Section 1.2, on the Closing Date (as hereinafter defined), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and assume from Seller, all of the right, title and interest of Seller in and to all of the assets, properties, interests and rights of Seller of whatsoever kind and nature, real and personal, tangible and intangible, owned or leased (to the extent of Seller's leasehold interest) by Seller as the case may be which are used exclusively in the operation of the Stations and which are

specifically described in this Section 1.1, excluding the Excluded Assets as hereafter defined (the "Station Assets"):

1.1.1 all licenses, permits and other authorizations issued to Seller by any governmental or regulatory authority, including without limitation those issued by the FCC with respect to the Stations (the licenses, permits and authorizations issued by the FCC are hereafter referred to as the "Stations Licenses"), which are used exclusively in connection with the operation of the Stations as described in Schedule 7.4, along with renewals or modifications of

such items between the date hereof and the Closing Date;

1.1.2 all equipment, electrical devices, antennae, cables, tools, hardware, office furniture and fixtures, office materials and supplies, inventory, motor vehicles, spare parts and all other tangible personal property of every kind and description, and Seller's rights therein, owned, leased (to the extent of Seller's leasehold interest) or held by Seller and used exclusively in connection with the operation of the Stations and which are

listed in Schedule 7.7, and less any retirements or dispositions thereof made

between the date hereof and the Closing Date in the ordinary course of business and consistent with past practices of Seller;

1.1.3 all Time Sales Agreements (as defined in Section 2.1), all Trade Agreements (as defined in Section 2.1), all Real Estate Contracts (as defined in Section 7.8), and all other contracts, agreements, leases and legally binding contractual rights, written or oral, relating to the operation of the Stations which are listed in Schedule 7.8 or Schedule 7.9, together with all

contracts, agreements, leases and legally binding contractual rights entered into or acquired by Seller or the Trustee, as the case may be, between the date hereof and the Closing Date in the ordinary course of business which relate to the operation of the Station Assets and which are consistent with Section 9.1.4(e) (collectively, the "Contracts");

1.1.4 all of Seller's rights in and to the call letters "WENZ-FM" and "WERE(AM)" as well as Seller's rights in and to the trademarks, trade names, service marks, franchises, copyrights, including registrations and applications for registration of any of them, computer software, programs and programming material, jingles, slogans, logos and all other logos or licenses to use same and all other intangible property rights of Seller, which are used exclusively in connection with the operation of the Stations and which are listed in

Schedule 7.12 (collectively, the "Intellectual Property");

1.1.5 all programming materials and elements of whatever form or nature owned by Seller that are used exclusively in connection with the operation of the Stations, and which are

listed on Schedule 1.1.5, whether recorded on tape or other medium or intended

for live performance;

1.1.6 Seller's rights in and to all the files, documents, records, and books of account (or copies thereof) relating exclusively to the operation of the Stations or to the Station Assets, including the Stations' local public files, programming information and studies, blueprints, technical information and engineering data, advertising studies, marketing and demographic data, sales correspondence, lists of advertisers, credit and sales reports and filings with the FCC, all written Contracts to be assigned hereunder, logs, software programs and books and records relating to employees and operation matters; but excluding records relating solely to any of the Excluded Assets (as hereinafter defined); and

1.1.7 real property owned in fee by Seller which relates exclusively to the Stations, together with all appurtenant easements thereunto and all structures, fixtures and improvements located thereon, and which is described in

Schedule 7.8.

The Station Assets shall be transferred to Buyer free and clear of all liens, liabilities, encumbrances or rights of third parties whatsoever ("Liens"), except for (i) Assumed Liabilities as provided for in Section 2.1, (ii) liens for taxes not yet due and payable and for which Buyer receives a credit pursuant to Section 3.3.1, (iii) such easements, rights of way, building and use restrictions, exceptions, reservations and limitations as do not in any material way detract from the value of the property subject thereto or in any material way interfere with or impair the present and continued use thereof in the usual and normal conduct of the business of the Stations, (iv) such non-monetary liens and encumbrances as do not in any material way detract from the value of the property subject thereto or in any material way interfere with or impair the present and continued use thereof in the usual and normal conduct of the business of the Stations, and (v) those permitted encumbrances listed on Schedule 7.7 (collectively, "Permitted Liens").

1.2 Excluded Assets. Notwithstanding anything to the contrary contained

herein, it is expressly understood and agreed that the Station Assets shall not include the following assets along with all rights, title and interest therein (the "Excluded Assets"):

1.2.1 all cash and cash equivalents of Seller on hand and/or in banks, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, asset or money market accounts and all such similar accounts or investments;

1.2.2 all accounts receivable or notes receivable arising in connection with the operation of the Stations prior to the Closing Date;

1.2.3 all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business of Seller between the date of this Agreement and the Closing Date;

1.2.4 all Contracts that have terminated or expired prior to the Closing Date in the ordinary course of business of Seller;

1.2.5 Seller's corporate seal, minute books, charter documents, corporate stock record books and such other books and records as pertain to the organization, existence or share capitalization of Seller and duplicate copies of such records as are necessary to enable Seller to file its tax returns and reports as well as any other records or materials relating to Seller generally and not involving or relating to the Station Assets or the operation or operations of the Stations;

1.2.6 contracts of insurance, and all insurance proceeds or claims made thereunder, except as provided in Section 17.1;

1.2.7 all pension, profit sharing or cash or deferred (Section 401(k)) plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof, if any, maintained by Seller;

1.2.8 any right, property or asset described in Schedule 1.2.8, or -----
any right, property or asset not specifically described in Section 1.1 herein;

1.2.9 such portion of any Contract that is apportioned other than to Buyer pursuant to Section 1.3 hereof; and

1.2.10 such portion of any Owned Real Estate that is retained by Seller or otherwise not transferred to Buyer pursuant to Section 1.4 hereof.

1.3 Apportionment of Contracts. Notwithstanding anything to the contrary -----

contained herein, it is expressly understood and agreed that certain of the Contracts are jointly used by and among WNCX-FM and one or both of the Stations. Upon Closing, as to those Contracts used in common by WNCX-FM and by one or both of the Stations, Seller will equitably allocate the rights and obligations thereunder between the owner of WNCX-FM and Buyer in accordance with: (a) the allocation in the contract (which shall control, if applicable); (b) industry practice, if applicable; (c) quantifiable proportionate benefit; and (d) reasonable allocation or accommodation, as determined by Seller. The parties shall cooperate to effect such an equitable allocation, and, upon Closing Buyer shall assume those contracts and leases assigned to it hereunder (whether such assignment is in whole or allocated), and neither Seller nor the owner of WNCX-FM shall have any obligations with respect to such contracts, or portions thereof, allocated to Buyer.

1.4 Retained Portion of WERE(AM) Tower Site. -----

1.4.1 Subdivision of WERE Tower Property. Notwithstanding anything -----

to the contrary contained herein, the parties acknowledge and agree that the parcel of Owned Real Estate on which the WERE(AM) radio transmission towers (the "WERE Towers") are located (the "WERE Tower Property") may, at Seller's election (which may be exercised before or after Closing), be subdivided into two or more separate parcels by Seller (if possible, prior to Closing), which subdivision may include an easement for access to a portion of the WERE Tower Property that will not be conveyed to Buyer at Closing and which would extend over the portion of the WERE Tower Property that will be conveyed to Buyer at Closing (the portion of

the WERE Tower Property not being conveyed to Buyer, the "Retained Property"). Seller contemplates as of the date hereof that the Retained Property will consist of: (i) the portion of the WERE Tower Property west of the WERE Towers, and (ii) the north-eastern portion of the WERE Tower Property connecting to Ridge Road (approximately 100 feet x 750 feet), each approximately as indicated on Exhibit A. Any subdivision contemplated in this Section 1.4 shall be at

Seller's sole expense, and the Retained Property shall be an Excluded Asset.

1.4.2 Procedure for Subdivision. If one or more of the subdivisions

contemplated in this Section 1.4 is not completed prior to Closing, the entire WERE Tower Property (less the portion, if any, as to which a subdivision has been completed) shall be conveyed to Buyer on the condition that, if the subdivision occurs within two years after the Closing, Buyer shall reconvey the Retained Portion to Seller or Seller's designee promptly after such subdivision has occurred. If Seller elects to subdivide the WERE Tower Property, the parties shall use their reasonable best efforts to reach mutual agreement on each of the following: (a) if an easement for access is required in connection with all or a portion of the Retained Property, a form of easement agreement (the "Easement Agreement") designating the location of any required ingress and egress for the Retained Property and the parties' rights to use and responsibilities for maintaining any such easement, and (b) a form of restrictive covenant (the "Restrictive Covenant") encumbering the Retained Property and benefiting the remainder of the WERE Tower Property, and providing that the use and ownership of the Retained Property shall not (i) interfere with or damage the operation of the WERE Towers and any interference or damage caused by Seller or an agent of Seller shall be remedied at Seller's sole expense, or (ii) impair the obligations of the owner of the conveyed portion of the WERE Tower Property as landlord under the WNCX Lease (defined below) or the lease(s) with Educational Television Association of Metropolitan Cleveland. Any Easement Agreement or Restrictive Covenant shall be executed, delivered and recorded in connection with the Closing, or, if the subdivision is not then completed, upon reconveyance of the Retained Property to Seller.

ARTICLE 2
ASSUMPTION OF OBLIGATIONS

2.1 Assumption of Obligations. Subject to the provisions of this Section 2.1, Section 2.2 and Section 3.3, on the Closing Date, Buyer shall assume, pay, satisfy, discharge and perform in accordance with the terms thereof the obligations of Seller arising or to be performed on and after the Closing Date (except to the extent such obligations and liabilities arise out of or are related to activities, events or transactions occurring prior to the Closing Date) under the Contracts, including (a) all agreements for the sale of advertising time on the Stations for cash and at prices consistent with Seller's ordinary course of business ("Time Sales Agreements"); and (b) all agreements which are for consideration other than cash, such as merchandise, services or promotional consideration arising in the ordinary course of business of Seller and listed on Schedule 7.9 hereto ("Trade Agreements"). All of the foregoing

liabilities and obligations shall be referred to herein collectively as the "Assumed Liabilities."

2.2 Retained Liabilities. Notwithstanding anything contained in this

Agreement to the contrary, Buyer expressly does not, and shall not, assume or agree to discharge or perform

and will not be deemed by virtue of the execution and delivery of this Agreement or any agreement, instrument or document delivered pursuant to or in connection with this Agreement or otherwise by reason of or in connection with the consummation of the transactions contemplated hereby or thereby, to have assumed or to have agreed to discharge or perform, any liabilities, obligations or commitments of Seller of any nature whatsoever whether accrued, absolute, contingent or otherwise and whether or not disclosed to Buyer, other than the Assumed Liabilities.

ARTICLE 3
CONSIDERATION

3.1 Delivery of Consideration. In consideration for the sale of the

Station Assets to Buyer, in addition to the assumption of certain obligations of Seller pursuant to Section 2.1 above, Buyer shall, at the Closing (as hereinafter defined), deliver to Seller TWENTY MILLION DOLLARS (\$20,000,000) by wire transfer of immediately available funds, subject to adjustment pursuant to the provisions of Sections 3.2 and 3.3 below (the "Purchase Price").

3.2 Escrow Deposit.

3.2.1 Within one (1) business day of the execution and delivery of this Agreement, Buyer, Seller and The Fifth Third Bank, as Escrow Agent (the "Deposit Escrow Agent"), shall enter into a Deposit Escrow Agreement in the form of Exhibit B hereto (the "Deposit Escrow Agreement") pursuant to which Buyer

shall deposit the amount described below as a deposit on the amount of the Purchase Price. Such amounts held in escrow shall be applied as set forth herein and in the Deposit Escrow Agreement.

3.2.2 Buyer shall wire transfer TWO MILLION DOLLARS (\$2,000,000) to the Deposit Escrow Agent's trust account pursuant to the Deposit Escrow Agreement (the "Escrow Deposit"), and at the Closing, the Escrow Deposit shall be applied to the Purchase Price to be paid to Seller and the interest accrued thereon shall be paid to Buyer. As more fully described in the Deposit Escrow Agreement: (a) in the event of Buyer's material breach of this Agreement and Seller shall not at such time be in material breach of this Agreement, the Escrow Deposit, plus any interest earned thereon, shall be paid to Seller as liquidated damages as provided in Section 16.4 hereto for Buyer's material breach of this Agreement (the payment of such sum to Seller shall discharge any liability Buyer may have to Seller hereunder other than in connection with any FCC, Escrow Agent or other fees to the extent payable by Buyer hereunder), unless Seller elects to specifically enforce the Agreement pursuant to the provisions of Section 16.3; and (b) in the event this Agreement is terminated under any circumstances other than a Closing hereunder or those set forth in the immediately preceding clause (a), the Escrow Deposit and the interest accrued thereon shall be paid to Buyer.

3.3 Proration of Income and Expenses; Trade Agreements Adjustment .

3.3.1 Except as otherwise provided herein, all deposits, reserves and prepaid and deferred income and expenses relating to the Station Assets or the Assumed Liabilities and

arising from the conduct of the business and operations of the Stations shall be prorated between Buyer and Seller in accordance with generally accepted accounting principles as of 11:59 p.m., Eastern time, on the date immediately preceding the Closing Date. Such prorations shall include, without limitation, all ad valorem, real estate and other property taxes (but excluding taxes arising by reason of the transfer of the Station Assets as contemplated hereby which shall be paid as set forth in Section 13.2), business and license fees, music and other license fees, utility expenses, amounts due or to become due under Contracts to the extent provided in Section 3.3.3 hereof, rents, lease payments and similar prepaid and deferred items. Real estate taxes shall be apportioned on the basis of taxes assessed for the preceding year, with a reapportionment, if any, as soon as the new tax rate and valuation can be ascertained.

3.3.2 On the Closing Date, Seller shall deliver to Buyer a report, dated as of the Closing Date (the "Closing Date Trade Report"), which report lists all Trade Agreements included in the Station Assets and the contract end date for each Trade Agreement together with an itemized statement of the aggregate value of time owed ("Barter Payable") and the aggregate value of goods and services to be received ("Barter Receivable") pursuant to each of the Trade Agreements. To the extent that the aggregate value as reflected on the Closing Date Trade Report of the Stations' Barter Payable is \$30,000 more than the aggregate value as reflected on the Closing Date Trade Report of the Barter Receivable, Buyer shall be entitled to receive a credit against the Purchase Price at Closing to the extent Barter Payable exceeds Barter Receivable by more than \$30,000.

3.3.3 Except as otherwise provided herein, the prorations and adjustments contemplated by this Section 3.3, to the extent practicable, shall be made on the Closing Date. As to those prorations and adjustments not capable of being ascertained on the Closing Date, an adjustment and proration shall be made within ninety (90) days of the Closing Date.

3.3.4 In the event of any disputes between the parties as to such adjustments, the amounts not in dispute shall nonetheless be paid at the time provided in Section 3.3.3 and such disputes shall be determined by an independent certified public accountant mutually acceptable to the parties, and the fees and expenses of such accountant shall be paid one-half by Seller and one-half by Buyer. Notwithstanding the foregoing, if the aggregate amount in dispute is \$5,000 or less, the disputed amount shall be shared equally by Buyer and Seller.

3.4 Allocation of Purchase Price. The Purchase Price shall be allocated

among the Assets in a manner as mutually agreed between the parties based upon an appraisal prepared by Bond & Pecaro (the cost of which shall be paid by Seller), and such appraisal and allocation shall be completed prior to Closing unless otherwise agreed to by the parties. Seller and Buyer agree to use the allocations determined pursuant to this Section 3.4 for all tax purposes, including without limitation, those matters subject to Section 1060 of the Internal Revenue Code of 1986, as amended.

ARTICLE 4
CLOSING

4.1 Closing. Except as otherwise mutually agreed upon by Buyer and

Seller, the consummation of the transactions contemplated herein (the "Closing") shall occur on the later to occur of: (a) (i) the satisfaction or waiver of the conditions to closing contained herein (excluding conditions that by their terms cannot be satisfied until the Closing Date), and provided that each party hereto shall use its reasonable commercial efforts to cause each condition to closing to be satisfied so that the Closing may occur at the earliest possible date; (ii) obtaining the FCC Consent (as defined in Section 5.1), (iii) obtaining the DOJ Consent (as defined in Section 5.1), and (iv) the date of closing under the Jacor Agreement, unless waived by Seller, or (b) such other date as may be mutually agreed by the parties hereto (the "Closing Date"). The Closing shall be held in the offices of Seller's counsel, or at such place and in such manner as the parties hereto may agree.

4.2 Unwind. If the FCC Consent is reversed or otherwise set aside and

there is an order of the FCC (or a court of competent jurisdiction) that is no longer subject to judicial or other review denying or disapproving the assignment of the Stations Licenses to Buyer or returning, or requiring the reassignment of, the Stations Licenses to CCBL (an "FCC Denial"), Buyer shall assign to CCBL the Stations Licenses and reconvey to CCB the other Station Assets, and Seller shall pay to Buyer the Purchase Price and reassume the contracts and leases assigned and assumed at Closing, all on a mutually agreeable date within thirty (30) days of any FCC Denial (or, if earlier, within the time required by such order). In connection herewith, Buyer and Seller shall each execute such documents and make such payments as are necessary to give effect thereto. Each party further agrees to execute such documents, instruments and agreements, and take such other action, as may be necessary to implement any such transaction and carry out the intent of this Section 4.2 in the event of an FCC Denial. In the event that Seller is precluded from having the Stations Licenses and Station Assets assigned and reconveyed to it because of restrictions imposed by the FCC and/or DOJ, then Seller and Buyer will cooperate to assign and convey the Stations Licenses and Station Assets to a mutually-agreeable third party. Any excess or deficiency between the Purchase Price and the amount paid by such third-party buyer of the Stations shall be split evenly between the Buyer and Seller. This Section shall survive the Closing, but shall terminate on the date the FCC Consent becomes final.

ARTICLE 5
GOVERNMENTAL CONSENTS

5.1 FCC Consent and Department of Justice Consent. It is specifically

understood and agreed by Buyer and Seller that the Closing, the assignment of the Stations Licenses and the transfer of the Station Assets are expressly conditioned on and are subject to the prior consent and approval of (i) the FCC without the imposition of any conditions materially adverse to either party or their respective Affiliates (the "FCC Consent") and (ii) the United States Department of Justice ("DOJ") without the imposition of any conditions materially adverse to either party or their respective Affiliates ("DOJ Consent").

5.2 FCC Application. If the same has not already been filed as of the

time of the execution hereof, then within three (3) business days after the execution of this Agreement,

Buyer and Seller shall file an application with the FCC for the FCC Consent (the "FCC Application"). Buyer and Seller shall prosecute the FCC Application with all reasonable diligence and otherwise use their reasonable best efforts to obtain the FCC Consent as expeditiously as practicable (but neither Buyer nor Seller shall have any obligation to satisfy complainants or the FCC by taking any steps which would have a material adverse effect upon Buyer or Seller or upon any of their respective Affiliates). If the FCC Consent imposes any condition on Buyer or Seller or any of their respective Affiliates, such party shall use its reasonable best efforts to comply with such condition; provided, however, that neither Buyer nor Seller shall be required hereunder to comply with any condition that would have a material adverse effect upon it or any of its Affiliates. If reconsideration or judicial review is sought with respect to the FCC Consent, the party affected shall vigorously oppose such efforts for reconsideration or judicial review and the other party shall cooperate in such efforts; provided, however, that nothing herein shall be construed to limit either party's right to terminate this Agreement pursuant to Article 16 hereof.

5.3 HSR Application. If the same has not already been filed as of

the time of the execution hereof, then within ten (10) business days after the execution of this Agreement, Buyer and Seller shall make any and all required governmental filings pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") with respect to the transactions contemplated hereby, and shall use their best efforts to respond as promptly as practicable to all inquiries received from the applicable governmental agencies or committees for additional information or documentation. Buyer and Seller will notify each other of all correspondence, filings or communications between such party or its representatives, on the one hand, and the applicable governmental agencies or committees, on the other hand, with respect to this Agreement and the transaction contemplated hereby. Buyer and Seller will furnish each other with such necessary information and reasonable assistance as such other parties may request in connection with their preparation of all filings pursuant to the HSR Act.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby makes the following representations and warranties to Seller, each of which is true and correct on the date hereof:

6.1 Organization and Standing. Buyer is a corporation duly organized,

validly existing and in good standing under the laws of the State of Delaware, and at the time of Closing will be authorized to conduct business in the State of Ohio.

6.2 Authorization and Binding Obligation. Buyer has all necessary power

and authority to enter into and perform this Agreement and the transactions contemplated hereby, and to own or lease the Station Assets and to carry on the business of the Stations upon the consummation of the transactions contemplated by this Agreement. Buyer's execution, delivery and performance of this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary action on its part and, assuming the due authorization, execution and delivery of this Agreement by Seller, this Agreement will constitute the valid and

binding obligation of Buyer, enforceable against it in accordance with its terms, except as limited by laws affecting creditors' rights or equitable principles generally.

