

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2000
Commission File No. 333-30795

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

Delaware
(State or other jurisdiction of
incorporation or organization)

52-1166660
(I.R.S. Employer Identification No.)

5900 Princess Garden Parkway,
8th Floor
Lanham, Maryland 20706
(Address of principal executive offices)

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

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

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 10, 2000
Class A Common Stock, \$.01 Par Value	22,272,622
Class B Common Stock, \$.01 Par Value	2,867,463
Class C Common Stock, \$.01 Par Value	3,132,458

RADIO ONE, INC. AND SUBSIDIARIES

Form 10-Q
For the Quarter Ended March 31, 2000

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

(See pages 4-9 -- This page intentionally left blank.)

RADIO ONE, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31, 1999, and March 31, 2000

ASSETS	December 31, 1999	March 31, 2000
	(Unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,221,000	\$125,588,000
Investments, available for sale	256,390,000	274,154,000
Trade accounts receivable, net of allowance for doubtful accounts of \$2,429,000 and \$2,877,000, respectively	19,833,000	15,635,000
Prepaid expenses and other	1,035,000	1,061,000
Deferred income taxes	984,000	987,000
Total current assets	284,463,000	417,425,000
PROPERTY AND EQUIPMENT, NET	15,512,000	16,797,000
INTANGIBLE ASSETS, NET	218,460,000	292,883,000
OTHER ASSETS	9,101,000	141,199,000
Total assets	\$527,536,000	\$868,304,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,663,000	\$ 1,498,000
Accrued expenses	6,941,000	7,324,000
Income taxes payable	1,532,000	1,369,000
Other current liabilities	--	2,182,000
Total current liabilities	10,136,000	12,373,000
LONG-TERM DEBT AND DEFERRED INTEREST, NET OF CURRENT PORTIONS:	82,626,000	83,697,000
DEFERRED INCOME TAX LIABILITY	14,518,000	14,208,000
Total liabilities	107,280,000	110,278,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common stock - Class A, \$.001 par value, 30,000,000 shares authorized, 17,221,000 and 22,273,000 shares issued and outstanding	17,000	22,000
Common stock - Class B, \$.001 par value, 30,000,000 shares authorized, 2,867,000 and 2,867,000 shares issued and outstanding	3,000	3,000
Common stock - Class C, \$.001 par value, 30,000,000 shares authorized, 3,184,000 and 3,132,000 shares issued and outstanding	3,000	3,000
Accumulated comprehensive income adjustments	40,000	(233,000)
Additional paid-in capital	446,400,000	782,377,000
Accumulated deficit	(26,207,000)	(24,146,000)
Total stockholders' equity	420,256,000	758,026,000
Total liabilities and stockholders' equity	\$527,536,000	\$868,304,000

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

RADIO ONE, INC. AND SUBSIDIARIES

Consolidated Statements of Operations

For the Three Months Ended March 31, 1999 and 2000

	Three Months Ended March 31,	
	1999	2000
	(Unaudited)	
REVENUE:		
Broadcast revenue, including barter revenue of \$298,000 and \$853,000, respectively	\$ 13,390,000	\$ 25,124,000
Less: agency commissions	1,573,000	2,972,000
Net broadcast revenue	11,817,000	22,152,000
OPERATING EXPENSES:		
Program and technical	2,472,000	4,240,000
Selling, general and administrative	5,144,000	8,299,000
Corporate expenses	858,000	1,118,000
Stock-based compensation	225,000	--
Depreciation and amortization	3,128,000	5,489,000
Total operating expenses	11,827,000	19,146,000
Operating (loss) income	(10,000)	3,006,000
INTEREST EXPENSE, INCLUDING AMORTIZATION OF DEFERRED FINANCING COSTS	3,737,000	3,582,000
OTHER INCOME, net	63,000	4,237,000
(Loss) income before provision for income taxes	(3,684,000)	3,661,000
PROVISION FOR INCOME TAXES	251,000	1,600,000
NET (LOSS) INCOME	\$ (3,935,000)	\$ 2,061,000
NET (LOSS) INCOME APPLICABLE TO COMMON STOCKHOLDERS	\$ (4,940,000)	\$ 2,061,000
BASIC AND DILUTED NET (LOSS) INCOME PER COMMON SHARE APPLICABLE TO COMMON STOCKHOLDERS	\$ (.52)	\$.08
SHARES USED IN COMPUTING BASIC NET (LOSS) INCOME PER COMMON SHARE APPLICABLE TO COMMON	9,429,000	24,536,000
SHARES USED IN COMPUTING DILUTED NET (LOSS) INCOME PER COMMON SHARE APPLICABLE TO COMMON STOCK HOLDERS	9,429,000	24,636,000