6.3 Qualification. Buyer is legally, financially and otherwise

qualified to be the licensee of, acquire, own and operate the Stations under the Communications Act of 1934, as amended, and the rules, regulations and policies of the FCC. To the best knowledge of Buyer, there are no facts that would, under existing law and the existing rules, regulations and policies of the FCC, disqualify Buyer as an assignee of the Stations Licenses or as the owner and operator of the Station Assets. No waiver of any FCC rule or policy is necessary to be obtained for the grant of the application for the assignment of the Stations Licenses to Buyer.

6.4 Absence of Conflicting Agreements of Required Consents. Except as

set forth in Article 5 hereof with respect to governmental consents, the execution, delivery and performance of this Agreement by Buyer: (a) do not conflict with the provisions of the articles of incorporation, operating agreement, or by-laws of Buyer or with any other similar instrument of corporate governance; (b) do not require the consent of any third party (including, without limitation, the consent of any governmental, regulatory, administrative or similar authority); (c) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Buyer is bound; and (d) will not, either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any agreement, instrument, license or permit to which Buyer is now subject.

6.5 Litigation. There is no claim, litigation, proceeding or investigation

pending or, to the best of Buyer's knowledge, threatened against Buyer, that could reasonably be expected to materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement. Buyer is not in violation of any law, regulation, or ordinance or any other requirement of any governmental body or court which could reasonably be expected to have a material adverse effect on Buyer's ability to perform its obligations pursuant to this Agreement.

6.6 Commissions or Finder's Fees'. Neither Buyer nor any person or

entity acting on behalf of Buyer has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto, except to Media Ventures Partners, whose fees shall be paid by Buyer, and Buyer shall hold harmless and indemnify Seller therefor.

6.7 Availability of Funds. Buyer has available as of the date hereof

sufficient funds to enable it to pay the Escrow Deposit as called for herein and in the Escrow Agreement, and will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated hereby.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer, each of which is true and correct on the date hereof:

7.1 Organization and Standing. Seller is a corporation duly organized,

validly existing and in good standing under the laws of the State of Nevada, is authorized to conduct business within the State of Ohio, and has the power and authority to own, lease and operate the Station Assets and to carry on the business of the Stations as now being conducted and as proposed to be conducted between the date hereof and the Closing Date.

7.2 Authorization and Binding Obligation. Seller has the power and

authority, and has taken all necessary and proper action to enter into and perform this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Seller and, assuming the due authorization, execution and delivery of this Agreement by Buyer, constitutes the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as limited by laws affecting the enforcement of creditor's rights or equitable principles generally.

7.3 Absence of Conflicting Agreements or Required Consents. Except as

set forth in Article 5 with respect to governmental consents and in Schedule 7.8

or Schedule 7.9 with respect to consents required in connection with the

assignment of certain Contracts, the execution, delivery and performance of this Agreement by Seller: (a) do not require the consent of any third party (including, without limitation, the consent of any governmental, regulatory, administrative or similar authority); (b) do not conflict with, result in a breach of, or constitute a violation of or default under, the provisions of Seller's articles of incorporation, bylaws or other charter documents or any applicable law, judgment, order, injunction, decree, rule, regulation or ruling of any governmental authority to which Seller is a party or by which Seller or any of the Station Assets are bound; (c) will not either alone or with the giving of notice or the passage of time, or both, conflict with, constitute grounds for termination of or result in a breach of the terms, conditions or provisions of, or constitute a default under, any Contract, agreement, instrument, license or permit to which Seller or any of the Station Assets is now subject; and (d) will not result in the creation of any Liens on any of the Station Assets.

7.4 Government Authorizations.

7.4.1 Schedule 7.4 hereto contains a true and complete list of the

Stations Licenses and other licenses, permits or other authorizations from governmental and regulatory authorities which are required for the lawful conduct of the business and operations of the Stations in the manner and to the full extent they are presently conducted (including, without limitation, auxiliary licenses associated with the Stations).

7.4.2 Seller is the authorized legal holder of the Stations Licenses and the other licenses, permits and authorizations listed in Schedule 7.4,

which, except as set forth in Schedule 7.4, are in full force and effect, in

good standing and are, to the knowledge of Seller, unimpaired by any act of Seller or its directors, officers, employees, agents or Affiliates, and none of which is subject to any restrictions or conditions which would limit in any respect the full operation of the Stations as now operated.

7.4.3 Except as set forth in Schedule 7.4, there are no applications,

complaints, petitions or proceedings pending or, to Seller's knowledge, threatened as of the date hereof before the FCC or any other governmental or regulatory authority relating to the business or operations of the Stations. The operations of the Stations are in material compliance with the Stations Licenses and the underlying construction permits and the other licenses, permits and authorizations listed in Schedule 7.4.

7.4.4 Except as set forth in Schedule 7.4, all material reports,

forms, and statements required to be filed by Seller with the FCC with respect to the Stations since the acquisition of the Stations by Seller have been filed.

7.4.5 Except as set forth in Schedule 7.4, to the best knowledge of

Seller, there are no facts which, under the Communications Act of 1934, as amended, or the existing rules and regulations of the FCC, would disqualify Seller as assignor of the Stations Licenses or cause the Stations Licenses and the other licenses, permits and authorizations listed in Schedule 7.4 not to be renewed in their ordinary course.

7.5. Compliance with FCC Regulations. Except as set forth in Schedule

7.4, the operation of the Stations and all of the Station Assets are in compliance in all material respects with: (a) all applicable engineering standards required to be met under applicable FCC rules; and (b) all other applicable federal, state and local rules, regulations, requirements and policies, including, but not limited to, equal employment opportunity policies of the FCC, and all applicable painting and lighting requirements of the FCC and the Federal Aviation Administration to the extent required to be met under applicable FCC rules and regulations, and to Seller's knowledge, there are no existing claims to the contrary.

7.6 Taxes. Except where failure to do so would not have a material

adverse affect on the business or operations of the Stations, Seller has filed all federal, state, local and foreign income, franchise, sales, use, property, excise, payroll and other tax returns required by law to be filed by it and has paid in full all taxes, estimated taxes, interest, assessments, and penalties due and payable by it.

7.7 Personal Property. Schedule 7.7 hereto contains a list of all

material items of tangible personal property owned by Seller which are used exclusively in the conduct of the business and operations of the Stations, and which are to be conveyed to Buyer pursuant to the terms of this Agreement.

Schedule 7.7 also separately lists any material tangible personal property

leased by Seller pursuant to leases included within the Contracts. Except as disclosed in Schedule 7.7, Seller has, or at the Closing will have, and

following the Closing, Buyer will have, good and marketable title to all of the Station Assets (other than those subject to lease) and none of the Station Assets is, or at the Closing will be, subject to any Liens or title defects, except for Permitted Liens. The Station Assets include all of the assets, properties, interests and rights of whatsoever kind or nature, real or personal, tangible or intangible owned or leased necessary to conduct the business and operations of the Stations as now conducted.

7.8 Real Property.

7.8.1 Schedule 7.8 hereto contains a complete and accurate list and

description of: (a) all real property or the relevant portions thereof (including without limitation, real property relating to the towers, transmitters, studio sites and offices of the Stations) owned by Seller and used by Seller exclusively in connection with the operations of the Stations (the "Owned Real Estate"); and (b) all real property or the relevant portions thereof (including without limitation, real property relating to the towers, transmitters, studio sites and offices of the Stations) not owned by Seller and used by Seller exclusively in connection with the operations of the Stations pursuant to agreements, leases and other contracts (the "Real Estate Contracts").

7.8.2 The Real Estate Contracts listed on Schedule 7.8 and Schedule

7.9 are in full force and effect and are valid, binding and enforceable in

accordance with their terms. Seller enjoys quiet possession of all real property subject to the Real Estate Contracts. Seller is not in material default under any Real Estate Contract nor, to Seller's knowledge, is any other party thereto, and there are no present disputes or claims with respect to offsets or defenses by any party against the other under any of the Real Estate Contracts. Seller has delivered to Buyer true and complete copies of all Real Estate Contracts.

7.8.3 Seller has, or at Closing will have, good, marketable and insurable fee simple title to the Owned Real Estate free and clear of any Liens, except for Permitted Liens. Seller has good and marketable leasehold interests in the real estate subject to the Real Estate Contracts (where the Real Estate Contract is a lease), free and clear of any Liens, except for Permitted Liens.

7.8.4 Seller has full legal and practical access to all of the real property described in Schedule 7.8. The Owned Real Estate, together with the

real estate subject to the Real Estate Contracts, includes all the real property, easements, rights of way, and other real property interests necessary to conduct the business and operations of the Stations as now conducted. To Seller's knowledge, all buildings, structures, towers, antennae, improvements and fixtures comprising part of the real properties owned or leased by Seller are in good and sound operating condition, have no latent structural, mechanical or other defects of material significance, are reasonably suitable for the purposes for which they are being used and each has adequate rights of ingress and egress, utility service for water and sewer, telephone, electric and/or gas, and sanitary service for the conduct of the business and operations of the Stations as presently conducted.

7.8.5 The WERE Tower Property less the Retained Property will be sufficient for: (a) the ownership and operation of the WERE Towers, (b) the tower and other transmission facilities of WNCX-FM, and (c) satisfaction of any obligation owing to Educational Television Association of Metropolitan Cleveland under leases relating to WVIZ transmission facilities on the WERE Tower Property. All of the representations and warranties made by Seller with respect to the Station Assets, the Owned Real Estate and any other terms that include the WERE Tower Property shall be deemed to be made both with respect to the entire WERE Tower Property and with respect to the WERE Tower Property excluding the Retained Property, including but not limited to the representations that the Owned Real Estate includes all real property necessary to conduct the business and operations of the Stations as now conducted, and

that use or ownership of the Station Assets is not in violation of any laws (including but not limited to any zoning or land use ordinances).

7.9 Contracts. Schedule 7.9 lists all material Contracts respecting the

Stations (excepting Time Sales Agreements, which are not separately listed but which are consistent with Section 2.1(a)) to which Seller is a party and which are to be assigned to Buyer pursuant to the terms of this Agreement, as of the date of this Agreement. Those Contracts, if any, requiring the consent of a third party to assignment are identified with an asterisk on Schedule 7.9.

7.10 Status of Contracts, Etc. Except as set forth on Schedule 7.9, all

of the Contracts are in full force and effect and are valid, binding and enforceable in accordance with their respective terms, except as limited by laws affecting creditors' rights or equitable principles generally. Seller has complied in all material respects with all written and oral Contracts, and is not in material default beyond any applicable grace periods under any thereof and, to Seller's knowledge, no other contracting party is in material default under any thereof.

7.11 Environmental. Except as set forth in Schedule 7.11, to Seller's

knowledge, Seller has complied in all material respects with all federal, state and local environmental laws, rules and regulations as in effect on the date hereof applicable to the Station Assets which are used or useful in the operation of the Stations, including but not limited to the FCC's guidelines regarding RF radiation. To Seller's knowledge, the technical equipment included within the Station Assets which are used or useful in the operation of the Stations does not contain any PCBs. No hazardous or toxic waste, substance, material or pollutant (as those or similar terms are defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. (S)(S) 9601 et seq., Toxic Substances Control Act, 15 U.S.C.

(S)(S) 2601 et seq., the Resource Conservation and Recovery Act of 1976, 42

U.S.C. (S)(S) 6901 et seq. or any other applicable federal, state and local

environmental law, statute, ordinance, order, judgment, rule or regulation relating to the environment or the protection of human health ("Environmental Laws")), including but not limited to, any asbestos or asbestos related products, oils or petroleum-derived compounds, CFCs, PCBs, or underground storage tanks, have been released, emitted or discharged by Seller or at Seller's direction or to Seller's knowledge are currently located in, on, under, or about the Owned Real Estate or property used pursuant to Real Estate Contracts, including the transmitter sites, or contained in the tangible personal property included within the Station Assets which are used or useful in the operation of the Stations.

7.12 Intellectual Property. Schedule 7.12 hereto is a true and complete

list of all Intellectual Property applied for, registered or issued to, and owned by Seller or under which Seller is a licensee which is used in the conduct of the Seller's business and operations of the Station Assets which is being transferred to Buyer pursuant to this Agreement. Except as set forth on

Schedule 7.12, Seller's right, title and interest in the Intellectual Property

as owner or licensee, as applicable, is free and clear of all Liens and, to the extent any of the Intellectual Property is licensed to Seller, such interest is valid and uncontested by the licensor thereof or any third party.

7.13 Personnel Information.

7.13.1 Except as disclosed in Schedule 7.13, Seller is not a party to

any contract or agreement with any labor organization, nor has Seller agreed to recognize any union or other collective bargaining unit, nor has any union or other collective bargaining unit been certified as representing any employees of Seller relating to the Stations. Seller has no knowledge of any organizational effort currently being made or threatened by or on behalf of any labor union with respect to employees of the Stations.

7.13.2 Except as disclosed in Schedule 7.13, Seller has complied in

all material respects with all laws relating to the employment of labor, including, without limitation, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and those laws relating to wages, hours, collective bargaining, unemployment insurance, workers' compensation, equal employment opportunity and payment and withholding of taxes ("Employment Laws"); provided, however, that Seller's representation under this Section 7.13.2 is made only to

the extent Buyer could have liability as a result of Seller's noncompliance with Employment Laws.

7.14 Litigation. Except as set forth in Schedule 7.14, Seller is not

subject to any judgment, award, order, writ, injunction, arbitration decision or decree relating to the conduct of the business or the operation of the Stations or any of the Station Assets, and, except as set forth in Schedules 7.4 and 7.14, there is no litigation, administrative action, arbitration, proceeding or

investigation pending or, to the knowledge of Seller, threatened against the Stations in any federal, state or local court, or before any administrative agency or arbitrator (including, without limitation, any proceeding which seeks the forfeiture of, or opposes the renewal of, any of the Stations Licenses), or before any other tribunal duly authorized to resolve disputes.

7.15 Commissions or Finder's Fees'. Neither Seller nor any person or

entity acting on behalf of Seller has agreed to pay a commission, finder's fee or similar payment in connection with this Agreement or any matter related hereto to any person or entity.

7.16 Insurance. Seller now has in force adequate fire and other risk

insurance covering the full replacement value of the Station Assets and shall cause such insurance to be maintained in full force until the Closing Date. Except as set forth in Schedule 7.16, Seller also shall maintain in full force

until the Closing Date, adequate general public liability insurance with respect to the Station Assets in amounts consistent with broadcasting industry standards for similar stations.

7.17 Compliance With Laws. Except as set forth in Schedule 7.17, Seller

is not in violation of, and has not received any notice asserting any non-compliance by it in connection with the operation of the Stations or use or ownership of any of the Station Assets with, any applicable statute, rule or regulation, whether federal, state or local, that would have a material adverse effect on the Stations. Seller is not in material default with respect to any judgment, order, injunction or decree of any court, administrative agency or other governmental authority or any other tribunal duly authorized to resolve disputes which relate to the transactions contemplated hereby or that would have a material adverse effect on the Stations. Except where failure to do so would not have a material adverse affect on the Stations, Seller is in full compliance with all laws, regulations and governmental orders applicable to the conduct of the

business and operations of the Stations, and its present use of the Station Assets does not violate any of such laws, regulations or orders.

7.18 Financial Information. Seller has furnished Buyer with an unaudited

income statement and balance sheet for the Stations for calendar year 1998. This financial information: (i) has, to Seller's best knowledge and belief, been prepared in accordance with generally accepted accounting principles applied on a consistent basis through the period involved; and (ii) fairly presents in all material respects the information relating to the Stations set forth therein as of the date and for the period indicated.

Except with respect to Section 7.4, whenever in this Article 7 a warranty or representation is qualified by a word or phrase referring to Seller's knowledge, it shall mean, as to each Station, to the actual knowledge of each Station's respective general manager.

ARTICLE 8
COVENANTS OF BUYER

8.1 Closing. Subject to Article 11 hereof, on the Closing Date, Buyer

shall purchase the Station Assets from Seller as provided in Article 1 hereof and shall assume the Assumed Liabilities of Seller as provided in Article 2 hereof.

8.2 Notification. Buyer will provide Seller prompt written notice of

any material change in any of the information contained in the representations and warranties made in Article 6. Buyer shall also promptly notify Seller of any litigation, arbitration or administrative proceeding pending or, to the best of its knowledge, threatened against Buyer which challenges the transactions contemplated hereby.

8.3 No Inconsistent Action. Buyer shall not take any action which (i)

is materially inconsistent with its obligations under this Agreement; (ii) would cause any representation or warranty of Buyer contained herein to be or become false or invalid; or (iii) could unreasonably hinder or delay the consummation of the transactions contemplated by this Agreement. In the event any fact relating to Buyer which would cause the FCC to deny its consent to the transactions contemplated by this Agreement comes to Buyer's attention, Buyer shall promptly notify Seller thereof and will use its reasonable efforts to take such steps as are necessary to remove such impediment to the FCC's consent to the transactions contemplated by this Agreement, including but not limited to, refraining from entering into agreements to acquire, time broker, or sell time for, any stations in the Stations' market, divesting any stations purchased or contracted for after the date hereof which the FCC advises Buyer and Seller, whether orally or otherwise, will impede the timely grant of the FCC Consent, and/or terminating any agreements to acquire, time broker, or sell time for, any stations in the Stations' market.

8.4 Accounts Receivable. Buyer acknowledges that all accounts receivable

arising prior to the Closing Date in connection with the operation of the Stations, including but not

limited to accounts receivable for advertising revenues for programs and announcements performed prior to the Closing Date and other broadcast revenues for services performed prior to the Closing Date, shall remain the property of Seller (the "Seller Accounts Receivable") and that Buyer shall not acquire any beneficial right or interest therein or responsibility therefor. For a period of one hundred eighty (180) days from the Closing Date ("Collection Period"), Buyer agrees to collect the Seller Accounts Receivable for the Stations in the normal and ordinary course of Buyer's business and will apply all such amounts collected to the debtor's oldest account receivable first, except that any such accounts collected by Buyer from persons who are also indebted to Buyer may be applied to Buyer's account if expressly directed by the debtor if there is a bona fide dispute between Seller and such account debtor with respect to such account and in which case the Buyer shall notify the Seller of such dispute and after such notification Seller shall have the right to pursue collection of such account and to avail itself of all legal remedies available to it. Except as set forth in the previous sentence, during the Collection Period, neither Seller nor its agents shall make any direct solicitation of any such account debtor for collection purposes or institute litigation for the collection of amounts due. Buyer's obligation and authority shall not extend to the institution of litigation, employment of counsel or a collection agency or any other extraordinary means of collection. After the Collection Period, Buyer agrees to reasonably cooperate with Seller, at Seller's expense (including reimbursement of actual expenses reasonably incurred by Buyer in connection with such cooperation), as to any litigation or other collection efforts instituted by Seller to collect any delinquent Seller Accounts Receivable. Any amounts relating to the Seller Accounts Receivable that are paid directly to the Seller shall be retained by the Seller, but Seller shall provide Buyer with notice of any such payment. Within twenty (20) days after the end of each month end during the Collection Period, Buyer shall make a payment to Seller equal to the amount of all collections of Seller Accounts Receivable during the preceding month, less any commissions then owing and paid (but not paid or prorated for at Closing) to salespersons or agencies for ads to which such collected Seller Accounts Receivable related, and no later than twenty (20) days following the conclusion of the Collection Period, Buyer shall make a payment to Seller equal to the amount of all collections of Seller Accounts Receivable during Collection Period not previously paid to Seller. At the end of the Collection Period, any remaining Seller Accounts Receivable shall be returned to Seller for collection.

ARTICLE 9
COVENANTS OF SELLER

9.1 Seller's Pre-Closing Covenants'. Seller covenants and agrees with

respect to the Stations that, between the date hereof and the Closing Date, except as expressly permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, Seller shall act in accordance with the following:

9.1.1 Seller shall conduct the business and operations of the Stations in the ordinary course of business consistent with past practice;

9.1.2 Seller shall operate the Stations in all material respects in accordance with FCC rules and regulations and the Stations Licenses and with all other laws, regulations, rules

and orders, and shall not cause or permit by any act, or failure to act, any of the Stations Licenses or other licenses, permits or authorizations listed in Schedule 7.4 to expire, be surrendered, adversely modified (other than as set forth in Schedule 7.4 or as specifically permitted by this Agreement), or otherwise terminated, or the FCC to institute any proceedings for the suspension, revocation or adverse modification of any of the Stations Licenses, or fail to prosecute with due diligence any pending applications to the FCC.

9.1.3 Should any fact relating to Seller which would cause the FCC to deny its consent to the transactions contemplated by this Agreement come to Seller's attention, Seller will promptly notify Buyer thereof and will use its reasonable efforts to take such steps as may be necessary to remove any such impediment to the FCC's consent to the transactions contemplated by this Agreement.

9.1.4 Seller shall not, other than in the ordinary course of business in accordance with past practices: (a) sell, lease or dispose of or commit to sell, lease or dispose of any of the Station Assets, except as permitted pursuant to Section 1.1.2 hereof; (b) sell broadcast time on a prepaid basis with regard to the Stations; (c) change the advertising rates in effect as of the date hereof; (d) create, assume or permit to exist any Liens or rights affecting any of the Station Assets, except for those in existence on the date of this Agreement and disclosed in Schedule 7.8 or Schedule 7.9; or (e) enter in any consecutive three-month period, the first such period to commence on the date hereof, into any contract or contracts with respect to the business or operation of a Station that would impose an obligation on Buyer in excess of \$50,000 per annum individually or \$100,000 per annum in the aggregate without obtaining Buyer's consent thereto.

9.1.5 In order that Buyer may have full opportunity to make such investigation as it desires of the affairs of the Stations, Seller shall give or cause the Stations to give Buyer and Buyer's counsel, accountants, engineers and other representatives, at Buyer's reasonable request and upon reasonable notice, full and reasonable access during normal business hours to all of Seller's personnel, properties, books, Contracts, reports and records, environmental audits, real estate, buildings and equipment relating to the Stations and, with Seller's prior consent, which shall not be unreasonably withheld, to the Stations' employees, and to furnish Buyer with information and copies of all documents and agreements relating to the Stations and the operation thereof that Buyer may reasonably request, it being understood that such access, information and copies may be limited as Seller reasonably deems appropriate in light of Buyer's and/or its Affiliates ownership or potential ownership of radio stations that will compete with Seller's or its Affiliates' remaining stations in the market. The rights of Buyer under this Section 9.1.5 shall be exercised at Buyer's sole expense and shall not be exercised in such a manner as to interfere unreasonably with the business of the Stations. Buyer may, at its sole expense and in a manner that will not disrupt or interfere with the normal business and operations of the Stations, have access to the Owned Real Estate to conduct an environmental assessment thereof. The results of the investigation and environmental assessment provided for in this Section 9.1.5 shall not under any circumstances give rise to a right on the part of Buyer to terminate this Agreement, adjust the Purchase Price, or receive any other remedy from Seller, provided that no inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations and warranties in Section 7.11 hereof or be deemed to constitute a waiver of any of those representations and warranties.

9.1.6 Seller shall use commercially reasonable efforts to obtain any third party consents necessary for the assignment of any Contract (which shall not require any payment to any such third party except for such amounts contemplated by the Contract to be assigned, any amount then owing by Seller to such third party or the reasonable expenses incurred by such third party in connection with such assignment).

9.2 Notification. Seller will provide Buyer prompt written notice of

any material change in the information contained in the representations and warranties made by it in Article 7. Seller agrees to promptly notify Buyer of any litigation, arbitration or administrative proceeding pending or, to the best of its knowledge, threatened, which challenges the transactions contemplated hereby.

9.3 No Inconsistent Action. Seller shall not take any action which is

materially inconsistent with its obligations under this Agreement, or take any action which would cause any representation or warranty of Seller contained herein to be or become false or invalid or which could unreasonably hinder or delay the consummation of the transactions contemplated by this Agreement.

9.4 Closing. Subject to Section 10.8 and Article 12 hereof, on the

Closing Date Seller shall transfer, convey, assign and deliver to Buyer the Station Assets and the Assumed Liabilities as provided in Articles 1 and 2 of this Agreement.

9.5 Cooperation with Respect to Financial Information. Between the date

hereof and the Closing Date, Seller shall cooperate and shall cause its independent accounting firm to cooperate with Buyer, at Buyer's expense (including reimbursement of actual expenses reasonably incurred by Seller in connection with such cooperation), to make available to Buyer such audited financial information, or such as yet unaudited financial information in connection with auditing the same, with respect to the Stations as Buyer reasonably requests. Notwithstanding the foregoing in this Section 9.5, the results of, or information obtained in connection with, such investigation shall not under any circumstances give rise to a right on the part of Buyer to terminate this Agreement, adjust the Purchase Price, or receive any other remedy from Seller.

ARTICLE 10
JOINT COVENANTS

Buyer and Seller hereby covenant and agree that between the date hereof and the Closing Date, each shall act in accordance with the following:

10.1 Confidentiality.

10.1.1 Subject to the requirements of applicable law, Buyer and Seller shall each keep confidential all information obtained by it with respect to the other parties hereto in connection with this Agreement and the negotiations preceding this Agreement ("Confidential Information"); provided that, the parties hereto may furnish such Confidential Information to its

employees, agents and representatives who need to know such Confidential Information (including its financial and legal advisers, its banks and other lenders) (collectively, "Representatives"); provided however, the disclosing party shall be responsible for all actions or omissions of such Representatives with regard to Representatives' breach of this Section 10.1. Each party hereto shall, and shall cause each of such party's Representatives to, use the Confidential Information solely in connection with the transactions contemplated by this Agreement, and not for any competitive purpose or advantage detrimental to the other party hereto or its Affiliates. If the transactions contemplated hereby are not consummated for any reason, each party shall (i) return to such other party hereto, without retaining a copy thereof, any schedules, documents or other written information (and any derivative work product) obtained from such other party in connection with this Agreement and the transactions contemplated hereby, and (ii) provide, upon request, a written confirmation that all Confidential Information (and derivative work product) has been returned to the other party, and that the Confidential Information was used solely in connection with the transactions contemplated by this Agreement.

10.1.2 Notwithstanding anything contained in Section 10.1.1, no party shall be required to keep confidential or return any Confidential Information which: (a) is known or available through other lawful sources, not bound by a confidentiality agreement with the disclosing party; (b) is or becomes publicly known through no fault of the receiving party or its agents; (c) is required to be disclosed pursuant to an order or request of a judicial or governmental authority (provided the disclosing party is given reasonable prior notice of the order or request and the purpose of the disclosure); or (d) is developed by the receiving party independently of the disclosure by the disclosing party.

10.1.3 Notwithstanding anything to the contrary in this Agreement, Buyer, Seller and the Affiliates of either shall, in accordance with their respective legal obligations, including but not limited to filings permitted or required by the Securities Act of 1933 and the Securities and Exchange Act of 1934, the NASDAQ National Market and other similar regulatory bodies, make (i) such press releases and other public statements and announcements ("Releases") as Buyer, Seller or the Affiliates of either deems necessary and appropriate in connection with this Agreement and the transactions contemplated hereby, and (ii) any and all statements Buyer or Seller deems in its sole judgment to be appropriate in any and all filings, prospectuses and other similar documents. Buyer and Seller shall each use reasonable efforts to provide the other with a copy of any Releases before any publication of same; provided that, if the content of the Release is, in the sole judgment of Buyer or Seller reasonably exercised, substantially similar to the content of a Release previously provided, the issuer of such release shall have no obligation to provide the other party with a copy of such Release. Each party may make comments to the other with respect to any such Releases provided to it, provided however, the party receiving such comments is not required to incorporate any such comments into the Releases.

10.2 Cooperation. Subject to express limitations contained elsewhere

herein, Buyer and Seller agree to cooperate fully with one another in taking any reasonable actions (including without limitation, reasonable actions to obtain the required consent of any governmental instrumentality or any third party) necessary or helpful to accomplish the transactions contemplated by this Agreement, including but not limited to the satisfaction of any condition to closing set forth herein.

10.3 Control of Stations. Buyer shall not, directly or indirectly,

control, supervise or direct the operations of the Stations prior to the Closing. Such operations, including complete control and supervision of all the Stations' programs, employees and policies, shall be the sole responsibility of Seller.

10.4 Consents to Assignment. To the extent that any Contract identified

in the Schedules is not capable of being sold, assigned, transferred, delivered or subleased without the waiver or consent of any third person (including a government or governmental unit), or if such sale, assignment, transfer, delivery or sublease or attempted sale, assignment, transfer, delivery or sublease would constitute a breach thereof or a violation of any law or regulation, this Agreement and any assignment executed pursuant hereto shall not constitute a sale, assignment, transfer, delivery or sublease or an attempted sale, assignment, transfer, delivery or sublease thereof. In those cases where consents, assignments, releases and/or waivers have not been obtained at or prior to the Closing to the transfer and assignment to Buyer of the Contracts, this Agreement and any assignment executed pursuant hereto, to the extent permitted by law, shall constitute an equitable assignment by Seller to Buyer of all of Seller's rights, benefits, title and interest in and to the Contracts, and where necessary or appropriate, Buyer shall be deemed to be Seller's agent for the purpose of completing, fulfilling and discharging all of Seller's rights and liabilities arising after the Closing Date under such Contracts. Seller shall use its best efforts to provide Buyer with the financial and business benefits of such Contracts (including, without limitation, permitting Buyer to enforce any rights of Seller arising under such Contracts), and Buyer shall, to the extent Buyer is provided with the benefits of such Contracts, assume, perform and in due course pay and discharge all debts, obligations and liabilities of Seller under such Contracts to the extent that Buyer was to assume those obligations pursuant to the terms hereof.

10.5 Filings. In addition to the covenants of the parties set forth in

Article 5 hereto, as promptly as practicable after the execution of this Agreement, Buyer and Seller shall use their reasonable best efforts to obtain, and to cooperate with each other in obtaining, all authorizations, consents, orders and approvals of any governmental authority that may be or become necessary in connection with the consummation of the transactions contemplated by this Agreement, and to take all reasonable actions to avoid the entry of any order or decree by any governmental authority prohibiting the consummation of the transactions contemplated hereby, including without limitation, any reports or notifications that may be required to be filed with the FCC or to be filed under the HSR Act with the Federal Trade Commission and the Antitrust Division of the Department of Justice, and each shall furnish to one another all such information in its possession as may be necessary for the completion of the reports or notifications to be filed by the other.

10.6 Employee Matters. Except for the retained employees set forth on

Schedule 10.6, the parties acknowledge and agree that Buyer shall have the right

(but not the obligation) to interview and to elect which of the employees, if any, of Seller set forth on Schedule 7.13 that it will hire (who, once hired,

shall be referred to as "Hired Employees"). In that regard and solely with respect to the employees set forth on Schedule 7.13, Seller shall provide Buyer

access to its personnel records and personnel files, and shall provide such other information regarding such employees as Buyer may reasonably request prior to the Closing Date. Seller shall be

responsible for the payment of all compensation and accrued employee benefits payable to all employees of Seller through the Closing Date. Buyer shall cause all Hired Employees as of the Closing Date to be eligible to participate in its "employee welfare benefit plans" and "employee pension benefit plans" (as defined in Section 3(1) and 3(2) of ERISA, respectively) of Buyer in which similarly situated employees of Buyer are generally eligible to participate; provided, however, that, to the extent permitted under such plans with respect

to Hired Employees, all Hired Employees and their spouses and dependents shall be eligible for coverage immediately after the Closing Date and shall not be excluded from coverage on account of any condition that was not a pre-existing condition for such person when employed by Seller. For purposes of any length of service requirements, waiting periods, vesting periods or differential benefits based on length of service in any such plan for which a Hired Employee may be eligible after the Closing, Buyer shall ensure that service by such Hired Employee with Seller shall be deemed to have been service with the Buyer. In addition, Buyer shall ensure that each Hired Employee receives credit under any welfare benefit plan of Buyer for any deductibles or co-payments paid by such Hired Employee and his or her dependents for the current plan year under a plan maintained by Seller.

10.7 Section 1031 Asset Exchange. Buyer acknowledges that Seller may

designate that the transfer of the Station Assets contemplated by this Agreement will be part of an exchange of assets that will qualify, pursuant to Section 1031 of the Internal Revenue Code and regulations thereunder, as a deferred like-kind exchange by Seller. It is expressly acknowledged that Seller, its assignee or transferee, may, at or prior to Closing, assign its rights (in whole or in part) under this Agreement to a qualified intermediary as defined in Treasury regulation section 1.1031(k)-1(g)(4), or a similar entity or arrangement ("Qualified Intermediary"), subject to all of Seller's rights and obligations herein and shall promptly provide written notice of such assignment to Buyer. Buyer shall cooperate with the reasonable requests of the Seller's Qualified Intermediary in arranging and effecting this exchange and any additional exchange as would qualify under Section 1031 of the Internal Revenue Code. Without limiting the generality of the foregoing, if Seller has given notice of its intention to effect an exchange using a Qualified Intermediary, Buyer shall promptly provide Seller with written acknowledgment of such notice. If requested by Seller, Buyer shall pay the Purchase Price for the Station Assets to the Qualified Intermediary of Seller (and not to Seller), and such payment shall satisfy the obligations of Buyer to make payment of the Purchase Price herein. Seller's assignment to a Qualified Intermediary will not relieve Seller of any of its duties or obligations herein. Except for the obligations of Buyer set forth in this Section, Buyer shall not have any liability or obligation to Seller for the failure of the contemplated exchange to qualify as a like kind exchange under Section 1031 of the Internal Revenue Code unless such failure is the result of the material breach by Buyer of its representations, warranties, covenants and obligations herein.

10.8 Trust. Seller and Buyer hereby agree that Seller may, at

Seller's option and with prior FCC approval, assign the assets and licenses of the Stations to the Trustee who would operate and maintain the Stations between the closing under the Jacor Agreement and the Closing Date hereunder, pursuant to the Trust, and upon such circumstances, the Trustee would be charged with consummation of the transactions contemplated hereunder on Seller's behalf and would be required to perform Seller's duties and obligations hereunder with respect to the Station Assets held in the Trust.

10.9 Studio Location. For a period not to exceed sixty (60) days from

and after the Closing Date, Buyer shall be entitled to use the existing studios located at 1041 Huron Road (the "Existing Studios") in common with the FCC licensee of WNCX-FM. During such period, Buyer shall pay to the FCC licensee of WNCX-FM Buyer's proportionate share of the rent and customary pass-throughs of costs or expenses incurred in relation to the Existing Studios, and shall cooperate with Seller and the FCC licensee of WNCX-FM in the sharing of the Existing Studios.

10.10 Lease With Purchaser of WNCX-FM. From and after Closing, Buyer

shall lease to the FCC licensee of WNCX-FM a portion of the WERE Tower Property comprised of real property and transmitter building space for: (a) the tower, satellite dish and transmission facilities of WNCX-FM, in perpetuity rent-free (but with customary pass-throughs of proportionate costs or expenses) and together with rights of access to the lessee and other terms customary or reasonably appropriate for a lease of such kind, (b) the transmission facilities of Educational Television Association of Metropolitan Cleveland under leases relating to WVIZ-TV, and (c) the transmission facilities of Ohio Music Corporation pursuant to Agreements dated on or about 12/4/81 and 8/20/85. Such lease (the "WNCX Lease") shall be executed and delivered at Closing by Buyer, as lessor, and either Seller or the licensee of WNCX-FM, as lessee, and shall be freely assignable to any subsequent licensee of WNCX-FM. Seller agrees to use its best efforts to assist Buyer to complete negotiation of the WNCX Lease.

ARTICLE 11
CONDITIONS OF CLOSING BY BUYER

The obligations of Buyer hereunder are, at its option, subject to satisfaction, on or prior to the Closing Date or such earlier date as specifically provided below, of each of the following conditions:

11.1 Representations, Warranties and Covenants.

11.1.1 All representations and warranties of Seller made in this Agreement or in any Exhibit, Schedule or document delivered pursuant hereto, shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date.

11.1.2 All of the terms, covenants and conditions to be complied with and performed by Seller on or prior to the Closing Date shall have been complied with or performed in all material respects.

11.1.3 Buyer shall have received a certificate, dated as of the Closing Date, from Seller, executed by an authorized officer of Seller to the effect that: (a) the representations and warranties of Seller contained in this Agreement are true and complete in all material respects on and as of the Closing Date as if made on and as of that date; and (b) Seller has complied with or performed in all material respects all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

11.2 Governmental Consents. The FCC Consent and DOJ Consent shall have

been obtained, and neither consent shall impose any condition materially adverse to Buyer, and any waiting period under the HSR Act with respect to the transactions contemplated by this Agreement shall have elapsed or been terminated.

11.3 Trust. If the Stations are transferred into the Trust, the Trustee

shall have assigned, or shall assign concurrently with the Transfer from the Trust to Buyer, the assets and licenses of the Stations which comprise all or part of the Station Assets to Buyer in accordance with this Agreement.

11.4 Governmental Authorizations. Seller shall be the holder of the

Stations Licenses, and there shall not have been any modification (other than as specifically permitted by this Agreement) of any of such licenses, permits and other authorizations which has a material adverse effect on the Stations or the operations thereof.

11.5 Adverse Proceedings. No suit, action, claim or governmental

proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto which: (a) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (b) questions the validity or legality of any transaction contemplated hereby; (c) seeks to enjoin any transaction contemplated hereby; or (d) a petition of bankruptcy by or against Seller, an assignment by Seller for the benefit of its creditors, or other similar proceeding.

ARTICLE 12

CONDITIONS OF CLOSING BY SELLER

The obligations of Seller hereunder are, at its option, subject to satisfaction, on or prior to the Closing Date, of each of the following conditions:

12.1 Representations, Warranties and Covenants.

12.1.1 All representations and warranties of Buyer made in this Agreement or in any Exhibit, Schedule or document delivered pursuant hereto, shall be true and complete in all material respects as of the date hereof and on and as of the Closing Date as if made on and as of that date, except for changes expressly permitted or contemplated by the terms of this Agreement.

12.1.2 All the terms, covenants and conditions to be complied with and performed by Buyer on or prior to the Closing Date shall have been complied with or performed in all material respects.

12.1.3 Seller shall have received a certificate, dated as of the Closing Date, executed by an authorized officer of Buyer, to the effect that: (a) the representations and warranties of Buyer contained in this Agreement are true and complete in all material respects on and as of the Closing Date as if made on and as of that date; and (b) that Buyer has complied

with or performed in all material respects all terms, covenants and conditions to be complied with or performed by it on or prior to the Closing Date.

12.2 Governmental Consents. The FCC Consent and DOJ Consent shall have

been obtained, and neither consent shall impose any condition materially adverse to Seller, and any waiting period under the HSR Act with respect to the transactions contemplated by this Agreement shall have elapsed or been terminated.

12.3 Adverse Proceedings. No suit, action, claim or governmental

proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, any party hereto which: (a) would render it unlawful, as of the Closing Date, to effect the transactions contemplated by this Agreement in accordance with its terms; (b) questions the validity or legality of any transaction contemplated hereby; (c) seeks to enjoin any transaction contemplated hereby; or (d) is a petition of bankruptcy by or against Buyer, an assignment by Buyer for the benefit of its creditors, or other similar proceeding.

12.4 Jacor Closing. The transactions that are the subject of the Jacor

Agreement shall have been consummated.

12.5 Trust. If the Stations are transferred into the Trust, the Trustee

shall have assigned, or shall assign concurrently with the Transfer from the Trust to Buyer, the assets and licenses of the Stations which comprise all or part of the Station Assets to Buyer in accordance with this Agreement.

12.6 WNCX Lease. The form of the WNCX Lease shall have been agreed upon

to Seller's reasonable satisfaction.

ARTICLE 13
TRANSFER TAXES; FEES AND EXPENSES

13.1 Expenses. Except as set forth in Section 13.2 and 13.3 hereof or

otherwise expressly set forth in this Agreement, each party hereto shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement including, but not limited to the costs and expenses incurred pursuant to Article 5 hereof and the fees and disbursements of counsel and other advisors.

13.2 Transfer Taxes and Similar Charges. All costs of transferring the

Station Assets in accordance with this Agreement, including recordation, transfer and documentary taxes and fees, and any excise, sales or use taxes, shall be paid by Buyer.

13.3 Governmental Filing or Grant Fees. Any filing or grant fees

imposed by any governmental authority the consent of which or the filing with which is required for the consummation of the transactions contemplated hereby shall be paid equally by Buyer and Seller; provided however, that any HSR Act filing fees and expenses shall be paid by Buyer.

ARTICLE 14
DOCUMENTS TO BE DELIVERED AT CLOSING

14.1 Seller's Documents'. At the Closing, Seller shall deliver or cause

to be delivered to Buyer the following:

14.1.1 Certified resolutions of the Board of Directors of Seller approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby;

14.1.2 A certificate of Seller, dated the Closing Date, in the form described in Section 11.1.3;

14.1.3 Such certificates, bills of sale, assignments, general warranty deeds, documents of title and other instruments of conveyance, assignment and transfer (including without limitation any necessary consents to conveyance, assignment or transfer), and Lien releases, all in form satisfactory to Buyer, as shall be effective to vest in Buyer good and marketable title in and to the Station Assets, free and clear of all Liens, except for Permitted Liens.