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

RADIO ONE, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Stockholders' Equity

For the Three Months Ended March 31, 2000

	Common Stock Class A	Common Stock Class B	Common Stock Class C	Comprehensive Income
BALANCE, AS OF DECEMBER 31, 1998	\$ -	\$ 2,000	\$ 3,000	
Comprehensive income:				
Net income	-	-	-	\$ 133,000
Unrealized gain on securities	-	-	-	40,000
Comprehensive income	-	-	-	\$ 173,000
Preferred stock dividends	-	-	-	
Issuance of stock for acquisition	2,000	1,000	-	
Stock issued to an officer	-	-	-	
Conversion of warrants	5,000	-	-	
Issuance of common stock	10,000	-	-	
BALANCE, AS OF DECEMBER 31, 1999	17,000	3,000	3,000	
Comprehensive income:				
Net income	-	-	-	\$ 2,061,000
Unrealized loss on securities	-	-	-	(273,000)
Comprehensive income	-	-	-	\$ 1,788,000
Issuance of common stock	5,000	-	-	
BALANCE, AS OF MARCH 31, 2000(Unaudited)	\$ 22,000	\$ 3,000	\$ 3,000	

	Accumulated Comprehensive Income Adjustments	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity
BALANCE, AS OF DECEMBER 31, 1998	\$ -	\$ -	\$ (24,864,000)	(24,859,000)
Comprehensive income:				
Net income	-	-	133,000	133,000
Unrealized gain on securities	40,000	-	-	40,000
Comprehensive income	-	-	-	-
Preferred stock dividends	-	-	(1,476,000)	(1,476,000)
Issuance of stock for acquisition	-	34,191,000	-	34,194,000
Stock issued to an officer	-	225,000	-	225,000
Conversion of warrants	-	(5,000)	-	-
Issuance of common stock	-	411,989,000	-	411,999,000
BALANCE, AS OF DECEMBER 31, 1999	40,000	446,400,000	(26,207,000)	420,256,000
Comprehensive income:				
Net income	-	-	2,061,000	2,061,000
Unrealized loss on securities	(273,000)	-	-	(273,000)
Comprehensive income	-	-	-	-
Issuance of common stock	-	335,977,000	-	335,982,000
BALANCE, AS OF MARCH 31, 2000(Unaudited)	\$ (233,000)	\$ 782,377,000	\$ (24,146,000)	\$ 758,026,000

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

RADIO ONE, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 1999,
and the Three Months Ended March 31, 2000