14.1.4 An Assignment and Assumption Agreement in the form of Exhibit

C effectuating the assignment and assumption of the Assumed Liabilities (the
- -
"Assignment and Assumption Agreement").

14.1.5 At the time and place of Closing, originals and all copies of all program, operations, transmission or maintenance logs and all other records required to be maintained by the FCC with respect to the Stations, including the public files of the Stations, shall be left at the Stations and thereby delivered to Buyer; and

14.1.6 Such additional information, materials, agreements, documents and instruments as Buyer and its counsel may reasonably request in order to consummate the Closing.

14.2 Buyer's Documents'. At the Closing, Buyer shall deliver or cause

to be delivered to Seller the following:

14.2.1 Certified resolutions of the Board of Directors of Buyer approving the execution and delivery of this Agreement and authorizing the consummation of the transactions contemplated hereby;

14.2.2 A certificate of Buyer, dated the Closing Date, in the form described in Section 12.1.3.

14.2.3 The Assignment and Assumption Agreement;

14.2.4 The Purchase Price in accordance with Section 3.1 hereof;

14.2.5 Such additional information, materials, agreements, documents and instruments as Seller and its counsel may reasonably request in order to consummate the Closing;

14.2.6 The WNCX Lease; and

14.2.7 An agreement between Arbitron and Radio One, Inc. for Arbitron services to the Stations from Closing through December 31, 2000 at the rates already disclosed and on the standard Arbitron form of agreement.

ARTICLE 15
SURVIVAL; INDEMNIFICATION; ETC.

15.1 Survival of Representations, Etc. It is the express intention and

agreement of the parties to this Agreement that all covenants and agreements (together, "Agreements") and all representations and warranties (together, "Warranties") made by Buyer and Seller in this Agreement shall survive the Closing (regardless of any knowledge, investigation, audit or inspection at any time made by or on behalf of Buyer or Seller) for a period of six (6) months from the Closing Date. The right of any party to recover Damages (as defined in Section 15.2.1) pursuant to Section 15.2 shall not be affected by the expiration of any Agreements or Warranties as set forth herein, provided and subject to the condition that notice of the existence of any Damages (but not necessarily the fixed amount of any such Damages) has been given by the indemnified party to the indemnifying party prior to such expiration. Notwithstanding the foregoing in this Section 15.1, the provisions of Section 1.4 shall survive Closing for the period set forth therein.

15.2 Indemnification.

15.2.1 From and after the Closing, Seller shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or related to: (a) any breach of the Agreements or Warranties given or made by Seller in this Agreement; and (b) the conduct of the business and operations of the Stations or any portion thereof or the use or ownership of any of the Station Assets prior to the Closing Date; provided, however, that (i) Seller shall have no liability to

Buyer hereunder until, and only to the extent that, Buyer's aggregate Damages exceed Three Hundred Seventy-Five Thousand Dollars (\$375,000), and (ii) the maximum liability of Seller hereunder shall be One Million Five Hundred Thousand Dollars (\$1,500,000). Notwithstanding the foregoing, the limitations set forth in Section 15.2.1(i) shall not apply to Seller's obligations pursuant to Section 1.4 and Schedule 7.8 ((S) C.2).

15.2.2 From and after the Closing, Buyer shall defend, indemnify and hold harmless Seller from and against any and all Damages incurred by Seller arising out of or related to: (a) any breach of the Agreements or Warranties given or made by Buyer in this Agreement; (b) the Assumed Liabilities; and (c) the conduct of the business and operations of the Stations or any portion thereof or the use or ownership of any of the Station Assets on or after the Closing Date; provided, however, that (i) Buyer shall have no liability to

Seller hereunder until, and only to the extent that, Seller's aggregate Damages exceed Three Hundred Seventy-Five Thousand Dollars (\$375,000), and (ii) the maximum liability of Buyer hereunder shall be One Million Five Hundred Thousand Dollars (\$1,500,000). Notwithstanding the foregoing, the limitations set forth in Section 15.2.2(i) shall not apply to Buyer's obligations pursuant to Sections 1.4 and 2.1.

15.3 Procedures; Third Party and Direct Indemnification Claims. The

indemnified party agrees to give prompt written notice to the indemnifying party of any demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (hereinafter collectively "Claims," and individually a "Claim"), it being understood that the failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced.

The obligations and liabilities of the parties hereto with respect to their respective indemnities pursuant to Section 15.2 resulting from any Claim shall be subject to the following additional terms and conditions:

15.3.1 The indemnifying party shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim.

15.3.2 In the event that the indemnifying party shall elect not to undertake such defense or opposition, or within twenty (20) days after written notice, which notice shall include sufficient description of background information explaining the basis for such Claim, shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, 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 indemnifying party (subject to the right of the indemnifying party to assume defense of or opposition to such Claim at any time prior to settlement, compromise or final determination thereof).

15.3.3 Anything in this Section 15.3 to the contrary notwithstanding: (a) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (b) the indemnifying party shall not, without the indemnified party'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 claimant or the plaintiff to the indemnified party of a release from all liability in respect of such Claim; and (c) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its

sole cost and expense, shall have the right to consult with the indemnifying party and its counsel or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

15.3.4 The parties agree that all claims not disputed by the indemnifying party shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. "Disputed Claims" shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within twenty (20) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. As used in this Section 15.3.4, a final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by all of the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties.

15.3.5 No undertaking of defense or opposition to a Claim shall be construed as an acknowledgment by such party that it is liable to the party claiming indemnification with respect to the Claim at issue or other similar Claims.

ARTICLE 16
TERMINATION RIGHTS

16.1 Termination. This Agreement may be terminated at any time prior to

Closing as follows:

16.1.1 Upon the mutual written consent of Buyer and Seller on such terms and conditions as so agreed;

16.1.2 By written notice of Buyer to Seller if Seller breaches in any material respect any of its representations or warranties or defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements herein contained and such breach or default shall not be cured within thirty (30) days of the date of notice of breach or default served by Buyer; provided, however, that with respect to breaches which cannot reasonably be cured within such thirty day period, Buyer shall have no right to terminate pursuant to this paragraph so long as Seller is diligently continuing to cure such breach and such breach or default is cured within forty-five (45) days of the date of notice of breach or default;

16.1.3 By written notice of Seller to Buyer if Buyer breaches in any material respect any of its representations or warranties or defaults in any material respect in the observance or in the due and timely performance of any of its covenants or agreements herein contained and such breach or default shall not be cured within thirty (30) days of the date of notice of breach or default served by Buyer; provided, however, that with respect to breaches which cannot reasonably be cured within such thirty day period, Seller shall have no right to terminate pursuant to this paragraph so long as Buyer is diligently continuing to cure such breach and such breach or default is cured within forty-five (45) days of the date of notice of breach or default;

16.1.4 By written notice of Buyer to Seller, or by Seller to Buyer, if the FCC denies the FCC Application or designates it for a trial-type hearing;

16.1.5 By written notice of Buyer to Seller, or by Seller to Buyer, if any court of competent jurisdiction shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;

16.1.6 By written notice of Seller to Buyer if the Closing shall not have been consummated on or before August 1, 1999;

16.1.7 By written notice of Seller to Buyer if the Jacor Agreement is terminated or expires pursuant to its terms;

16.1.8 By written notice of Seller to Buyer if the DOJ Consent is not obtained, or is denied or rescinded;

16.1.9 By written notice of Seller to Buyer, or of Buyer to Seller, if the Closing has not occurred on or before May 1, 2000; or

16.1.10 By written notice of Seller to Buyer if, at a time when the conditions set forth in Article 11 have been satisfied, the condition set forth in Section 12.6 has not been satisfied.

Notwithstanding the foregoing, no party hereto may effect a termination hereof if such party is in material default or breach of this Agreement.

16.2. Liability. Except as set forth in Section 16.4 below, the

termination of this Agreement under Section 16.1 shall not relieve any party of any liability for breach of this Agreement prior to the date of termination.

16.3. Monetary Damages, Specific Performance and Other Remedies. The

parties recognize that if either party refuses to consummate the Closing pursuant to the provisions of this Agreement or either party otherwise breaches ("Breaching Party") such that the Closing has not occurred, monetary damages alone will not be adequate to compensate the non-breaching party ("Non-Breaching Party") for its injury. Such Non-Breaching Party shall therefore be entitled to

obtain specific performance of the terms of this Agreement in addition to any other remedies, including but not limited to monetary damages, that may be available to it; provided, however, that Seller may elect to recover liquidated

damages in lieu of obtaining specific performance, or vice versa, in accordance with Section 16.4. If any action is brought by the Non-Breaching Party to enforce this Agreement, the Breaching Party shall waive the defense that there is an adequate remedy at law. In the event of a default by the Breaching Party which results in the filing of a lawsuit for damages, specific performance, or other remedy, the Non-Breaching Party shall be entitled to reimbursement by the Breaching Party of reasonable legal fees and expenses incurred by the Non-Breaching Party; provided that, the Non-Breaching Party is successful in such lawsuit.

16.4 Seller's Liquidated Damages'. Subject to Section 16.3, in the event

this Agreement is terminated by Seller due to a material breach hereof by Buyer, and Seller is not at that time in material breach hereof, then Buyer shall pay to Seller the Escrow Deposit, plus interest accrued thereon, which amount shall constitute liquidated damages. It is understood and agreed that such liquidated damages amount represents Buyer's and Seller's reasonable estimate of actual damages and does not constitute a penalty. Except in the case of the remedy of specific performance and damages as set forth in Section 16.3, which, if chosen by Seller, shall preclude Seller from receiving liquidated damages, recovery of liquidated damages shall be the sole and exclusive remedy of the Seller against the Buyer as a result of the Buyer's material breach hereof, regardless of the actual amount of damages sustained, and all other remedies are deemed waived by the Seller.

16.5 Survival. Notwithstanding anything contained herein to the

contrary, Sections 10.1 and 13.1 shall survive any termination of this Agreement.

ARTICLE 17
MISCELLANEOUS PROVISIONS

17.1 Casualty Loss. In the event any loss or damage of the Station

Assets exists on the Closing Date, Buyer and Seller shall consummate the transaction on the Closing Date and Seller shall assign to Buyer the proceeds of any insurance payable to Seller on account of such damage or loss.

17.2 Certain Interpretive Matters and Definitions. Unless the context

otherwise requires: (a) all references to Sections, Articles, Schedules or Exhibits are to Sections, Articles, Schedules or Exhibits of or to this Agreement; (b) each term defined in this Agreement has the meaning assigned to it; (c) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with generally accepted accounting principles as in effect on the date hereof; (d) "or" is disjunctive but not necessarily exclusive; (e) words in the singular include the plural and vice versa; (f) the term "Affiliate" has the meaning given it in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended; and (g) all references to "\$" or dollar amounts will be to lawful currency of the United States of America.

17.3 Further Assurances.

17.3.1 Generally. After the Closing, Seller shall from time to time,

at the request of and without further cost or expense to Buyer, execute and deliver such other instruments of conveyance and transfer and take such other actions as may reasonably be requested in order to more effectively consummate the transactions contemplated hereby to vest in Buyer good title to the Station Assets, and Buyer shall from time to time, at the request of and without further cost or expense to Seller, execute and deliver such other instruments and take such other actions as may reasonably be requested in order more effectively to relieve Seller of any obligations being assumed by Buyer hereunder.

17.3.2 Cooperation with Respect to Financial and Tax Matters. From

the date of Closing, and for a period of three (3) years thereafter, Seller and Buyer shall cooperate, and each shall cause its respective independent accounting firm to cooperate, at the expense (including reimbursement of actual expenses reasonably incurred by the party from whom such cooperation is requested in connection with such cooperation) of the party making a request, to provide such information as the other party hereto shall reasonably request for preparation of documentation to fulfill its reporting requirements to governmental agencies, including with respect to income, franchise, sales, use, property, excise, payroll and other tax returns.

17.4 Benefit and Assignment. This Agreement shall be binding upon and

shall inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the provisions of Section 10.7 with respect to the Seller assigning its rights (in whole or in part) under this Agreement to a Qualified Intermediary, and provided that Seller shall be permitted to sell, assign and/or transfer some or all of the Station Assets and/or this Agreement (in whole or in part) to its designee, assignee, trustee or other entity if it determines that it would be advisable to make such a transfer in order to make more certain or otherwise facilitate the consummation of the transactions contemplated hereby or the transactions contemplated by the Jacor Agreement ("Permitted Assignment"), neither party may voluntarily or involuntarily assign its interest under this Agreement without the prior written consent of the other party hereto. Buyer shall not be permitted to assign its rights under this Agreement without the express written consent of Seller, provided that Buyer may assign this Agreement to its primary lenders under its June 30, 1998 Credit Agreement, or any successor Credit Agreement, as collateral for any indebtedness incurred pursuant to such Credit Agreement. Buyer agrees with respect to any Permitted Assignment that it shall take all such actions as are reasonably requested by Seller to effectuate such Permitted Assignment, including but not limited to cooperating in any appropriate filings with the FCC or other governmental authorities. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and permitted assigns of the parties hereto.

17.5 Amendments. No amendment, waiver of compliance with any provision

or condition hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of any waiver, amendment, change, extension or discharge is sought.

17.6 Headings. The headings set forth in this Agreement are for

convenience only and will not control or affect the meaning or construction of the provisions of this Agreement.

17.7 Governing Law. The construction and performance of this Agreement

shall be governed by the laws of the State of Ohio without giving effect to the choice of law provisions thereof. Any action, suit or proceeding brought by any party to this Agreement relating to or arising out of this Agreement or any other agreement, instrument, certificate or other document delivered pursuant hereto (or the enforcement hereof or thereof) must be brought and prosecuted as to all parties in, and each of the parties hereby consents to service of process, personal jurisdiction and venue in, the state and Federal courts of general jurisdiction located in Hamilton County, Ohio.

17.8 Notices. Any notice, demand or request required or permitted to be

given under the provisions of this Agreement shall be in writing, including by facsimile, and shall be deemed to have been duly delivered and received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when dispatched by facsimile transmission (with the facsimile transmission confirmation being deemed conclusive evidence of such dispatch) and shall be addressed to the following addresses, or to such other address as any party may request, in the case of Seller, by notifying Buyer, and in the case of Buyer, by notifying Seller:

If to Seller: Clear Channel Broadcasting, Inc.
Clear Channel Broadcasting Licenses, Inc.
200 Concord Plaza
Suite 600
San Antonio, TX 78216
Attention: Kenneth E. Wyker, Esq.
Senior Vice President/Legal Affairs
Fax: 210-822-2299

and Jacor Communications, Inc.
50 East RiverCenter Boulevard, 12th Floor
Covington, Kentucky 41011
Attention: Paul F. Solomon
Senior Vice President and General Counsel
Fax: 606-655-9356

Copy to: Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Attention: Richard J. Bodorff, Esq.
Fax: 202-719-7049

To Buyer: Radio One, Inc.
5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20706
Attention: Alfred C. Liggins
CEO/President
Fax: 301-306-9694

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

Radio One, Inc.
5900 Princess Garden Parkway, 8th Floor
Lanham, MD 20706
Attention: Scott Royster
Fax: 301-306-9426

17.9 Counterparts. This Agreement may be executed in one or more

counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

17.10 No Third Party Beneficiaries. Nothing herein expressed or implied

is intended or shall be construed to confer upon or give to any person or entity other than the parties hereto and their successors or permitted assigns, any rights or remedies under or by reason of this Agreement.

17.11 Severability. The parties agree that if one or more provisions

contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted, and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby.

17.12 Entire Agreement. This Agreement and the Exhibits hereto embody

the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understandings relating to the matters provided for herein.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR ASSETS PURCHASE AGREEMENT

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

SELLER:

CLEAR CHANNEL BROADCASTING, INC.

By: _____
Name: _____
Title: _____

CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: _____
Name: _____
Title: _____

BUYER:

RADIO ONE, INC.

By: _____
Name: Alfred C. Liggins
Title: President

ASSET PURCHASE AGREEMENT

by and between
HOFFMAN COMMUNICATIONS, INC.
for the sale and purchase of
Station WDYL-FM

Dated as of February 10, 1999

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ASSET PURCHASE AGREEMENT

This Agreement, made and entered into as of this 10th day of February, 1999, by and between Hoffman Communications, Inc., a Virginia corporation ("Seller"), and Radio One, Inc., a Delaware corporation ("Buyer").

WITNESSETH THAT:

WHEREAS, Seller is the licensee of Station WDYL-FM, 101.1 MHz, Chester, Virginia (the "Station"); and

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

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

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

1.0 RULES OF CONSTRUCTION.

1.1. Defined Terms.

As used in this Agreement, the following terms shall have the following meanings:

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

"Administrative Violation" means those violations described in Section 8.6 hereof.

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

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

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

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

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

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

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

"Collection Period" means the 90-day period following the Closing Date during which Buyer shall collect the Accounts Receivable of Seller, subject to the provisions of Section 13.1.

"Commission" means the Federal Communications Commission.

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

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

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

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

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

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

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

Commission with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the Commission shall have expired or otherwise

terminated.

"Financial Statements" means Seller's unaudited financial statements as described in Section 6.10.

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

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

"Initial Escrow Agent" means Media Venture Partners.

"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.

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

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

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

"Knowledge of Seller" means the actual knowledge, after reasonable inquiry of Seller's senior management, the books and records of the Station, and the actual knowledge of Hubert N. Hoffman, Jr.

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

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

"Purchase Price" shall mean the total consideration for the Purchased Assets as described in Section 4.1.

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

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

"Seller" means Hoffman Communications, Inc., a Virginia corporation.

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

"Specified Event" means those broadcast transmission failures described in Section 8.5(b).

"Station" means WDYL-FM, 101.1 MHz, Chester, Virginia, but shall not be interpreted to mean WGGM-AM or WGCV-AM also owned or operated by Seller.

"Studio Site" means the 1,872 square feet of offices and broadcast facilities located at Chester, Virginia as more particularly described in Schedule 6.13.

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

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

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

"Transmitter Site" means the real estate located at 10300 Brightwood Avenue & 10610 Jefferson Davis Highway, Chesterfield County, Virginia that is currently used as the Station's transmitter site.

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

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

1.4. Headings and Cross-References. The headings of the Sections and Paragraphs hereof, the Table of 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.

2.0 ASSETS TO BE CONVEYED.

2.1. Purchased Assets. On the Closing Date, Seller shall sell, assign,

transfer, convey and deliver to Buyer free of all liens, encumbrances, mortgages, security interests of any kind or type whatsoever, all of Seller's assets used exclusively in the conduct of the business and operations of the Station (collectively referred to as the "Purchased Assets"), including, but not limited to, the following;

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

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

(c) Contracts and Agreements. The Contracts, Sales Agreements and Trade Agreements, subject to the following:

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

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

(2) Buyer shall be obligated to assume only those Sales Agreements that have been or will have been entered into in the ordinary course of business and in accordance with the terms of this Agreement at commercially reasonable rates and with terms of no longer than ten

(10) weeks, or if containing terms of longer than 10 weeks, are terminable by the Station on not more than 15 days' notice.

(3) Buyer shall be obligated to assume only those Trade Agreements that are listed in Schedule 2.1(c)(1) or that have been or will have been entered into in the ordinary course of business and in accordance with the terms of this Agreement, between the date hereof and the Closing Date, and are (i) immediately preemptible for cash time sales trade; (ii) require the provision of air time only on a "run of schedule" basis; and (iii) inure or will inure to the benefit of the Station. Notwithstanding the foregoing, Buyer shall not be obligated to assume Trade Agreements (including both those Trade Agreements listed on Schedule 2.1(c)(1) and those entered into in the ordinary course of business) that have an aggregate negative Trade Balance exceeding Five Thousand Dollars (\$5,000).

(4) Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Contract or other agreement, undertaking or obligation if (i) an attempted assignment, without the consent required for such assignment, may constitute a breach thereof or may in any way have a material adverse effect on Seller's rights thereunder prior to Closing or Buyer's rights thereunder after Closing and (ii) such consent is not unless otherwise approved in writing by Buyer, the obligations of the obtained by Seller prior to Closing, provided, however, that

Seller will use its best efforts at its own expense to obtain all such consents prior to Closing.

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

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

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

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

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

(i) Real Property Leases. Seller currently holds title to the Real Property described in Schedule 6.13 which is used as the Station's Studio Site and Transmitter Site. At Closing, Seller shall, at Buyer's option, lease the Studio Site to Buyer under a short-term

arrangement and lease the Transmitter Site to Buyer under a long-term arrangement, pursuant to the terms of the leases attached hereto as Exhibits 2 and 3.

2.2. Excluded Assets. There shall be excluded from the Purchased Assets

and retained by the Seller, to the extent in existence on the Closing Date, the following assets (the "Excluded Assets"):

(a) Receivables. All Accounts Receivable, except to the extent they are assigned on a limited basis pursuant to Section 13.

(b) Cash and Investments. All cash and cash equivalents on hand or in bank accounts and other cash items and investment securities of Seller on the Closing Date.