	Three Months Ended March 31,	
	1999	2000
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (3,935,000)	\$ 2,061,000
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	3,128,000	5,489,000
Amortization of debt financing costs, unamortized discount and deferred interest	1,088,000	1,258,000
Deferred income taxes and reduction in valuation reserve on deferred taxes	--	(313,000)
Non-cash compensation to officer	225,000	--
Non-cash advertising revenue in exchange for equity investments	--	(322,000)
Effect of change in operating assets and liabilities-		
Trade accounts receivable	1,858,000	4,191,000
Prepaid expenses and other	44,000	59,000
Other assets	(178,000)	(113,000)
Accounts payable	(358,000)	(168,000)
Accrued expenses and other	2,080,000	211,000
Net cash flows from operating activities	3,952,000	12,353,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,285,000)	(568,000)
Equity investments	(1,000,000)	(114,000)
Purchase of available-for-sale investments, net	--	(18,037,000)
Deposits and payments for station purchases	(5,826,000)	(210,231,000)
Net cash flows from investing activities	(8,111,000)	(228,950,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of debt	(16,365,000)	(18,000)
Proceeds from debt issuances	22,650,000	--
Deferred financing costs	(276,000)	--
Proceeds from issuance of common stock, net of issuance costs	--	335,982,000
Net cash flows from financing activities	6,009,000	335,964,000
INCREASE IN CASH AND CASH EQUIVALENTS	1,850,000	119,367,000
CASH AND CASH EQUIVALENTS, beginning of period	4,455,000	6,221,000
CASH AND CASH EQUIVALENTS, end of period	\$ 6,305,000	\$ 125,588,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for-		
Interest	\$ 1,011,000	\$ 656,000
Income taxes	\$ 212,000	\$ 2,051,000

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

RADIO ONE, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

March 31, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Business

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

Basis of Presentation

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

Interim Financial Statements

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

Results for interim periods are not necessarily indicative of results to be expected for the full year. It is suggested that these consolidated financial statements be read in conjunction with the Company's December 31, 1999, financial statement and notes thereto included in the Company's annual report on Form 10-K.

Radio One did not have comprehensive income adjustments for the three months ended March 31, 1999.

2. ACQUISITIONS:

On March 11, 2000, the Company entered into agreements to acquire 21 radio stations in 10 markets for approximately \$1.4 billion. The Company expects to finance these acquisitions with available cash and other third-party financings.

On February 28, 2000, the Company completed its acquisition of WPLY-FM, located in the Philadelphia, Pennsylvania market, for approximately \$80.0 million. The acquisition of WPLY-FM resulted in the recording of approximately \$78.7 million of intangible assets.

3. PUBLIC OFFERING:

In March 2000, the Company completed a public offering of 5.0 million shares of Class A common stock at \$70.00 per share. The proceeds from this offering, net of offering costs, were approximately \$336.0 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report and the audited financial statements and Management's Discussion and Analysis combined in the Company's Form 10-K filed for the year ended December 31, 1999.

RESULTS OF OPERATIONS

Comparison of periods ended March 31, 1999 to the periods ended March 31, 2000 (all periods are unaudited - all numbers in 000s except per share data).

	Three months ended March 31, 1999	Three months ended March 31, 2000
	-----	-----
STATEMENT OF OPERATIONS DATA:		
REVENUE:		
Broadcast revenue	\$ 13,390	\$ 25,124
Less: Agency commissions	1,573	2,972
	-----	-----
Net broadcast revenue	11,817	22,152
	-----	-----
OPERATING EXPENSES:		
Programming and technical	2,472	4,240
Selling, G&A	5,144	8,299
Corporate expenses	858	1,118
Stock-based compensation	225	-
Depreciation & amortization	3,128	5,489
	-----	-----
Total operating expenses	11,827	19,146
	-----	-----
Operating income (loss)	(10)	3,006
INTEREST EXPENSE	3,737	3,582
OTHER INCOME, net	63	4,237
	-----	-----
Income (loss) before Provision for income taxes	(3,684)	3,661
PROVISION FOR INCOME TAXES	251	1,600
	-----	-----
Net income (loss)	\$ (3,935)	\$ 2,061
	=====	=====
Net income (loss) applicable to common shareholders	\$ (4,940)	\$ 2,061
	=====	=====
DILUTED PER SHARE DATA:		
Net income (loss) per share	\$ (0.42)	\$ 0.08
Preferred dividends per share	\$ (0.10)	-
Net income (loss) per share applicable to After-tax cash flow per share	\$ (0.06)	\$ 0.30
BASIC PER SHARE DATA:		
Net income (loss) per share	\$ (0.42)	\$ 0.08

Preferred dividends per share	\$	(0.10)	-
Net income (loss) per share applicable to common shareholders	\$	(0.52)	\$ 0.08
After-tax cash flow per share	\$	(0.06)	\$ 0.30

OTHER DATA:

Broadcast cash flow (a)	\$	4,201	\$ 9,613
Broadcast cash flow margin		35.6%	43.4%
EBITDA (b)	\$	3,343	\$ 8,495
EBITDA margin		28.3%	38.3%
After-tax cash flow (c)	\$	(582)	\$ 7,450
Weighted average shares outstanding - basic (d)		9,429	24,536
Weighted average shares outstanding - diluted (d)		9,429	24,636

Net broadcast revenue increased to approximately \$22.2 million for the quarter ended March 31, 2000 from approximately \$11.8 million for the quarter ended March 31, 1999 or 88%. This increase in net broadcast revenue was the result of continuing broadcast revenue growth in all of the Company's markets in which it has operated for at least one year as the Company benefited from historical ratings increases at certain of its radio stations, improved power ratios at these stations as well as industry growth in each of these markets. Additional revenue gains were derived from the Company's mid-1999 acquisitions in Cleveland and Richmond (where the Company also operates stations under a time brokerage agreement), as well as the March 1999 acquisition of Radio One of Atlanta, Inc., and the acquisition of WPLY-FM in Philadelphia which closed on February 28, 2000.

Operating expenses excluding depreciation, amortization and stock-based compensation increased to approximately \$13.7 million for the quarter ended March 31, 2000 from approximately \$8.5 million for the quarter ended March 31, 1999 or 61%. This increase in expenses was related to the Company's rapid expansion within all of the markets in which it operates including increased variable costs associated with increased revenue, as well as start-up and expansion expenses in its newer markets of Cleveland and Richmond, as well as higher costs associated with operating as a public company.

Broadcast operating income increased to approximately \$3.0 million for the quarter ended March 31, 2000 from a loss of approximately \$10,000 for the quarter ended March 31, 1999. This increase for the quarter was attributable to proportionately higher revenue as described above partially offset by higher depreciation and amortization expenses associated with the Company's several acquisitions made in 1998 and 1999.

Interest expense decreased to approximately \$3.6 million for the quarter ended March 31, 2000 from approximately \$3.7 million for the quarter ended March 31, 1999 or 3%. This decrease relates primarily to the pay-down of debt under the Company's bank credit facility with proceeds raised in a follow-on equity offering in November 1999.

Other income (almost exclusively interest income) increased to approximately \$4.2 million for the quarter ended March 31, 2000 from approximately \$0.1 million for the quarter ended March 31, 1999 or 4,100%. This increase was due to the Company's high cash balances and investment instruments following its equity offerings in November 1999 and March 2000.

Income before provision for income taxes increased to approximately \$3.7 million for the quarter ended March 31, 2000 from a loss of approximately \$3.7 million for the quarter ended March 31, 1999. This increase was due to higher operating income enhanced by higher interest income, as described above.

Net income increased to approximately \$2.1 million for the quarter ended March 31, 2000 from a loss of approximately \$3.9 million for the quarter ended March 31, 1999. This increase in net income for the quarter was due to higher income before taxes partially offset by an increased provision for income taxes.

Broadcast cash flow increased to approximately \$9.6 million for the quarter ended March 31, 2000 from approximately \$4.2 million for the quarter ended March 31, 1999 or 129%. This increase was attributable to the increases in broadcast revenue partially offset by higher operating expenses as described above.

Earnings before interest, taxes, depreciation, and amortization (EBITDA), and excluding stock-based compensation expense, increased to approximately \$8.5 million for the quarter ended March 31, 2000 from approximately \$3.3 million for the quarter ended March 31, 1999 or 158%. This increase was attributable to the increase in broadcast revenue and interest income partially offset by higher operating expenses and higher corporate expenses partially associated with the costs of operating as a public company.

After-tax cash flow increased to approximately \$7.5 million for the quarter ended March 31, 2000 from a loss of approximately \$0.6 million for the quarter ended March 31, 1999. This increase was attributable to the increase in operating income and interest income partially offset by higher interest charges associated with the financings of various acquisitions as well as the provision for income taxes, as described above.