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

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

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

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

(g) Corporate Records. Seller's corporate minute books and other books and records relating to internal corporate minutes.

(h) Real Property. Title to Seller's Real Property described in Schedule 6.13 and Seller's other real property and leases.

(i) Book Store Assets. All of Seller's assets used in the conduct of its business under the tradename of "New Life Christian Bookstore", accounts receivable, business records, intangible property (including trademarks and goodwill) and intellectual property.

3.0 INITIAL ESCROW DEPOSIT. Simultaneously with the execution and delivery

of this Agreement by both parties, Buyer has deposited with Media Venture Partners ("Initial Escrow Agent"), a cash deposit of Two Hundred Thousand Dollars (\$200,000) (the "Initial Escrow Deposit"). The Initial Escrow Deposit shall be held in an interest-bearing account 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 Seller, Buyer and Initial Escrow Agent simultaneously herewith.

4.0 PURCHASE PRICE AND METHOD OF PAYMENT.

4.1. Consideration. The total consideration for the Purchased Assets

(the "Purchase Price") shall be Four Million Six Hundred Thousand Dollars (\$4,600,000), payable as set forth in this Section 4.

4.2. Payment at Closing. At Closing, Buyer shall pay:

(a) Four Million Four Hundred Thousand Dollars (\$4,400,000) (as adjusted pursuant to Sections 8.5 and 12.1) to Seller by wire transfer of same day funds pursuant to wire transfer instructions which shall be delivered by Seller to Buyer at least five business days prior to Closing.

(b) Two Hundred Thousand Dollars (\$200,000) to Seller by causing the Initial Escrow Agent to release the Initial Escrow Deposit to Seller by wire transfer of same day funds, with all interest earned on the Initial Escrow Deposit remitted to Buyer.

4.3. Allocation. The Purchase Price shall be allocated to the Purchased

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

4.4. Seller's Liabilities. Buyer does not and shall not assume or be

deemed to assume, pursuant to this Agreement or otherwise, any agreements, liabilities, undertakings, obligations or commitments of Seller or the Station of any nature whatsoever except: (i) liabilities accruing after Closing under the Contracts, Sales Agreements and Trade Agreements listed in Schedule 2.1(c)(1) or otherwise expressly assumed by Buyer pursuant to, and subject to, Section 2.1(c), provided, that, Buyer shall not assume liability for any

breaches, violations or defaults under the Contracts, Sales Agreements and Trade Agreements that occurred prior to Closing; and (ii) prorated items that are to be paid by Buyer after Closing pursuant to Section 12.1.

5.0 HART-SCOTT-RODINO. As promptly as practicable and no later than ten (10)

days following the execution of this Agreement, Seller and Buyer shall complete any filing that may be required pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or shall mutually agree that no such filing is required. Seller and Buyer shall diligently take all necessary and proper steps and provide any additional information reasonably requested in order to comply with the requirements of such Act.

6.0 SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Seller hereby makes

to and for the benefit of Buyer, the following representations, warranties and covenants:

6.1. Existence, Power and Identity. Seller is a corporation duly

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

6.2. Binding Effect. The execution, delivery and performance by Seller

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

6.3. No Violation. Except as set forth on Schedule 6.3, none of (i) the

execution, delivery and performance by Seller of this Agreement or any of the Seller Documents, (ii) the consummation of the Transaction, or (iii) Seller's compliance with the terms or conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Seller's articles of incorporation or bylaws, (y) any judgment, decree, order, consent, agreement, lease or other instrument (including any Contract, Sales Agreement or Trade Agreement) to which Seller is a party or by which Seller or any of its assets (including the Purchased Assets) or the Station is or may be legally bound or affected, or (z) any law, rule, regulation or ordinance of any Governmental Authority applicable to Seller or any of its assets (including the Purchased Assets) or the operation of the Station.

6.4. Conveyance of Assets. At Closing, Seller shall convey to Buyer

good and marketable title to all the Purchased Assets, free and clear of all liens, pledges, collateral assignments, security interests, capital or financing leases, covenants, restrictions and encumbrances or other defects of title except: (i) the inchoate lien for current taxes or other governmental charges

not yet due and payable and that will be prorated between Seller and Buyer pursuant to Section 12.1; and (ii) the Permitted Encumbrances.

6.5. Governmental Authorizations. Except for the FCC Licenses, no

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

6.6. Equipment. Seller has good and marketable title, both legal and

equitable, to the Equipment. The Equipment, together with any improvements and additions thereto and replacements thereof less any retirements or other dispositions as permitted by this Agreement between the date hereof and the Closing Date, will, at Closing, be all the tangible personal property delivered at Closing by Seller. Except as specifically indicated to the contrary in Schedule 6.6, all Equipment is serviceable, in good operating condition (reasonable wear and tear excepted), and is not in imminent need of repair or replacement. All items of transmitting and studio equipment included in the Equipment (i) have been maintained in a manner consistent with generally accepted standards of good engineering practice and (ii) will permit the Station to operate in accordance with the terms of the FCC Licenses.

6.7. Contracts. Seller has made available to Buyer or its

representatives complete and correct copies of all Contracts and Trade Agreements listed on Schedule 2.1(c)(1) hereto. The list of Trade Agreements on Schedule 2.1(c)(1) is accurate and complete. Except for Sales Agreements and Trade Agreements that comply with the terms of this Agreement, Schedule 2.1(c)(1) includes all the contracts, leases, and agreements to which Seller is a party and which Buyer has agreed to assume, other than those contracts that will be performed in full prior to the Closing. To the Knowledge of Seller, each Contract is in full force and effect and is unimpaired by any acts or

omissions of Seller, Seller's employees or agents, or Seller's officers. Except as set forth on Schedule 2.1(c)(1), there has not occurred as to any Contract any event of default by Seller or any event that, with notice, the lapse of time or otherwise, could become an event of default by Seller. There has not occurred as to any Contract any default by any other party thereto or any event that, with notice, the lapse of time or otherwise, or at the election of any person other than Seller, could become an event of default by such party. Those Contracts whose stated duration extends beyond the Closing Date will, at Closing, be in full force and effect, unimpaired by any acts or omissions of Seller, Seller's employees or agents, or Seller's officers. If any Contract requires the consent of any third party in order for Seller to assign that Contract to Buyer, Seller shall use its best efforts to obtain at its own expense such consent prior to Closing.

6.8. Promotional Rights. The Intellectual Property set forth on Schedule

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

6.9. Insurance. Schedule 6.9 lists all insurance policies held by

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

6.10. Financial Statements.

(a) Seller has furnished Buyer with unaudited financial statements used by Seller in the preparation of its Federal tax returns and copies of its filed Federal tax returns ("Financial Statements") for fiscal years 1995, 1996, and 1997 as well as unaudited Financial Statements for September 30, 1998 and most recently available. The Financial Statements : (i) have been prepared on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Seller's financial position, income, expenses, assets, liabilities, and the results of operations of the Station as of the dates and for the periods indicated. Since December 31, 1997, there has been no material adverse change in the business, assets, properties or condition (financial or otherwise) of the business since the preparation of the most recent annual Financial Statement. No event has occurred and, Seller has no knowledge that prior to Closing, any event will have occurred that would make such Financial Statements misleading in any respect.

(b) Except as reflected in the most recently available balance sheets, including the notes thereto or otherwise disclosed in this Agreement or the Schedules hereto, and except for the current

liabilities and obligations incurred in the ordinary course of business of the Station (not including for this purpose any tort-like liabilities or breach of contract) since the date of the most recently available balance sheets, there exist no liabilities or obligations of Seller, contingent or absolute, matured or unmatured, known or unknown. Except as set forth on Schedule 6.10(b) since the date of the most recently available balance sheets, (i) Seller has not made any contract, agreement or commitment or incurred any obligation or liability (contingent or otherwise), except in the ordinary course of business and consistent with past business practices, (ii) there has not been any discharge or satisfaction of any obligation or liability owed by Seller, which is not in the ordinary course of business or which is inconsistent with past business practices, (iii) there has not occurred any sale of or loss or material injury to the business, or any material adverse change in the business or in the condition (financial or otherwise) of the Station, (iv) Seller has operated the business in the ordinary course and (v) Seller has not increased the salaries or any other compensation of any of its employees or agreed to the payment of any bonuses. The monthly balance sheets (i) have been prepared 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, and the results of operations of the Station as of the dates and for the periods indicated, subject to year end adjustments which do not materially affect the operations of Seller.

6.11. Employees. Except as otherwise listed on Schedule 6.11, (i) no

employee of the Station is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and, to the Knowledge of Seller, there has been no concerted effort to unionize any of the Station's employees and (ii) Seller has no other written or oral employment agreement or arrangement with any Station employee, and no written or oral agreement concerning bonus, termination, hospitalization or vacation. Seller has delivered to Buyer a list of all persons currently employed at the Station together with an accurate description of the terms and conditions of their respective employment as of the date of this Agreement. Seller will promptly advise Buyer of any changes that occur prior to Closing with respect to such information.

6.12. Employee Benefit Plans.

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

of Sections 4001(a)(14) or (b)(1) of ERISA or any regulations promulgated thereunder, or Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the "Code").

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

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

(4) The parties agree that Buyer does not and will not assume the sponsorship of, or the responsibility for contributions to, or any liability in connection with, any Pension Plan, any Welfare Plan, or Other Plan maintained by Seller or an Affiliate for its employees, former employees, retirees, their beneficiaries or any other person. In addition and not as a limitation of the foregoing, the parties agree that Seller and such Affiliate shall be liable for any continuation coverage (including any penalties, excise taxes or interest resulting from the failure to provide continuation coverage) required by Section 4980B of the Code due to qualifying events that occur after the Closing Date resulting from the transaction contemplated by this Agreement.

6.13. Real Property. Seller holds title to the real property described in

Schedule 6.13 (hereinafter "Real Property") which is used as the Station's Studio Site and Transmitter Site. Except as listed on Schedule 6.13, all of the improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and the building, health, fire and environmental protection codes of all applicable governmental jurisdictions, and do not require any

repairs other than normal routing maintenance to maintain them in good condition and repair. None of the improvements have any structural defects. No portion of the Real Property described in Schedule 6.13 is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and to the Knowledge of Seller, no such proceedings are threatened. There are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Seller, planned to be instituted, which would materially affect the use and operations of the Real Property for any lawful purpose, and Seller has not received notice of any special assessment proceedings materially affecting the Real Property. The Real Property has direct and unobstructed access to all public utilities necessary for the uses to which the Real Property is currently devoted by Seller in the operation of the Station.

6.14. Environmental Protection. Except as set forth on Schedule 6.14,

(i) no Hazardous Substances have been treated, stored, used, released or disposed of on the Studio Site or Transmitter Site in any manner that would cause Buyer to incur material liability under any Environmental Laws; (ii) Seller is not liable for cleanup or response costs with respect to any present or past emission, discharge, or release of any Hazardous Substances; (iii) no "underground storage tank" (as that term is defined in regulations promulgated by the federal Environmental Protection Agency) is used in the operation of the Station or is located on the Studio Site or the Transmitter Site; (iv) there are no pending actions, suits, claims, legal proceedings or any other proceedings based on environmental conditions or noncompliance at the Studio Site or Transmitter Site, or any part thereof, or otherwise arising from Seller's activities involving Hazardous Substances; (v) there are no conditions, facilities, procedures or any other facts or circumstances at the Studio Site or Transmitter Site which constitute noncompliance with environmental laws or regulations; and (vi) 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, asbestos or polychlorinated biphenyls.

6.15. Compliance with Law. There is no outstanding complaint, citation,

or notice issued by any Governmental Authority asserting that Seller is in violation of any law, regulation, rule, ordinance, order, decree or other material requirement of any Governmental Authority (including any applicable statutes, ordinances or codes relating to zoning and land use, health and sanitation, environmental protection, occupational safety and the use of electric power) affecting the Purchased Assets or the business or operations of the Station, and Seller is in material compliance with all such laws, regulations, rules, ordinances, decrees, orders and requirements. Without limiting the foregoing:

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

(b) Seller has, in the conduct of the Station's business, materially complied with all applicable laws, rules and regulations relating to the employment of labor, including those concerning wages, hours, equal employment opportunity, collective bargaining, pension and welfare

benefit plans, and the payment of Social Security and similar taxes, and Seller is not liable for any arrears of wages or any tax penalties due to any failure to comply with any of the foregoing.

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

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

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

6.16. Litigation. Except for proceedings affecting radio broadcasters

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

6.17. Insolvency Proceedings. No insolvency proceedings of any

character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller, the Station Assets or the Purchased Assets are pending or, to the Knowledge of Seller, threatened. Seller has not made an assignment for the benefit of creditors.

6.18. Sales Agreements. The Sales Agreements in existence on the date

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

6.19. Liabilities. There are no known liabilities or obligations of

Seller relating to the Station, whether related to tax or non-tax matters, due or not yet due, except as and to the extent set forth on the most recent Financial Statements described in Section 6.10.

6.20. Sufficiency of Assets. The Purchased Assets in conjunction with

the leases referred to in Section 2.1(i) 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.

6.21. Related Parties. Except as disclosed in Schedule 6.21 neither

Seller nor any shareholder, officer or director of Seller has any interest whatsoever in any corporation, firm, partnership or other business enterprise which has had any business transactions with Seller relating to the Purchased Assets or the Station, and no shareholder, officer or director of Seller has entered into any transactions with Seller relating to the Purchased Assets or the Station.

6.22. Taxes. The Seller has timely filed with all appropriate

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

6.23. No Misleading Statements. No provision of this Agreement relating

to Seller, the Station or the Purchased Assets or any other document, Schedule, Exhibit or other information furnished by Seller to Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, 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. In connection with the preparation of this Agreement and the documents, descriptions, opinions, certificates, Exhibits, Schedules or written material prepared by Seller and appended hereto or delivered or to be delivered hereunder, Seller represents and warrants that it has disclosed, and agrees it will continue to disclose to Buyer, any fact that Seller is obligated to disclose to assure the continuing accuracy of the representations and warranties contained in this Section 6. All Exhibits and Schedules attached hereto are materially accurate and complete as of the date hereof.

7.0 BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Buyer hereby makes to

and for the benefit of Seller, the following representations, warranties and covenants:

7.1. Existence and Power. Buyer is a corporation duly organized,

validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to assume and perform this Agreement, and as of the Closing Date will be authorized to do business in the State of Virginia.

7.2. Binding Effect. The execution, delivery and performance by Buyer

of this Agreement, and each other document, agreement and instrument to be executed and delivered by

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

7.3. No Violation. None of (i) the execution, delivery and performance

by Buyer of this Agreement or any of the Buyer Documents, (ii) the consummation of the Transaction, or (iii) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Buyer's articles of incorporation or by-laws or (y) any judgment, decree, order, consent agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound.

7.4. Litigation. There is no litigation, action, suit, complaint,

proceeding or investigation, pending or, to the Knowledge of Buyer, threatened that may adversely affect Buyer's ability to consummate the Transaction as provided herein.

7.5. Licensee Qualifications. To the Knowledge of Buyer there is no

fact that would, under the rules and regulations of the Commission, disqualify Buyer from being the assignee of the FCC Licenses or the owner and operator of the Station. Should Buyer become aware of any such fact, it will so inform Seller, and Buyer will use commercially reasonable efforts to remove any such disqualification.

8.0 PRE-CLOSING OBLIGATIONS. The parties covenant and agree as follows with

respect to the period prior to Closing:

8.1. Application for Commission Consent. Within five (5) business days

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

8.2. Access. Between the date hereof and the Closing Date, Seller shall

give Buyer and representatives of Buyer reasonable access to the Purchased Assets, the Station, the employees of Seller and the Station and the books and records of Seller relating to the business and operations of the Station. It is expressly understood that, pursuant to this Section, Buyer, at its expense, shall be entitled to conduct such engineering inspections of the Station, such environmental assessments and

surveys of the Studio Site and the Transmitter Site, and such reviews of the Station's financial records as Buyer may desire, so long as the same do not unreasonably interfere with Seller's operation of the Station. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants.

8.3. Material Adverse Changes; Financial Statements. Through the Closing

Date:

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

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

8.4. Operations Prior to Closing. Between the date of this Agreement

and the Closing Date:

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

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

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

(d) Seller shall not: (i) sell, lease, encumber or otherwise dispose of any Purchased Assets or any interest therein except in the ordinary course of business and only if any property disposed of is replaced by property of like or better value, quality and utility prior to Closing; (ii) cancel, terminate, modify, amend or renew any of the Contracts without Buyer's express prior written consent; (iii) increase the compensation payable or to become payable to any employee

of the Station; or (iv) except to the extent expressly permitted in Section 2.1(c), enter into any Contract or other agreement, undertaking or obligation or assume any liability that may impose any obligation on Buyer after Closing, whether Seller is acting within or outside of the ordinary course of the Station's business, without Buyer's prior written consent.

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

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

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

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

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

(j) 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.

(k) 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.

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

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

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

8.5. Damage.

(a) Risk of Loss. The risk of loss or damage, confiscation or condemnation of the Purchased Assets shall be borne by Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing or restoring any lost or damaged property is Twenty Thousand Dollars (\$20,000) or less, and Seller has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former condition. If the cost to repair, replace, or restore the lost or damaged property exceeds Twenty Thousands Dollars (\$20,000), and Seller has not repaired, replaced or restored such property prior to the Closing Date to the satisfaction of Buyer, Buyer may, at its option:

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

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

If, after the expiration of such extension period the lost or damaged property has not been fully repaired, replaced or restored to Buyer's satisfaction, Buyer may terminate this Agreement, in which event the 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 . Seller shall give prompt written notice to Buyer if any of the following (a "Specified Event") shall occur and continue for a period of more than four (4) consecutive hours: (i) the transmission of the regular broadcast programming of the Station in the normal and usual manner is interrupted or discontinued; or (ii) the Station is operated at less than its licensed antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power. If, prior to Closing, the Station is not operated at its licensed operating parameters for more than thirty-six (36) hours (or, in the event of force majeure or utility

failure affecting generally the market served by the Station, ninety-six (96) hours), whether or not consecutive, during any period of thirty (30) consecutive days, or if there are 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 Paragraph 8.5(a)(1) or 8.5(a)(2). In the event of termination of this Agreement by Buyer pursuant to this Section, the 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 Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half each by Seller and Buyer.

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

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

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

8.9. Cooperation with Respect to Financial and Tax Matters. Between the date hereof and the Closing Date, Seller, its shareholders, officers, directors and employees shall cooperate and Seller shall cause its accountant to cooperate with Buyer for the purpose of preparing Financial Statements reviewed by Buyer's independent accountants for purposes of including such statements in any reports filed by Buyer with any Governmental Authority. Buyer shall be permitted to disclose the unaudited Financial Statements for 1995, 1996, 1997 and 1998 as well as unaudited Financial Statements for any period subsequent to 1998 available prior to Closing in any reports filed by the Buyer with any Governmental Authority.

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

9.0 STATUS OF EMPLOYEES. All Station employees shall be and remain Seller's employees, with Seller having full authority and control over their actions, and Buyer shall not assume the status of an employer or a joint employer of, or incur or be subject to any liability or obligation of an employer with respect to, any such employees unless and until actually hired by

Buyer. Seller shall be solely responsible for any and all liabilities and obligations Seller may have to its employees, including, compensation, severance pay and accrued vacation time and sick leave. Seller shall be solely responsible for any and all liabilities, penalties, fines or other sanctions that may be assessed or otherwise due under such laws on account of the Transaction and the dismissal or termination of any of Seller's employees.

10.0 CONDITIONS PRECEDENT.

10.1. Mutual Conditions. The respective obligations of both Buyer and

Seller to consummate the Transaction are subject to the satisfaction of each of the following conditions:

(a) Approval of Assignment Application. The Commission shall have granted the Assignment Application, and such grant shall be in full force and effect on the Closing Date.

(b) Absence of Litigation. As of the Closing Date, no litigation, action, suit or proceeding enjoining, restraining or prohibiting the consummation of the Transaction shall be pending before any court, the Commission or any other Governmental Authority or arbitrator; provided, however,

that this Section may not be invoked by a party if any such litigation, action, suit or proceeding was solicited or encouraged by, or instituted as a result of any act or omission of, such party.

(c) Hart-Scott-Rodino. All applicable waiting periods under the

Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired.

10.2. Additional Conditions to Buyer's Obligation. In addition to the

satisfaction of the mutual conditions contained in Section 10.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction or waiver by Buyer of each of the following conditions:

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

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

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

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

(e) Estoppel Certificates. At Closing, Seller shall deliver to Buyer a certificate executed by the other party to each Material Contract, dated no more than 15 days prior to the Closing Date, stating (i) that such Contract is in full force and effect and has not been amended or modified; and (ii) that Seller is not in breach or default under such Material Contract, and that no event has occurred that, with notice or the passage of time or both, would constitute a breach or default thereunder by Seller.