- (a) "Broadcast cash flow" is defined as broadcast operating income plus corporate expenses (including stock-based compensation) and depreciation and amortization of both tangible and intangible assets.
- (b) "EBITDA" is defined as earnings before interest, taxes, depreciation, amortization and stock-based compensation.
- (c) "After-tax cash flow" is defined as income before income taxes and extraordinary items plus depreciation, amortization and stock-based compensation, less the current income tax provision.
- (d) As of March 31, 2000 the Company had 28,272,543 shares of common stock outstanding.

LIQUIDITY AND CAPITAL RESOURCES

The capital structure of the Company consists of the Company's outstanding long-term debt and stockholders' equity. The stockholders' equity consists of common stock, additional paid-in capital and accumulated deficit. The Company's balance of cash and cash equivalents was approximately \$6.2 million as of December 31, 1999. The Company's balance of cash and cash equivalents was approximately \$125.6 million as of March 31, 2000. This increase resulted primarily from the Company's stronger cash flow from operating activities during the first three months of 2000 as well as the Company's public offering on March 3, 2000 from which it raised approximately \$336.0 million, partially offset by cash paid for the acquisition of WPLY-FM on February 28, 2000. At March 31, 2000 the entire amount of \$100.0 million remained available (based on various covenant restrictions) to be drawn down from the Company's bank credit facility. In general, the Company's primary source of liquidity is cash provided by operations and, to the extent necessary, on undrawn commitments available under the Company's bank credit facility.

Net cash flow from operating activities increased to approximately \$12.4 million for the three months ended March 31, 2000 from approximately \$3.9 million for the three months ended March 31, 1999 for an increase of 218%. This increase was due to a higher net income resulting from increased revenue and interest income partially offset by higher depreciation and amortization charges associated with the various acquisitions made by the Company in the past year and a higher provision for income taxes as compared to the first three months of 1999. Non-cash expenses of depreciation and amortization increased to approximately \$5.5 million for the three months ended March 31, 2000 from approximately \$3.1 million for the three months ended March 31, 1999 or 77% due to various acquisitions made by the Company within the past year.

Net cash flow used in investing activities increased to approximately \$229.0 million for the three months ended March 31, 2000 compared to approximately \$8.1 million for the three months ended March 31, 1999 or 2,727%. During the three months ended March 31, 2000 the Company acquired radio station WPLY-FM in the Philadelphia, Pennsylvania market for approximately \$80.0 million. The company also made escrow deposits of approximately \$133.1 million on anticipated acquisitions including 12 radio stations in seven markets in the United States from Clear Channel Communications, Inc. and AMFM, Inc., six radio stations in the Charlotte, North Carolina and Augusta, Georgia markets through an acquisition of Davis Broadcasting, Inc., and three radio stations in the Indianapolis, Indiana market from Shirk, Inc. and IBL, L.L.C. Also during the three months ended March 31, 2000 the Company made purchases of capital equipment totaling approximately \$0.6 million and net purchases of investment instruments available for sale for approximately \$18.0 million.

Net cash flow from financing activities was approximately \$336.0 million for the three months ended March 31, 2000. During the three months ended March 31, 2000, the Company completed a public offering of common stock and raised net proceeds of approximately \$336.0 million. A portion of the proceeds was used to fund the escrow deposits mentioned above, with the balance to be used in part for general operating expenses and to fund future acquisitions.

As a result of the aforementioned, cash and cash equivalents increased by \$119.4 million during the three months ended March 31, 2000 compared to an approximate \$1.9 million increase during the three months ended March 31, 1999.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 2. Changes in Securities

None

Item 3. Defaults upon Senior Securities

None

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

None

Item 5. Other Information

On February 28, 2000 the Company acquired the assets of radio station WPLY-FM in the Philadelphia, Pennsylvania market, for approximately \$80.0 million.

On March 8, 2000 the Company completed an offering of 5,000,000 shares of Class A Common Stock at an offering price of \$70.00 per share. From this offering, the Company received net proceeds of approximately \$336.0 million after deducting offering costs.

On March 11, 2000 the Company entered into agreements to acquire a total of 21 radio stations in three separate transactions: (i) we agreed to acquire from Clear Channel Communications, Inc. and AMFM, Inc. the assets of 12 radio stations located in seven markets in the United States for approximately \$1.3 billion; (ii) we agreed to acquire Davis Broadcasting, Inc. owner of six radio stations in the Charlotte, North Carolina and Augusta, Georgia markets for approximately \$24.0 million in cash and stock; and (iii) we agreed to acquire from Shirk, Inc. and IBL, L.L.C. the assets of three radio stations located in the Indianapolis, Indiana market for approximately \$40.0 million in cash and stock.

Item 6. Exhibits and Reports on Form 8-K

EXHIBITS

- 3.1 Amended and Restated Certificate of Incorporation of Radio One, Inc. (dated as of May 4, 2000), as filed with the State of Delaware on May 9, 2000.
- 3.2 Amended and Restated By-laws of Radio One, Inc., amended as of March 17, 2000 (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1999 (File No. 000-25969; Film No. 582596)).
- 4.1 Indenture dated as of May 15, 1997 among Radio One, Inc., Radio One Licenses, Inc. and United States Trust Company of New York (incorporated by reference to Radio One's Annual Report on Form 10-K for the period ended December 31, 1997 (File No. 333-30795; Film No. 98581327)).
- 4.2 First Supplemental Indenture dated as of June 30, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Bell Broadcasting Company, Radio One of Detroit, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed July 13, 1998 (File No. 333-30795; Film No. 98665139)).

- 4.3 Second Supplemental Indenture dated as of December 23, 1998, to Indenture dated as of May 15, 1997, by and among Radio One, Inc., as Issuer and United States Trust Company of New York, as Trustee, by and among Radio One, Inc., Allur-Detroit, Allur Licenses, Inc., and United States Trust Company of New York, as Trustee (incorporated by reference to Radio One's Current Report on Form 8-K filed January 12, 1999 (File No. 333-30795; Film No. 99504706)).
- 4.7 Standstill Agreement dated as of June 30, 1998 among Radio One, Inc., the subsidiaries of Radio One, Inc., United States Trust Company of New York and the other parties thereto (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1998 (File No. 333-30795; Film No. 98688998)).
- 4.9 Stockholders Agreement dated as of March 2, 1999 among Catherine L. Hughes and Alfred C. Liggins, III (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended June 30, 1999 (File No. 000-25969; Film No. 99686684)).
- 10.58 Asset Purchase Agreement dated as of March 11, 2000 relating to the acquisition of KMJQ-FM and KBXX-FM, licensed to Houston, Texas, WVCG(AM), licensed to Coral Gables, Florida, WZAK-FM, licensed to Cleveland, Ohio, WJMO-AM, licensed to Cleveland Heights, Ohio, KKBT-FM, licensed to Los Angeles, California, KBFB-FM, licensed to Dallas, Texas, WJMZ-FM, licensed to Anderson, South Carolina, WFXC-FM, licensed to Durham, North Carolina, WFXK-FM, licensed to Tarboro, North Carolina, WNNL-FM, licensed to Farquay-Varina, North Carolina and WQOK-FM, licensed to South Boston, Virginia.
- 10.59 Agreement and Plan of Merger dated as of March 11, 2000 relating to the acquisition of WCCJ-FM, licensed to Harrisburg, North Carolina, WFXA-FM and WTHB-AM, licensed to Augusta, Georgia, WAKB-FM, licensed to Wrens, Georgia, WAEG-FM, licensed to Evans, Georgia and WAEJ-FM, licensed to Waynesboro, Georgia.
- 10.60 Asset Purchase Agreement dated as of March 11, 2000 relating to the acquisition of WHHH-FM, licensed to Indianapolis, Indiana, WBKS-FM, licensed to Greenwood, Indiana, WYJZ-FM, licensed to Lebanon, Indiana and W53AV, licensed to Indianapolis, Indiana.
- 27.1 Financial data schedule (EDGAR version only).