(f) No Material Adverse Change. Neither the Station nor the Purchased Assets shall have suffered a material adverse change since the date of this Agreement, and there shall have been no changes since the date of this Agreement in the business, operations, condition (financial or otherwise), properties, assets or liabilities of Seller, of the Station or of the Purchased Assets, except changes contemplated by this Agreement and changes which are not (either individually or in the aggregate) materially adverse to the Station.

(g) Opinion of Seller's Counsel. At Closing, Seller shall deliver to Buyer the written opinion or opinions of Seller's counsel, dated the Closing Date, in scope and form satisfactory to Buyer, to the following effect:

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

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

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

(4) To such counsel's knowledge, based on a search of court dockets as shall be reasonably satisfactory to Buyer's counsel, no suit, action, claim or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to enjoin, restrain or prohibit Seller from carrying out the Transaction.

(5) To such counsel's knowledge, based on a search of court dockets as shall be reasonably satisfactory to Buyer's counsel, there is no outstanding judgment, or any suit, action, claim or proceeding pending, threatened or deemed by Seller's counsel to be probable of assertion, or any governmental proceeding or investigation in progress (other than proceedings affecting radio broadcasters generally) that could reasonably be expected to have an adverse effect upon the Purchased Assets or upon the business or operations of the Station after Closing.

(6) Seller is the authorized legal holder of the FCC Licenses, the FCC Licenses are in full force and effect, and the FCC Licenses are not the subject of any pending license renewal application. To counsel's knowledge, there are no applications pending before the Commission with respect to the Station.

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

(8) To counsel's knowledge, there is no Commission investigation, notice of apparent liability or order of forfeiture, pending or outstanding against the Station, or any complaint, petition to deny or proceeding against or involving the Station pending before the Commission, except for rule making proceedings of general applicability to the broadcast industry.

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

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

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

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

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

(l) Studio Site Lease. At Buyer's sole option, Seller, the owner of the Studio Site, shall have entered into a written lease substantially in the form of Exhibit 2 attached hereto for the real property described in Section 6.13 for a minimum six-month period.

(m) Transmitter Site Lease. Seller, the owner of the Transmitter Site, shall have entered into a written lease substantially in the form of Exhibit 3 attached hereto for the real property described in Section 6.13 and any equipment associated with the operation of the Station at that site for a minimum of fifteen (15) years, with options to renew.

(n) License Application. The pending license application (File No. BMLH-981007KA) shall have been granted.

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

10.3. Additional Conditions to Seller's Obligation. In addition to ----- satisfaction of the mutual conditions contained in Section 10.1, the obligation of Seller to consummate the Transaction is subject, at Seller's option, to the satisfaction or waiver by Seller of each of the following conditions:

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

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

(c) Assumption of Liabilities. Buyer shall assume and agree to pay, perform and discharge Seller's obligations under the Contracts, Sales Agreements and Trade Agreements to the extent Buyer has expressly agreed to assume such obligations pursuant to Section 4.4.

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

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

11.0. CLOSING. The Closing Date shall be on or before the tenth day after the

date on which the Commission grant of the Assignment Application becomes a Final Order, or, at Buyer's option, if finality is waived, within fifteen (15) days after grant of the Assignment Application or such other time as Seller and Buyer shall mutually agree. Closing shall take place at 10:00 a.m. on the Closing Date at the offices of Buyer's counsel, Kirkland & Ellis, 655 15th Street, NW, Suite 1200, Washington, D.C. 20005.

12.0. PRORATIONS.

12.1. Apportionment of Expenses. Seller shall be responsible for all expenses arising out of the business of the Station until 11:59 p.m. on the Closing Date, and Buyer shall be responsible for all expenses arising out of the business of the Station after 11:59 p.m. on the Closing Date to the extent such expenses relate to liabilities assumed by Buyer pursuant to Section 4.4. All overlapping expenses shall be prorated or reimbursed, as the case may be, as of 11:59 p.m. on the Closing Date.

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

13.0. POST-CLOSING OBLIGATIONS. - The parties covenant and agree as follows

with respect to the period subsequent to Closing:

13.1. Collection of Accounts Receivable. At Closing, Seller shall assign to Buyer, for purposes of collection only, all of the Accounts Receivable that are outstanding and unpaid on the Closing Date, except for those Accounts Receivable which Seller has instituted litigation to collect as of the date of this Agreement and which are identified on Schedule 6.3. Buyer shall use such efforts as are reasonable and in the ordinary course of business to collect those Accounts Receivable for a period of ninety (90) days following the Closing Date (the "Collection Period"). This obligation, however, shall not extend to the institution of litigation, employment of counsel or any other extraordinary means of collection. So long as those Accounts Receivable are in Buyer's possession, neither Seller nor its agents shall make any solicitation of them for collection purposes or institute litigation for the collection of any amounts due thereunder. All payments received by

Buyer during the Collection Period from any person obligated with respect to any Accounts Receivable shall be applied first to Seller's account, and only after full satisfaction thereof, to Buyer's account; provided, however, that if

that if that customer instructs Buyer to apply such payment to amounts owed by such customer to Buyer or the amount paid correlates to the amount of Buyer's invoice to such customer, Buyer may apply such payments to its own invoices without first applying any of such amount to Seller's account; and provided

further that if, during the Collection Period, and provide any account debtor

contests the validity of its obligation with respect to any Account Receivable, then Buyer shall return that Account Receivable to Seller after which Seller shall be solely responsible for the collection thereof. Buyer shall not have the right to compromise, settle, or adjust the amounts of any of the Accounts Receivable without Seller's prior written consent. One hundred (100) days after the Closing Date, Buyer shall furnish Seller with a list of Accounts Receivable collected during the applicable period accompanied by a payment equal to the amount of such collections, less any salesperson's, agency, and representative commissions applicable thereto that are deducted and paid by Buyer from the proceeds of such collections. Any Accounts Receivable that are not collected during the Collection Period shall be reassigned to Seller after which Buyer shall have no further obligation to Seller with respect to the Accounts provided, however, that all funds subsequently received by Buyer (without time

limitation) that can be specifically identified, whether by accompanying invoice or otherwise, as a payment on the Accounts Receivable shall be paid over or forwarded to Seller.

13.2. Indemnification.

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

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

(c) Procedure for Indemnification. The procedure for indemnification shall be as follows:

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

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

(3) The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of such claim, provided, that, Indemnitor acknowledges in writing to Claimant that Indemnitor would assume responsibility for and demonstrates its financial ability to satisfy the claim should the party asserting the claim prevail. In the event that the Indemnitor shall not satisfy the requirements of the preceding sentence or shall elect not to undertake such defense, or within 15 days after notice of any such claim from the Claimant shall fail to defend, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor. Anything in this Section 13.2(c)(3) to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Claimant other than as a result of money damages or other money payments, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim, (ii) the Indemnitor shall not, without the Claimant's written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the plaintiff to the Claimant of a release from all liability in respect of such claim, and (iii) in the event that the Indemnitor undertakes defense of any claim consistent with this Section, the Claimant, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such claim.

(d) Assignment of Claims. If any payment is made pursuant to this Section 13.2, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of Claimant, and Claimant shall assign to Indemnitor, for its use and benefit, any and all claims, causes of actions, and demands of whatever kind and nature that Claimant may have against

the person, firm, corporation or entity giving rise to the loss for which payment was made. Claimant agrees to reasonably cooperate in any efforts by Indemnitor to recover such loss from any person, firm, corporation or entity.

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

(f) Threshold Concerning Sections 13.2(a) and (b). Notwithstanding anything to the contrary in Sections 13.2(a) and (b), the parties shall not be entitled to indemnity under Sections 13.2(a) and (b) unless the aggregate loss indemnified against thereunder exceeds \$25,000 (in which case, the Claimant shall be entitled to recovery from the Indemnitor of the full amount of the loss).

13.3 Cooperation with Respect to Financial and Tax Matters. From the date

of Closing and for a period of three (3) years thereafter, Seller shall provide Buyer with such cooperation and information as Buyer shall reasonably request in Buyer's: (i) analysis and review of the Financial Statements or (ii) preparation of documentation to fulfill any reporting requirements of Buyer including reports that may be filed with the Securities and Exchange Commission. Seller shall make its accountant available, including its opinions and Financial Statements for the Seller, to provide explanations of any documents or information provided hereunder and to permit disclosure by Buyer, including disclosure to any Governmental Authority.

13.4. Liabilities. Following the Closing Date, Seller shall pay

promptly when due all of the debts and liabilities of Seller relating to the Station, other than liabilities specifically assumed by Buyer hereunder.

14. DEFAULT AND REMEDIES.

14.1. Opportunity to Cure. If either party believes the other to be in

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

14.2. Seller's Remedies. Buyer recognizes that if the Transaction is

not consummated as a result of Buyer's default, Seller would be entitled to compensation, the extent of which is extremely difficult and impractical to ascertain. To avoid this problem, the parties agree that if the Transaction is not consummated due to the default of Buyer, Seller, provided that Seller is not in default and has otherwise complied with its obligations under this Agreement, shall be entitled to the Initial Escrow

Deposit, with interest earned thereon. The parties agree that this sum shall constitute liquidated damages and shall be in lieu of any other relief to which Seller might otherwise be entitled due to Buyer's failure to consummate the Transaction as a result of a default by Buyer.

14.3. Buyer's Remedies. Seller agrees that the Purchased Assets include

unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees (i) to waive the defense in any such suit that Buyer has an adequate remedy at law and (ii) to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. If Buyer elects to terminate this Agreement as a result of Seller's default instead of seeking specific performance, Buyer shall be entitled to the return of the Initial Escrow Deposit together with all interest earned thereon, and in addition thereto, to initiate a suit for damages with such damages not to exceed \$200,000. The parties agree that this sum shall be the maximum amount to which Buyer might otherwise be entitled due to Seller's failure to consummate the Transaction as a result of a default by Seller.

15.0. TERMINATION OF AGREEMENT.

15.1. Failure to Close. This Agreement may be terminated at the option

of either party upon written notice to the other if the Commission has not granted the Assignment Application within nine (9) months after the Commission accepts the Assignment Application for filing or may be terminated by Buyer if the Commission's action granting the Assignment Application has not become a Final Order within twelve (12) months after the Commission accepts the Assignment Application for filing; provided, however, that a party may not

terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the Commission information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission; or (iii) by any other action taken by such party for the purpose of delaying the Commission's decision or determination respecting the Assignment Application. This Agreement may also be terminated upon the mutual agreement of Buyer and Seller. In the event of termination pursuant to this Section, the Initial Escrow Deposit, together with all interest earned thereon, shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder unless the failure to consummate the Transaction is attributable to Buyer's default, and Seller is not in default and has otherwise complied with its obligations under this Agreement, in which case the Initial Escrow Deposit plus interest earned thereon shall be released to Seller as liquidated damages pursuant to Section 14.2.

15.2. Designation for Hearing. The time for approval provided in

Section 15.1 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the Commission, provided, however, that written notice

of termination must be given within 10 days after release of the hearing designation order and that the party giving such notice is not in default and has otherwise complied with its obligations under this Agreement. Upon termination pursuant to this Section, the Initial Escrow Deposit together with all interest earned thereon shall be returned to Buyer and the parties

shall be released and discharged from any further obligation hereunder, provided,

however, that if the designation for hearing is predicated upon breach by either

party of a representation, warranty or covenant contained in this Agreement, the
nonbreaching party may, in addition to termination, pursue the remedies
available to such non-breaching party provided in Sections 14.2 and 14.3.

16.0. GENERAL PROVISIONS.

16.1. Brokerage. Seller and Buyer represent to each other that neither

party has dealt with a broker in connection with the Transaction, except that
Seller has retained Media Venture Partners. No finders fee is due to any person
or entity in connection with the Transaction except for Media Venture Partners
and such fee shall be paid by Seller at Closing.

16.2. Fees. All Commission filing fees for the Assignment Application,

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

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

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

If to Seller:

Mr. Hubert N. Hoffman, Jr., President
Hoffman Communications, Inc.
2461 Eisenhower Avenue
Alexandria, VA 22331

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

Michael Perine, Esq.
Hoffman Management, Inc.
2461 Eisenhower Avenue.
Alexandria, VA 22331

If to Buyer:

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

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

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

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

16.4. Assignment. Neither party may assign this Agreement without the

other party's express prior written consent, provided, however, Buyer may assign

its rights and obligations pursuant to this Agreement without Seller's consent prior to closing to (i) an entity which is a subsidiary or parent of Buyer or to an entity owned or controlled by Buyer or its principals or (ii) to Buyer's lenders as collateral for any indebtedness incurred by Buyer; and subsequent to closing to (x) any entity which acquires all or substantially all of the Purchased Assets or (y) to Buyer's lenders as collateral for any indebtedness incurred by Buyer. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

16.5. Exclusive Dealings. For so long as this Agreement remains in

effect, neither Seller nor any person acting on Seller's behalf shall, directly or indirectly, solicit or initiate any offer from, or conduct any negotiations with, any person or entity concerning the acquisition of all or any interest in any of the Purchased Assets or the Station, other than Buyer or Buyer's permitted assignees.

16.6. Third Parties. Nothing in this Agreement, whether express or

implied, is intended to: (i) confer any rights or remedies on any person other than Seller, Buyer and their respective successors and permitted assignees; (ii) relieve or discharge the obligations or liability of any third party; or (iii) give any third party any right of subrogation or action against either Seller or Buyer.

16.7. Indulgences. Unless otherwise specifically agreed in writing to

the contrary: (i) the failure of either party at any time to require performance by the other of any provision of this Agreement shall not affect such party's right thereafter to enforce the same; (ii) no waiver by either

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

16.8. Survival of Representations and Warranties. The

representations, warranties, and indemnification obligations of Buyer and the representations, warranties and indemnification obligations of Seller contained in Section 6.5, but only to the extent such section represents that the Station is operating in compliance with the FCC Licenses, Communications Act and FCC rules; Section 6.6, but only to the extent such section represents that all Equipment is serviceable, in good operating condition and is not in imminent need of repair; Section 6.13, but only to the extent such section represents that all mechanical and structural components are in good operating condition and repair; and Section 6.15 (a) and (b) shall survive for nine (9) months after the Closing Date except that claims properly asserted within the nine (9) month period shall survive until finally and fully resolved; provided, however, that

Seller's representations and warranties in all other sections and Sections 6.5, 6.6, 6.13 and 6.15 to the extent not limited above and Buyer's indemnification rights with respect thereto and with respect to Section 13.2(a)(ii) shall survive the Closing until the end of the applicable statute of limitations period.

16.9. Prior Negotiations. This Agreement supersedes in all respects all

prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of such prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

16.10. Exhibits and Schedules. The Exhibits and Schedules attached hereto

or referred to herein are a material part of this Agreement, as if set forth in full herein.

16.11. Entire Agreement; Amendment. This Agreement, the Exhibits and

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

16.12. Counsel/Interpretation. Each party has been represented by its own

counsel in connection with the negotiation and preparation of this Agreement. This Agreement shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either party.

16.13. Governing Law, Jurisdiction. This Agreement shall be governed by,

and construed and enforced in accordance with the laws of the State of Virginia without regard to the choice of law rules utilized in that jurisdiction. Buyer and Seller each (a) hereby irrevocably submit to the jurisdiction of the courts of that state and (b) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or

immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. Buyer and Seller each hereby consent to service of process by registered mail at the address to which notices are to be given. Each of Buyer and Seller agrees that its submission to jurisdiction and its consent to service of process by mail is made for the express benefit of the other party hereto. Final judgment against Buyer or Seller in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction; provided, however that any party may at its

option bring suit, or institute other proceedings, in any state or federal court of the United States or of any country or place where the other party or its assets, may be found.

16.14. Severability. If any term of this Agreement is illegal or

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

16.15. Counterparts. This Agreement may be signed in any number of

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

16.16. Further Assurances. Seller shall at any time and from time to time

after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may request to vest and confirm in Buyer (or its assignee) the title and rights to and in all the Purchased Assets to be and intended to be transferred, assigned and conveyed hereunder.

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

SELLER:

HOFFMAN COMMUNICATIONS, INC.

By: /s/ Hubert N. Hoffman, Jr.

Hubert N. Hoffman, Jr.
President

BUYER:

RADIO ONE, INC.

By: /s/ Alfred C. Liggins

Alfred C. Liggins
President

ASSET PURCHASE AGREEMENT

by and between

FM 100, INC.

for the sale and purchase of
Stations WKJS-FM and Station WSOJ-FM

Dated as of February 26, 1999

TABLE OF EXHIBITS

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EXHIBIT 2 -- Noncompetition Agreement

TABLE OF SCHEDULES

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ASSET PURCHASE AGREEMENT

This Agreement, made and entered into as of this 26th day of February, 1999, by and between FM100, Inc., a Virginia corporation ("Seller"), and Radio One, Inc., a Delaware corporation ("Buyer").

WITNESSETH THAT:

WHEREAS, Seller is the licensee of Stations WKJS-FM, 104.7 MHz, Crewe, and WSOJ-FM, 100.3 MHz, Petersburg, Virginia (the "Stations"); and

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

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

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

1.0 RULES OF CONSTRUCTION.

1.1. Defined Terms.

As used in this Agreement, the following terms shall have the following meanings:

"Accounts Receivable" means the cash accounts receivable of Seller arising from Seller's operation of the Stations prior to and immediately before the Closing.

"Administrative Violation" means those violations described in Section 8.6 hereof.

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

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

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

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

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

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

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

"Commission" means the Federal Communications Commission.

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

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

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

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

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

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

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

Commission with comparable effect shall be pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the Commission shall have expired or otherwise

terminated.

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

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

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

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

"Initial Escrow Agent" means Media Services Group, Inc..

"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.

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

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

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

"Knowledge of Seller" means the actual knowledge, after reasonable inquiry of Seller's senior management, the books and records of the Stations, and the actual knowledge of Dr. Walton M. Belle and Larry Jones.

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

"Noncompetition Agreement" means the agreement to be entered into by FM 100, Inc., and all officers, directors and shareholders of FM-100, Inc.

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

"Purchase Price" shall mean the total consideration for the Purchased Assets as described in Section 4.1.

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

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

"Seller" means FM 100, Inc., a Virginia corporation.

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

"Specified Event" means those broadcast transmission failures described in Section 8.5(b).

"Stations" means WKJS-FM, 104.7 MHz, Crewe, Virginia, and WSOJ-FM, 100.3 MHz, Petersburg, Virginia, but shall not be interpreted to mean WREJ(AM), Richmond, Virginia, which is owned and operated by Fifteen Forty Broadcasting Corporation, a Virginia corporation ("Fifteen Forty"). Fifteen Forty is an affiliate of Seller.

"Studio Site" means the real estate located at 6001 Wilkinson Road, Virginia that is currently used as the Stations' studio and office facilities.

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

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

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

"WKJS Transmitter Site" means the real estate located at Crewe, Virginia that is currently owned by Seller and used as Station WKJS's transmitter site.

"WSOJ Transmitter Site" means the real estate located at Petersburg, Virginia that is currently leased and used as Station WSOJ's transmitter site.

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

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

1.4. Headings and Cross-References. - The headings of the Sections and Paragraphs hereof, the Table of 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.

2.0 ASSETS TO BE CONVEYED.

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

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

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

(c) Contracts and Agreements. The Contracts, Sales Agreements and Trade Agreements, subject to the following:

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

(2) Buyer shall be obligated to assume only those Sales Agreements that have been or will have been entered into in the ordinary course of business and in accordance with the terms of this Agreement at commercially reasonable rates and with terms of no longer than ten (10) weeks, or if containing terms of longer than 10 weeks, are terminable by the Stations on not more than 15 days' notice.

(3) Buyer shall be obligated to assume only those Trade Agreements that are listed in Schedule 2.1(c)(1) or that have been or will have been entered into in the ordinary course of business and in accordance with the terms of this Agreement, between the date hereof and the Closing Date, and are (i) immediately preemptible for cash time sales trade; (ii) require the provision of air time only on a "run of schedule" basis; and (iii) inure or will inure to the benefit of the Stations. Notwithstanding the foregoing, Buyer shall not be obligated to assume Trade Agreements (including both those Trade Agreements listed on Schedule 2.1(c)(1) and those entered into in the ordinary course of business) that have an aggregate negative Trade Balance exceeding Five Thousand Dollars (\$5,000).

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

(5) Notwithstanding any provision of this Agreement to the contrary, Buyer acknowledges that, with respect to any Contract assumed by Buyer hereunder which contains a personal guarantee of any shareholder of Seller, Buyer shall enter into an agreement at Closing to indemnify that individual as to the post-closing payment obligations of the assumed Contract. Seller agrees to use its best efforts to obtain any consents or agreements necessary to remove the requirement of a guarantor on any such Contract provided such renewal does not inhibit Buyer's ability to assume any such Contract.

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

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

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

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

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

(i) Real Property Leases. Seller currently holds a leasehold interest in the Real Property described in Schedule 6.13, which is used as the Station's Studio Building. The Studio Site is owned by Fifteen Forty Broadcasting Corporation ("Fifteen Forty"), a Virginia Corporation, that is an affiliate of Seller. At Closing, Seller shall cause Fifty Forty to execute a lease for the Studio Site building to Buyer without charge for a period of twelve months from the date of Closing. Such lease shall also provide for Fifteen Forty's continued use and occupancy of the Studio site building for its broadcasting purposes in connection with Station WREJ(AM) during the term of the lease. In addition, Buyer shall assume all Seller's rights, title and interest in an equipment lease with Action Mobile Industries, Inc., dated November 17, 1997, provided however, that Seller shall prepay lease expenses in the aggregate amount of \$4,500.00 at Closing. Seller also holds a leasehold interest in the Real Property described in Schedule 6.13, which is used as the WSOJ Transmitter Site. At Closing, Seller shall assign any and all rights, title and interests in the WSOJ Transmitter Site lease to Buyer.

(j) Real Property Owned. Seller currently holds title to the Real Property described in Schedule 6.13 used as the WKJS Transmitter Site. At Closing, Seller shall convey title to this transmitter site to Buyer.

(k) Receivables. All Accounts Receivable.

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

(a) Cash and Investments. All cash and cash equivalents on hand or in bank accounts and other cash items and investment securities of Seller on the Closing Date.

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

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

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

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

(f) Corporate Records. Seller's corporate minute books and other books and records relating to internal corporate minutes.

(g) Studio Site. Except as provided in Section 2.1(i) herein, Fifteen Forty Broadcasting will retain all rights, title and leasehold interest, if any, to the Studio Building.

3.0 INITIAL ESCROW DEPOSIT. Simultaneously with the execution and delivery

of this Agreement by both parties, Buyer has deposited with Media Services Group, Inc. ("Initial Escrow Agent"), a cash deposit of Five Hundred Thousand Dollars (\$500,000) (the "Initial Escrow Deposit"). The Initial Escrow Deposit shall be held in an interest-bearing account 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 Seller, Buyer and Initial Escrow Agent simultaneously herewith.

4.0 PURCHASE PRICE AND METHOD OF PAYMENT.

4.1. Consideration. The total consideration for the Purchased Assets at

Closing (the "Purchase Price") shall be Twelve Million Dollars (\$12,000,000), payable as set forth in this Section 4.

4.2. Payment at Closing. At Closing, Buyer shall pay:

(a) Eleven Million Five Hundred Thousand Dollars (\$11,500,000) (as adjusted pursuant to Sections 8.5 and 12.1) to Seller by check or wire transfer of same day funds

pursuant to wire transfer instructions which shall be delivered by Seller to Buyer at least five business days prior to Closing.

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

4.3 Additional Contingent Consideration. Additional consideration will

be paid to the Seller subject to certain conditions as described herein. In the event the cash flow of the Stations operating as a combined entity for calendar year 1999 exceeds One Million Dollars (\$1,000,000), then Buyer shall pay to Seller an amount in cash equal to the product of (x) ten (10) and (y) the dollar amount of such cash flow in excess of \$1,000,000. So, for example, if the cash flow for calendar year 1999 is \$1,200,000, then Seller would be entitled to be paid an additional \$2,000,000 (\$1,200,000-\$1,000,000 x 10). For purposes of this calculation, the term cash flow shall be defined as: net income computed for calendar year 1999 in accordance with generally accepted accounting principles, consistently applied (excluding (i) extraordinary expenses relating to debt and equity restructuring, (ii) extraordinary gains from sales, exchanges and other dispositions of assets not in the ordinary course of business and (iii) the effect of any Trade Agreements), plus (1) depreciation, (2)

amortization of assets, (3) interest expense and (4) taxes, in each case, to the extent included in the calculation of net income. For purposes of this calculation, income from the operations of Station WREJ(AM) by Fifteen Forty Broadcasting shall be excluded. The determination of the amount of cash flow for the Stations for calendar year 1999 shall be made by Buyer's independent accounting firm, Arthur Andersen, LLP. Seller shall assist Arthur Andersen, LLP by providing any relevant information available to Seller that is necessary and/or useful in computing the amount of cash flow. At Closing, Seller will terminate the Employment and Option Agreement between FM 100, Inc., Larry D. Jones, Walton M. Belle, Joseph E. Quash and Charles E. Cumings, dated January 1, 1995. Buyer further agrees to continue the employment of Larry D. Jones as General Manager of the Stations through December 31, 1999, with all authority and duty as such title is generally recognized to carry and to conduct the business of the Stations in a manner similar to the manner in which they have been conducted prior to the Closing Date. Any determination by Arthur Andersen, LLP shall be final and binding upon Seller and Buyer. If any payment is required pursuant to this subsection, such payment shall be due ninety (90) days after the date that Buyer's final audited financial statements for calendar year 1999 are delivered to Buyer by Arthur Andersen, LLP.

4.4. Allocation. The Purchase Price shall be allocated to the Purchased

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

4.5. Seller's Liabilities. Buyer does not and shall not assume or be

deemed to assume, pursuant to this Agreement or otherwise, any agreements, liabilities, undertakings, obligations or commitments of Seller or the Stations of any nature whatsoever except: (i) liabilities accruing after Closing under the Contracts, Sales Agreements and Trade Agreements listed in Schedule 2.1(c)(1) or otherwise expressly assumed by Buyer pursuant to, and subject to, Section 2.1(c), provided, that, Buyer shall not assume liability for any

breaches, violations or defaults under the Contracts, Sales Agreements and Trade Agreements that occurred prior to Closing; and (ii) prorated items that are to be paid by Buyer after Closing pursuant to Section 12.1.

5.0 HART-SCOTT-RODINO. As promptly as practicable and no later than ten (10)

days following the execution of this Agreement, Seller and Buyer shall complete any filing that may be required pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or shall mutually agree that no such filing is required. Seller and Buyer shall diligently take all necessary and proper steps and provide any additional information reasonably requested in order to comply with the requirements of such Act. Seller and Buyer shall each pay one-half of the filing fee.

6.0 SELLER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Seller hereby makes

to and for the benefit of Buyer, the following representations, warranties and covenants:

6.1. Existence, Power and Identity. Seller is a corporation duly

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

6.2. Binding Effect. The execution, delivery and performance by Seller

of this Agreement has been and the Seller Documents will be duly authorized by all necessary corporate action, and copies of those authorizing resolutions, certified by Seller's Secretary shall be delivered to Buyer at Closing. No other corporate action by Seller is required for Seller's execution, delivery and performance of this Agreement. This Agreement has been duly and

validly executed and delivered by Seller to Buyer and constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors, and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

6.3. No Violation. Except as set forth on Schedule 6.3, none of (i) the

execution, delivery and performance by Seller of this Agreement or any of the Seller Documents, (ii) the consummation of the Transaction, or (iii) Seller's compliance with the terms or conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Seller's articles of incorporation or bylaws, (y) any judgment, decree, order, consent, agreement, lease or other instrument (including any Contract, Sales Agreement or Trade Agreement) to which Seller is a party or by which Seller or any of its assets (including the Purchased Assets) or the Stations is or may be legally bound or affected, or to the knowledge of Seller, (z) any law, rule, regulation or ordinance of any Governmental Authority applicable to Seller or any of its assets (including the Purchased Assets) or the operation of the Stations.

6.4. Conveyance of Assets. At Closing, Seller shall convey to Buyer

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

6.5. Governmental Authorizations. Except for the FCC Licenses, no

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

Seller has no knowledge of any facts relating to it that, under the Communications Act or the current rules, regulations, policies and practices of the Commission may cause the Commission to deny Commission renewal of the FCC Licenses or deny Commission consent to the Transaction.

6.6. Equipment. Seller has good and marketable title, both legal and

equitable, to the Equipment. The Equipment, together with any improvements and additions thereto and replacements thereof less any retirements or other dispositions as permitted by this Agreement between the date hereof and the Closing Date, will, at Closing, be all the tangible personal property used or useful in the lawful operation of the Stations as currently operated by Seller. Except as specifically indicated to the contrary in Schedule 6.6, all Equipment is serviceable, in good operating condition (reasonable wear and tear excepted), and is not in imminent need of repair or replacement. All items of transmitting and studio equipment included in the Equipment (i) have been maintained in a manner consistent with generally accepted standards of good engineering practice and (ii) will permit the Stations to operate in accordance with the terms of the FCC Licenses.

6.7. Contracts. Seller has made available to Buyer or its

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

6.8. Promotional Rights. The Intellectual Property set forth on Schedule

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

no one has asserted to Seller that such operations infringe, any copyright, trademark, tradename, service mark or other similar right of any other party.

6.9. Insurance. Schedule 6.9 lists all insurance policies held by

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

6.10. Financial Statements.

(a) Seller has furnished Buyer with Compilation Unaudited Financial Statements for fiscal years 1995, 1996, and 1997 as well as Compilation Unaudited Financial Statements for December 31, 1998 and most recently available statements. The Financial Statements: (i) have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods involved and as compared with prior periods; and (ii) fairly present Seller's financial position, income, expenses, assets, liabilities, shareholder's equity and the results of operations of the Stations as of the dates and for the periods indicated. Since December 31, 1997, there has been no material adverse change in the business, assets, properties or condition (financial or otherwise) of the business. No event has occurred and Seller has no knowledge that prior to Closing, any event will have occurred that would make such Financial Statements misleading in any respect.

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

the dates and for the periods indicated, subject to year end adjustments which do not materially affect the operations of Seller.

6.11. Employees. Except as otherwise listed on Schedule 6.11, (i) no

employee of the Stations is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and, to the knowledge of Seller, there has been no concerted effort to unionize any of the Stations' employees and (ii) Seller has no other written or oral employment agreement or arrangement with any Station employee, and no written or oral agreement concerning bonus, termination, hospitalization or vacation. Seller has delivered to Buyer a list of all persons currently employed at the Stations together with an accurate description of the terms and conditions of their respective employment as of the date of this Agreement. Seller will promptly advise Buyer of any changes that occur prior to Closing with respect to such information.

6.12. Employee Benefit Plans.

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

(2) Each plan or arrangement listed in Schedule 6.12 (and any related trust or insurance contract pursuant to which benefits under such plans or arrangements are funded or paid) has been administered in all material respects in compliance with its terms and in both form and operation is in compliance with applicable provisions of ERISA, the Code, the Consolidated Omnibus Budget Reconciliation Act of 1986 and regulations thereunder, and other applicable law. Each Pension Plan listed in Schedule 6.12 has been determined by the Internal Revenue Service to be qualified under Section 401(a) and, if applicable, Section 401(k) of the Code, and nothing has occurred or been omitted since the date of the last such determination that resulted or could result in the revocation of such determination. Seller and the Affiliates have made all required contributions or payments to or under each plan or arrangement listed in Schedule 6.12 on a timely basis and have made adequate provision for reserves to meet contributions and

payments under such plans or arrangements that have not been made because they are not yet due.

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

(4) The parties agree that Buyer does not and will not assume the sponsorship of, or the responsibility for contributions to, or any liability in connection with, any Pension Plan, any Welfare Plan, or Other Plan maintained by Seller or an Affiliate for its employees, former employees, retirees, their beneficiaries or any other person. In addition and not as a limitation of the foregoing, the parties agree that Seller and such Affiliate shall be liable for any continuation coverage (including any penalties, excise taxes or interest resulting from the failure to provide continuation coverage) required by Section 4980B of the Code due to qualifying events that occur after the Closing Date resulting from the transaction contemplated by this Agreement.

6.13. Real Property. Seller has good, valid and marketable fee title to

the real property described in Schedule 6.13 (hereinafter "Real Property") which is used as the WKJS Transmitter Site and except as shown on Schedule 6.13, all improvements are free and clear of all mortgages, liens, claims encumbrances, leases, title exceptions and rights of others. Except as listed on Schedule 6.13, all of the improvements, and all heating and air conditioning equipment, plumbing, electrical and other mechanical facilities, and the roof, walls and other structural components which are part of, or located in, such improvements, are in good operating condition and repair, comply in all material respects with applicable zoning laws and the building, health, fire and environmental protection codes of all applicable governmental jurisdictions, and do not require any repairs other than normal routine maintenance to maintain them in good condition and repair. None of the improvements have any structural defects. No portion of the Real Property described in Schedule 6.13 is the subject of any condemnation or eminent domain proceedings currently instituted or pending, and to the Knowledge of Seller, no such proceedings are threatened. There are no condemnation, zoning or other land use regulations proceedings instituted or, to the Knowledge of Seller, planned to be instituted, which would materially affect the use and operations of the Real Property for any lawful purpose, and Seller has not received notice of any special assessment proceedings materially affecting the Real Property. The Real Property has direct and unobstructed access to all public utilities necessary for the uses to which the Real Property is currently devoted by Seller in the operation of the Stations.

6.14. Environmental Protection. Except as set forth on Schedule 6.14,

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

6.15. Compliance with Law. There is no outstanding complaint, citation,

or notice issued by any Governmental Authority asserting that Seller is in violation of any law, regulation, rule, ordinance, order, decree or other material requirement of any Governmental Authority (including any applicable statutes, ordinances or codes relating to zoning and land use, health and sanitation, environmental protection, occupational safety and the use of electric power) affecting the Purchased Assets or the business or operations of the Stations, and Seller is in material compliance with all such laws, regulations, rules, ordinances, decrees, orders and requirements. Without limiting the foregoing:

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

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

(c) All ownership reports, employment reports, tax returns and other material documents required to be filed by Seller with the Commission or other Governmental Authority have been filed; such reports and filings are accurate and complete in all material respects; such

items as are required to be placed in the Stations' local public records files have been placed in such files; all proofs of performance and measurements that are required to be made by Seller with respect to the Stations' transmission facilities have been completed and filed at the Stations; and all information contained in the foregoing documents is true, complete and accurate.

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

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

6.16. Litigation. Except for proceedings affecting radio broadcasters

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

6.17. Insolvency Proceedings. No insolvency proceedings of any

character, including bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting Seller, the Stations' Assets or the Purchased Assets are pending or, to the Knowledge of Seller, threatened. Seller has not made an assignment for the benefit of creditors.

6.18. Sales Agreements. The Sales Agreements in existence on the date

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

6.19. Liabilities. There are no known liabilities or obligations of

Seller relating to the Stations, whether related to tax or non-tax matters, due or not yet due, except as and to the extent set forth on the most recent Financial Statements described in Section 6.10.

6.20. Sufficiency of Assets. The Purchased Assets in conjunction with

the leases referred to in Section 2.1(i) are and, on the Closing Date will be, sufficient to conduct the operation and business of the Stations in the manner in which it is currently being conducted.

6.21. Related Parties. Except as disclosed in Schedule 6.21 neither

Seller nor any shareholder, officer or director of Seller has any interest whatsoever in any corporation, firm, partnership or other business enterprise which has had any business transactions with Seller

relating to the Purchased Assets or the Stations, and no shareholder, officer or director of Seller has entered into any transactions with Seller relating to the Purchased Assets or the Stations.

6.22. Taxes. The Seller has timely filed with all appropriate

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

6.23. No Misleading Statements. No provision of this Agreement relating

to Seller, the Stations or the Purchased Assets or any other document, Schedule, Exhibit or other information furnished by Seller to Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, 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. In connection with the preparation of this Agreement and the documents, descriptions, opinions, certificates, Exhibits, Schedules or written material prepared by Seller and appended hereto or delivered or to be delivered hereunder, Seller represents and warrants that it has disclosed, and agrees it will continue to disclose to Buyer, any fact that Seller is obligated to disclose to assure the continuing accuracy of the representations and warranties contained in this Section 6. All Exhibits and Schedules attached hereto are materially accurate and complete as of the date hereof.

7.0 BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. Buyer hereby makes to

and for the benefit of Seller, the following representations, warranties and covenants:

7.1. Existence and Power. Buyer is a corporation duly organized,

validly existing and in good standing under the laws of the State of Delaware, with full corporate power and authority to assume and perform this Agreement, and as of the Closing Date will be authorized to do business in the State of Virginia.

7.2. Binding Effect. The execution, delivery and performance by Buyer

of this Agreement, and each other document, agreement and instrument to be executed and delivered by

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

7.3. No Violation. None of (i) the execution, delivery and performance

by Buyer of this Agreement or any of the Buyer Documents, (ii) the consummation of the Transaction, or (iii) Buyer's compliance with the terms and conditions hereof will, with or without the giving of notice or the lapse of time or both, conflict with, breach the terms or conditions of, constitute a default under, or violate (x) Buyer's articles of incorporation or by-laws or (y) any judgment, decree, order, consent agreement, lease or other instrument to which Buyer is a party or by which Buyer is legally bound.

7.4. Litigation. There is no litigation, action, suit, complaint,

proceeding or investigation, pending or, to the Knowledge of Buyer, threatened that may adversely affect Buyer's ability to consummate the Transaction as provided herein.

7.5. Licensee Qualifications. To the Knowledge of Buyer there is no

fact that would, under the rules and regulations of the Commission, disqualify Buyer from being the assignee of the FCC Licenses or the owner and operator of the Stations. Should Buyer become aware of any such fact, it will so inform Seller, and Buyer will use commercially reasonable efforts to remove any such disqualification.

8.0 PRE-CLOSING OBLIGATIONS. The parties covenant and agree as follows with

respect to the period prior to Closing:

8.1. Application for Commission Consent. Within five (5) business days

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

8.2. Access. Between the date hereof and the Closing Date, Seller shall

give Buyer and representatives of Buyer reasonable access to the Purchased Assets, the Stations, the employees of Seller and the Stations and the books and records of Seller relating to the business and operations of the Stations. It is expressly understood that, pursuant to this Section, Buyer, at

its expense, shall be entitled to conduct such engineering inspections of the Stations, such environmental assessments and surveys of the WKJS Transmitter Site and WSOJ Transmitter Site, and such reviews of the Stations' financial records as Buyer may desire, so long as the same do not unreasonably interfere with Seller's operation of the Stations. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants.

8.3. Material Adverse changes; Financial Statements. Through the Closing

Date:

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

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

8.4. Operations Prior to Closing. Between the date of this Agreement

and the Closing Date:

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

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

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

(d) Seller shall not: (i) sell, lease, encumber or otherwise dispose of any Purchased Assets or any interest therein except in the ordinary course of business and only if any property disposed of is replaced by property of like or better value, quality and utility prior to

Closing; (ii) cancel, terminate, modify, amend or renew any of the Contracts without Buyer's express prior written consent; (iii) increase the compensation payable or to become payable to any employee of the Stations; or (iv) except to the extent expressly permitted in Section 2.1(c), enter into any Contract or other agreement, undertaking or obligation or assume any liability that may impose any obligation on Buyer after Closing, whether Seller is acting within or outside of the ordinary course of the Stations' business, without Buyer's prior written consent.

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

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

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

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

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

(j) 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.

(k) 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.

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

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

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

8.5. Damage.

(a) Risk of Loss. The risk of loss or damage, confiscation or condemnation of the Purchased Assets shall be borne by Seller at all times prior to Closing. In the event of material loss or damage, Seller shall promptly notify Buyer thereof and use its best efforts to repair, replace or restore the lost or damaged property to its former condition as soon as possible. If the cost of repairing, replacing or restoring any lost or damaged property is Twenty Five Thousand Dollars (\$25,000) or less, and Seller has not repaired, replaced or restored such property prior to the Closing Date, Closing shall occur as scheduled and Buyer may deduct from the Purchase Price paid at Closing the amount necessary to restore the lost or damaged property to its former condition. If the cost to repair, replace, or restore the lost or damaged property exceeds Twenty Five Thousand Dollars (\$25,000), and Seller has not repaired, replaced or restored such property prior to the Closing Date to the satisfaction of Buyer, Buyer may, at its option:

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

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

If, after the expiration of such extension period the lost or damaged property has not been fully repaired, replaced or restored to Buyer's satisfaction, Buyer may terminate this Agreement, in which event the 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 . Seller shall give prompt written notice to Buyer if any of the following (a "Specified Event") shall occur and continue for a period of more than four (4) consecutive hours: (i) the transmission of the regular broadcast programming of either of the Stations in the normal and usual manner is interrupted or discontinued; or (ii) either of the Stations is operated at less than its licensed antenna height above average terrain or at less than eighty percent (80%) of its licensed effective radiated power. If, prior to Closing, either of the Stations is not operated at its licensed operating parameters for more than thirty-six (36) hours (or, in the event of force majeure or utility failure affecting generally the market served

by the Stations, 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 Paragraph 8.5(a)(1) or 8.5(a)(2). In the event of termination of this Agreement by Buyer pursuant to this Section, the 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 Seller and Buyer who is a member of the Association of Federal Communications Consulting Engineers, whose decision shall be final, and whose fees and expenses shall be paid one-half each by Seller and Buyer.