SIGNATURE

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

RADIO ONE, INC.

May 12, 2000

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

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

RADIO ONE, INC.

This Amended and Restated Certificate of Incorporation of Radio One, Inc., was duly adopted in accordance with the provisions of Sections 141, 242 and 245 of the Delaware General Corporation Law. The original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on July 15, 1996, and an Amended and Restated Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on May 6, 1999. The text of the Corporation's Certificate of Incorporation as heretofore amended is hereby restated and further amended to read in its entirety as follows:

ARTICLE I

Name

The name of the corporation is Radio One, Inc. (hereinafter referred to as the "Corporation").

ARTICLE II

Registered Office

The post office address of the registered office of the Corporation in the State of Delaware is 1013 Centre Road, Wilmington, New Castle County, Delaware 19805. The name of the registered agent of the Corporation at that address is Corporation Service Company.

ARTICLE III

Purpose

The purpose of the Corporation is to acquire, operate, and maintain radio stations and television stations and to engage in any other lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL").

ARTICLE IV

Capital Stock

Section IV.1. Authorized Shares. The total number of shares of capital stock which the Corporation has authority to issue is 481,000,000 shares, consisting of: (i) 30,000,000 shares of Class A Common Stock, par value \$.001 per share (the "Class A Common"), (ii) 150,000,000 shares

of Class B Common Stock, par value \$.001 per share (the "Class B Common"), (iii) 150,000,000 shares of Class C Common Stock, par value \$.001 per share (the "Class C Common"), (iv) 150,000,000 shares of Class D Common Stock, par value \$.001 per share (the "Class D Common" and together with the Class A Common, the Class B Common, and the Class C Common, the "Common Stock"), and (v) 1,000,000 shares of Preferred Stock, par value \$.001 per share . The Preferred Stock and the Common Stock are hereinafter sometimes collectively referred to as "Capital Stock." Certain capitalized terms used herein are defined in Section 4.7(c) of ARTICLE IV.

Section IV.2. Preferred Stock The Board of Directors of the Corporation (the "Board") is hereby authorized, by resolution or resolutions from time to time adopted and subject to the limitations provided by law, to establish and designate one or more series of preferred stock (the "Preferred Stock"), and to fix the designations, powers, preferences, rights, qualifications, limitations or restrictions thereof and the variations and relative rights, preferences and limitations as between series. The authority of the Board with respect to each series of Preferred Stock shall include, but shall not be limited to, determination of the following:

- (a) the designation of such series, which may be by distinguishing number or letter;
- (b) the number of shares initially constituting such series;
- (c) the increase, and the decrease to a number not less than the number of the then outstanding shares of such series, of the number of shares constituting such series theretofore fixed;
- (d) the rate or rates, and the conditions upon and the times at which dividends on the shares of such series shall be paid, the preference or relation which such dividends shall bear to the dividends payable on any other class or classes or on any other series of stock of the Corporation, and whether or not such dividends shall be cumulative, and, if such dividends shall be cumulative, the date or dates from and after which they shall accumulate;
- (e) whether or not the shares of such series shall be redeemable and, if such shares shall be redeemable, the terms and conditions of such redemption, including, but not limited to, the date or dates upon or after which such shares shall be redeemable and the amount per share which shall be payable upon such redemption, which amount may vary under different conditions and at different redemption dates;
- (f) the rights to which the holders of the shares of such series shall be entitled upon the voluntary or involuntary liquidation, dissolution or winding up of, or upon any distribution of the assets of, the Corporation, which rights may be different in the case of a voluntary liquidation, dissolution or winding up than in the case of such an involuntary event;
- (g) whether or not the shares of such series shall have voting rights, in addition to the voting rights provided by law and, if such shares shall have such voting rights, the terms and conditions thereof, including, but not limited to, the right of the holders of such shares to vote as a separate class either alone or with the holders of shares of one or more other series of Preferred Stock and the right to have more than one vote per share;

(h) whether or not a sinking or a purchase fund shall be provided for the redemption or purchase of the shares of such series and, if such a sinking fund or purchase fund shall be provided, the terms and conditions thereof;

(i) whether or not the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or any other series of the same or any other class or classes of stock or any other security of the Corporation or any other entity and, if provision be made for conversion or exchange, the terms and conditions of conversion or exchange, including, but not limited to, any provision for the adjustment of the conversion or exchange rate or price; and

(j) any other relative rights, preferences and limitations.