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

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

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

8.9. Cooperation with Respect to Financial and Tax Matters. Between the -----
date hereof and the Closing Date, Seller, its shareholders, officers, directors and employees shall cooperate and Seller shall cause its independent accounting firm to cooperate with Buyer for the purpose of preparing Financial Statements reviewed by Buyer's independent accountants for purposes of including such statements in any reports filed by Buyer with any Governmental Authority. Buyer shall be permitted to disclose the audited Financial Statements for 1995, 1996, 1997 and 1998 as well as unaudited Financial Statements for any period subsequent to 1998 available prior to Closing in any reports filed by the Buyer with any Governmental Authority.

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

8.11. Title Insurance and Surveys. Buyer will obtain with respect to each

parcel of Real Property described in Schedule 6.13 which is used as the WKJS Transmitter Site and WSOJ Transmitter Site (i) within forty-five (45) days of the date of the execution of this Agreement, an owner's policy by a title insurer reasonably satisfactory to Seller, in an amount equal to the fair market value of such Real Property (including all improvements located thereon), insuring Buyer's fee simple title to such Real Property as of the Closing without defects in title, together with such endorsements for zoning, continuity, public access and extended coverage as Buyer or its lender may reasonably request and (ii) a current survey of each parcel of Real Property certified to Buyer and its lender, prepared by a licensed surveyor and conforming to current ALTA Minimum Detail Requirements for Land Title Surveys, disclosing the location of all improvements, easements, party walls, sidewalks, roadways, utility lines, and other matters shown customarily on such surveys, and showing access affirmatively to public streets and roads ("Survey") which shall not disclose any survey defect or encroachment from or onto any of the Real Property which has not been cured or insured over prior to the Closing. Buyer shall pay the cost of such title policies and Survey.

8.12. Environmental Assessment. Within forty-five (45) days after filing

the Assignment Application, Buyer may commence, at its expense, a Phase I and Phase II Environmental Assessment of the Real Property. Seller agrees to cooperate with Buyer and such firm in performing such Environmental Assessment. Buyer shall provide a copy of such Environmental Assessment to Seller but such delivery shall not relieve Seller of any obligation with respect to any representation, warranty or covenant in this Agreement or waive any condition to Buyer's obligations under this Agreement.

9.0 STATUS OF EMPLOYEES.

9.1. Employment Relationship. All Station employees shall be and remain

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

9.2. Buyer's Right to Employ. Seller consents to Buyer discussing with

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

10.0 CONDITIONS PRECEDENT.

10.1. Mutual Conditions. The respective obligations of both Buyer and

Seller to consummate the Transaction are subject to the satisfaction of each of the following conditions:

(a) Approval of Assignment Application. The Commission shall have granted the Assignment Application, and such grant shall be in full force and effect on the Closing Date.

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

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

(d) Noncompetition Agreement. On the Closing Date, the Seller shall -----
cause each of its shareholders, officers and directors other than Larry D. Jones to execute a Noncompetition Agreement with the Buyer in the form of Exhibit 2, including covenants not to compete with the Buyer in the Richmond or Petersburg markets, for a period of five (5) years, except that continued ownership and operation of Station WREJ(AM), Richmond, Virginia, will be permitted.

10.2. Additional Conditions to Buyer's Obligation. In addition to the -----
satisfaction of the mutual conditions contained in Section 10.1, the obligation of Buyer to consummate the Transaction is subject, at Buyer's option, to the satisfaction or waiver by Buyer of each of the following conditions:

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

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

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

signed by the President of the Seller to the effect that the Seller has no such Indebtedness. In particular, Seller shall have discharged that certain Consolidated, Amended and Restated Promissory Note dated January 6, 1999, in the principal amount of \$5,000,000 delivered to NationsBank N.A. and secured by deed of trust dated January 7, 1998 on approximately 100 acres, Nottaway County, Virginia, and Security Agreement dated January 7, 1998 encumbering all personal property and intellectual property of FM 100, Inc. and the Installment Note in the original principal amount of \$17,150.00 delivered to Consolidated Bank & Trust Company and secured by a first lien on the 1995 Chevrolet Van. 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. - Seller shall have obtained (i) all required third-party consents to Buyer's assumption of the Material Contracts, such that Buyer will, after Closing, enjoy all the rights and privileges of Seller under the Material Contracts subject only to the same obligations as are binding on Seller pursuant to the Material Contracts' current terms; and (ii) all other requisite third-party consents and approvals which may be necessary to consummate the Transaction.

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

(f) No Material Adverse Change. Neither the Stations nor the Purchased Assets shall have suffered a material adverse change since the date of this Agreement, and there shall have been no changes since the date of this Agreement in the business, operations, condition (financial or otherwise), properties, assets or liabilities of Seller, of the Stations or of the Purchased Assets, except changes contemplated by this Agreement and changes which are not (either individually or in the aggregate) materially adverse to the Stations.

(g) Opinion of Seller's Counsel. At Closing, Seller shall deliver to Buyer the written opinion or opinions of Seller's counsel, dated the Closing Date, in scope and form satisfactory to Buyer, to the following effect:

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

(2) This Agreement has been duly executed and delivered by Seller and such action has been duly authorized by all necessary corporate action. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in

accordance with its terms subject to bankruptcy, reorganization, fraudulent conveyance, insolvency, moratorium and similar laws relating to or affecting creditors' and other obligees' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

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

(4) To such counsel's knowledge, based on a search of court dockets as shall be reasonably satisfactory to Buyer's counsel, no suit, action, claim or proceeding is pending or threatened that questions or may affect the validity of any action to be taken by Seller pursuant to this Agreement or that seeks to enjoin, restrain or prohibit Seller from carrying out the Transaction.

(5) To such counsel's knowledge, based on a search of court dockets as shall be reasonably satisfactory to Buyer's counsel, there is no outstanding judgment, or any suit, action, claim or proceeding pending, threatened or deemed by Seller's counsel to be probable of assertion, or any governmental proceeding or investigation in progress (other than proceedings affecting radio broadcasters generally) that could reasonably be expected to have an adverse effect upon the Purchased Assets or upon the business or operations of the Stations after Closing.

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

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

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

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

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

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

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

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

(l) Studio Site Lease. Seller shall cause Fifteen Forty Broadcasting Corporation, the owner of the Studio Site, to have entered into a written lease with Buyer for the use of the real property described in Section 6.13 for a one (1) year period from the date of Closing at no charge.

(m) WSOJ Transmitter Site Lease. Seller, shall have obtained all necessary consents for Buyer to assume the WSOJ Transmitter Site Lease with a termination date no earlier than October 31, 2002 .

(n) Environmental Remediation. Seller shall have cured, to Buyer's reasonable satisfaction, any deficiency identified in the Environmental Assessment, provided that in no event shall Seller 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 Seller shall not be required to expend more than Fifty

Thousand Dollars (\$50,000) to cure such deficiency.

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

10.3. Additional Conditions to Seller's Obligation. In addition to

satisfaction of the mutual conditions contained in Section 10.1, the obligation of Seller to consummate the Transaction is subject, at Seller's option, to the satisfaction or waiver by Seller of each of the following conditions:

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

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

(c) Assumption of Liabilities. Buyer shall assume and agree to pay, perform and discharge Seller's obligations under the Contracts, Sales Agreements and Trade Agreements to the extent Buyer has expressly agreed to assume such obligations pursuant to Section 4.4.

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

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

11.0. CLOSING. The Closing Date shall be on or before the tenth day after the

date on which the Commission grant of the Assignment Application becomes a Final Order, or, at Buyer's option, if finality is waived, within fifteen (15) days after grant of the Assignment Application or such other time as Seller and Buyer shall mutually agree. Closing shall take place at 10:00 a.m. on the Closing Date at the offices of Buyer's counsel, Kirkland & Ellis, 655 15th Street, NW, Suite 1200, Washington, D.C. 20005.

12.0. PRORATIONS.

12.1. Apportionment of Expenses. Seller shall be responsible for all

expenses arising out of the business of the Stations until 11:59 p.m. on the Closing Date, and Buyer shall be responsible for all expenses arising out of the business of the Stations after 11:59 p.m. on the Closing Date to the extent such expenses relate to liabilities assumed by Buyer pursuant to Section 4.4. All overlapping expenses shall be prorated or reimbursed, as the case may be, as of 11:59 p.m. on the Closing Date.

12.2. Determination and Payment. Prorations shall be made, insofar as

feasible, at Closing and shall be paid by way of adjustment to the Purchase Price. As to the prorations that cannot be made at Closing, the parties shall, within ninety (90) days after the Closing Date, make and pay all such prorations. If the parties are unable to agree upon all such prorations within that

90-day period, then any disputed items shall be referred to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final, and whose fees and expenses shall be allocated between and paid by Seller and Buyer, respectively, to the extent that such party does not prevail on the disputed matters decided by the accountants.

13.0. POST-CLOSING OBLIGATIONS. The parties covenant and agree as follows

with respect to the period subsequent to Closing:

13.1. Liabilities. Following the Closing Date, Seller shall pay

promptly when due all of the debts and liabilities of Seller relating to the Stations, other than liabilities specifically assumed by Buyer hereunder.

13.2. Indemnification.

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

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

(c) Procedure for Indemnification. The procedure for indemnification shall be as follows:

(1) The party claiming indemnification (the "Claimant") shall give written notice to the party from which indemnification is sought (the "Indemnitor") promptly after the Claimant learns of any claim or proceeding covered by the foregoing agreements to indemnify and hold harmless and failure to provide prompt notice shall not be deemed to

jeopardize Claimant's right to demand indemnification, provided, that,
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Indemnitor is not prejudiced by the delay in receiving notice.

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

(3) The Indemnitor shall have the right to undertake, by counsel or other representatives of its own choosing, the defense of such claim, provided, that, Indemnitor acknowledges in writing to Claimant that Indemnitor
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would assume responsibility for and demonstrates its financial ability to satisfy the claim should the party asserting the claim prevail. In the event that the Indemnitor shall not satisfy the requirements of the preceding sentence or shall elect not to undertake such defense, or within 15 days after notice of any such claim from the Claimant shall fail to defend, the Claimant shall have the right to undertake the defense, compromise or settlement of such claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the Indemnitor. Anything in this Section 13.2(c)(3) to the contrary notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Claimant other than as a result of money damages or other money payments, the Claimant shall have the right, at its own cost and expense, to participate in the defense, compromise or settlement of the claim, (ii) the Indemnitor shall not, without the Claimant's written consent, settle or compromise any claim or consent to entry of any judgment which does not include as an unconditional term thereof the giving by the plaintiff to the Claimant of a release from all liability in respect of such claim, and (iii) in the event that the Indemnitor undertakes defense of any claim consistent with this Section, the Claimant, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult with the Indemnitor and its counsel or other representatives concerning such claim and the Indemnitor and the Claimant and their respective counsel or other representatives shall cooperate with respect to such claim.

(d) Assignment of Claims. If any payment is made pursuant to this Section 13.2, the Indemnitor shall be subrogated to the extent of such payment to all of the rights of recovery of Claimant, and Claimant shall assign to Indemnitor, for its use and benefit, any and all claims, causes of actions, and demands of whatever kind and nature that Claimant may have against the person, firm, corporation or entity giving rise to the loss for which payment was made. Claimant agrees to reasonably cooperate in any efforts by Indemnitor to recover such loss from any person, firm, corporation or entity.

(e) Indemnification Not Sole Remedy. The right to indemnification provided for in this Section shall not be the exclusive remedy of either party in connection with

any breach by the other party of its representations, warranties, covenants or other obligations hereunder, nor shall such indemnification be deemed to prejudice or operate as a waiver of any right or remedy to which either party may otherwise be entitled as a result of any such breach by the other party.

(f) Threshold Concerning Sections 13.2(a) and (b). Notwithstanding anything to the contrary in Sections 13.2(a) and (b), the parties shall not be entitled to indemnity under Sections 13.2(a) and (b) unless the aggregate loss indemnified against thereunder exceeds \$25,000 (in which case, the Claimant shall be entitled to recovery from the Indemnitor of the full amount of the loss).

13.3 Cooperation with Respect to Financial and Tax Matters. From the date

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

14. DEFAULT AND REMEDIES.

14.1. Opportunity to Cure. If either party believes the other to be in

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

14.2. Seller's Remedies. Buyer recognizes that if the Transaction is

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

14.3. Buyer's Remedies. Seller agrees that the Purchased Assets include

unique property that cannot be readily obtained on the open market and that Buyer will be irreparably injured if this Agreement is not specifically enforced. Therefore, Buyer shall have the right specifically to enforce Seller's performance under this Agreement, and Seller agrees (i) to waive the defense in any such suit that Buyer has an adequate remedy at law and (ii) to interpose no opposition, legal or otherwise, as to the propriety of specific performance as a remedy. If Buyer elects to terminate this Agreement as a result of Seller's breach or 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, to initiate a suit for damages.

15.0. TERMINATION OF AGREEMENT.

15.1. Failure to Close. This Agreement may be terminated at the option

of either party upon written notice to the other if the Commission has not granted the Assignment Application within nine (9) months after the Commission accepts the Assignment Application for filing or may be terminated by Buyer if the Commission's action granting the Assignment Application has not become a Final Order within twelve (12) months after the Commission accepts the Assignment Application for filing; provided, however, that a party may not

terminate this Agreement if such party is in default hereunder, or if a delay in any decision or determination by the Commission respecting the Assignment Application has been caused or materially contributed to (i) by any failure of such party to furnish, file or make available to the Commission information within its control; (ii) by the willful furnishing by such party of incorrect, inaccurate or incomplete information to the Commission; or (iii) by any other action taken by such party for the purpose of delaying the Commission's decision or determination respecting the Assignment Application. This Agreement may also be terminated upon the mutual agreement of Buyer and Seller. In the event of termination pursuant to this Section, the Initial Escrow Deposit, together with all interest earned thereon, shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder unless the failure to consummate the Transaction is attributable to Buyer's default, and Seller is not in default and has otherwise complied with its obligations under this Agreement, in which case the Initial Escrow Deposit plus interest earned thereon shall be released to Seller as liquidated damages pursuant to Section 14.2.

15.2. Designation for Hearing. The time for approval provided in

Section 15.1 notwithstanding, either party may terminate this Agreement upon written notice to the other, if, for any reason, the Assignment Application is designated for hearing by the Commission, provided, however, that written notice

of termination must be given within 10 days after release of the hearing designation order and that the party giving such notice is not in default and has otherwise complied with its obligations under this Agreement. Upon termination pursuant to this Section, the Initial Escrow Deposit together with all interest earned thereon shall be returned to Buyer and the parties shall be released and discharged from any further obligation hereunder, provided,

however, that if the designation for hearing is predicated upon breach by either

party of a representation, warranty or covenant contained in this Agreement, the nonbreaching party may, in addition to termination, pursue the remedies available to such non-breaching party provided in Sections 14.2 and 14.3.

15.3. Environmental Remediation. By either Buyer or Seller if the

Environmental Assessment shows the presence of conditions that must be cured or removed and such remediation will cost in excess of Fifty Thousand Dollars (\$50,000) ("Threshold Amount") and Seller declines to pay for remediation in excess of the Threshold Amount, provided that neither Buyer nor Seller will be

entitled to terminate this Agreement pursuant to this Section 15.3 if Buyer elects to pay for remediation in excess of the Threshold Amount and such excess payment does not reduce the Purchase Price.

16. GENERAL PROVISIONS.

16.1. Brokerage. Seller and Buyer represent to each other that neither

party has dealt with a broker in connection with the Transaction, except that Seller has retained Media Services Group, Inc. No finders fee is due to any person or entity in connection with the Transaction except for Media Services Group, Inc. and such fee as it relates to the Purchase Price shall be paid by Buyer at Closing. In addition, Seller shall pay the brokerage fee of 1.5%, due Media Services Group, Inc. on the additional contingent consideration described in Section 4.3 above on the same date that such additional contingent consideration, if any, is paid to Seller.

16.2. Fees. All Commission filing fees for the Assignment Application

and other similar charges shall be paid one-half by Seller and one-half by Buyer. With respect to costs associated with the purchase of the Real Property, Seller shall bear the cost of preparation of the deed and the grantors tax. Buyer shall pay all other settlement costs associated with the closing on the purchase of the Real Property. Taxes shall be prorated as of the date of Settlement on the Real Property. Except as otherwise provided herein, all other expenses incurred in connection with this Agreement or the Transaction shall be paid by the party incurring those expenses whether or not the Transaction is consummated.

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

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

If to Seller:

Dr. Walton M. Belle
President
FM-100, Inc.
6001 Wilkinson Road
Richmond, VA 23227

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

Richard C. Lawrence, Esquire
Meyer, Goergen & Marrs
1301 North Hamilton
Suite 208
Richmond, Virginia 23230-3959

If to Buyer:

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

with copies (which shall not constitute notice) to:

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

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

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

16.4. Assignment. Neither party may assign this Agreement without the

other party's express prior written consent, provided, however, Buyer may assign

its rights and obligations

pursuant to this Agreement without Seller's consent prior to closing to (i) an entity which is a subsidiary or parent of Buyer or to an entity owned or controlled by Buyer or its principals or (ii) to Buyer's lenders as collateral for any indebtedness incurred by Buyer; and subsequent to closing to (x) any entity which acquires all or substantially all of the Purchased Assets or (y) to Buyer's lenders as collateral for any indebtedness incurred by Buyer. Subject to the foregoing, this Agreement shall be binding on, inure to the benefit of, and be enforceable by the original parties hereto and their respective successors and permitted assignees.

16.5. Exclusive Dealings. For so long as this Agreement remains in

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

16.6. Third Parties. Nothing in this Agreement, whether express or

implied, is intended to: (i) confer any rights or remedies on any person other than Seller, Buyer and their respective successors and permitted assignees; (ii) relieve or discharge the obligations or liability of any third party; or (iii) give any third party any right of subrogation or action against either Seller or Buyer.

16.7. Indulgences. Unless otherwise specifically agreed in writing to

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

16.8. Survival of Representations and Warranties. The

representations, warranties, and indemnification obligations of the parties contained herein shall survive for eighteen (18) months after the Closing Date except that claims properly asserted within the eighteen (18) month period shall survive until finally and fully resolved; provided, however, that Seller's

representations and warranties in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.10, 6.12, 6.13 and 6.21 and Buyer's indemnification rights with respect thereto and with respect to Section 13.2(a)(ii) shall survive the Closing until the end of the applicable statute of limitations period.

16.9. Prior Negotiations. This Agreement supersedes in all respects all

prior and contemporaneous oral and written negotiations, understandings and agreements between the parties with respect to the subject matter hereof. All of such prior and contemporaneous negotiations, understandings and agreements are merged herein and superseded hereby.

16.10. Exhibits and Schedules. The Exhibits and Schedules attached hereto

or referred to herein are a material part of this Agreement, as if set forth in full herein.

16.11. Entire Agreement; Amendment. This Agreement, the Exhibits and

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

16.12. Counsel/Interpretation. Each party has been represented by its own

counsel in connection with the negotiation and preparation of this Agreement. This Agreement shall be fairly interpreted in accordance with its terms and, in the event of any ambiguities, no inferences shall be drawn against either party.

16.13. Governing Law, Jurisdiction. This Agreement shall be governed by,

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

however, that any party may at its option bring suit, or institute other

judicial proceedings, in any state or federal court of the United States or of any country or place where the other party or its assets, may be found.

16.14. Severability. If any term of this Agreement is illegal or

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

16.15. Counterparts. This Agreement may be signed in any number of

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

16.16. Further Assurances. Seller shall at any time and from time to time

after the Closing execute and deliver to Buyer such further conveyances, assignments and other written assurances as Buyer may request to vest and confirm in Buyer (or its assignee) the title and rights to and in all the Purchased Assets to be and intended to be transferred, assigned and conveyed hereunder.

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

SELLER:

FM100, INC.

By: /s/ Walton M. Belle

Dr. Walton M. Belle
President

BUYER:

RADIO ONE, INC.

By: /s/ Alfred C. Liggins

Alfred C. Liggins
President

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports and to all references to our firm included in or made a part of this Registration Statement.

Baltimore, Maryland

/s/ Arthur Andersen L.L.P.

April 6, 1999

To the Board of Directors of
Radio One, Inc.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this registration statement on Form S-1 of our report dated March 25, 1998, on our audit of the financial statements of ALLUR-DETROIT, INC. We also consent to the reference to our firm under the caption "Experts".

/s/ Mitchell & Titus, LLP

Mitchell & Titus, LLP
Washington, D.C.
April 6, 1999

Consent of Person About to Become a Director

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, I, Larry Marcus, hereby consent to be named as a person about to become a director of Radio One, Inc. in the Registration Statement on Form S-1 dated April 6, 1999.

/s/ Larry Marcus

Larry Marcus

April 5, 1999