Section IV.3. Common Stock. Except as otherwise provided in Section 4.3 of this ARTICLE IV or as otherwise required by applicable law, all shares of Class A Common, Class B Common, Class C Common and Class D Common shall be identical in all respects and shall entitle the holders thereof to the same rights and privileges and shall be subject to the same qualifications, limitations and restrictions.

(a) Voting Rights. At every meeting of the stockholders, except as specifically otherwise required by law, the holders of Class A Common shall be entitled to one vote per share, and the holders of Class B Common shall be entitled to ten votes per share, on all matters presented for a vote of the stockholders of the Corporation, provided that, at every meeting of the stockholders called for the election of directors the holders of Class A Common, voting separately as a class, shall be entitled to elect two of the directors to be elected at such meeting. The holders of Class A Common and Class B Common, voting together as a class, shall be entitled to elect the remaining number of directors to be elected at such meeting. Directors elected by the holders of a class or classes of Common Stock may be removed, with or without cause, only by a majority vote of the holders of the shares of such class or classes of Common Stock then outstanding. If, during the interval between annual meetings of stockholders for the election of directors, the number of directors who have been elected by the holders of any class or classes of Common Stock shall, by reason of resignation, death or removal, be reduced, the vacancy or vacancies in the directors elected by the holders of such class or classes of Common Stock may be filled by a majority vote of the remaining directors elected by the holders of such class or classes of Common Stock then in office. Any director elected to fill any such vacancy by the remaining directors then in office may be removed from office by a majority vote of the holders of the shares of such class or classes of Common Stock then outstanding. Except as otherwise required by law, the holders of the Class A Common and the holders of the Class B Common shall in all matters not specified in this Section 4.3(a) vote together as a single class, provided that the holders of shares of the Class A Common shall be entitled to one (1) vote per share and the holders of shares of the Class B Common shall be entitled to ten (10) votes per share. Except to the extent provided in ARTICLE VII of this Amended and Restated Certificate of Incorporation or as required by applicable law, the holders of Class C Common and Class D Common shall have no right to vote on any matter presented for a vote of the stockholders of the Corporation (including, without limitation, the election or removal of directors of the Corporation), and Class C Common and Class D Common shall not be included in determining the number of shares voting or entitled to vote on such matters. The Board of Directors of the Corporation shall have concurrent power with the holders of Class A Common and Class B

Common to adopt, amend or repeal the Bylaws of the Corporation. A consolidation or merger, or the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, of the property or assets of the Corporation, if not made in the usual and regular course of its business, shall require a resolution adopted by a majority of the Board of Directors of the Corporation and the authorization of an affirmative vote of at least two-thirds of the outstanding shares of Class A Common.

(b) Dividends. As and when dividends are declared or paid with respect to shares of Common Stock, whether in cash, property or securities of the Corporation, the holders of Class A Common, the holders of Class B Common, the holders of Class C Common and the holders of Class D Common shall be entitled to receive such dividends pro rata at the same rate per share for each such class of Common Stock; provided that, if such dividends are declared or paid in shares of Common Stock, such dividends may be paid only (i) in shares of Class D Common, or (ii) if holders of any class of Common Stock are to receive payment in shares of any class of Common Stock other than Class D Common, then holders of shares of each class of Common Stock must receive payment only in shares of such respective class of Common Stock. The rights of the holders of Common Stock to receive dividends are subject to the provisions of the Preferred Stock.

(c) Reservation. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock: (i) Class A Common in a quantity sufficient to provide for the conversion of all outstanding shares of the Class B Common and Class C Common into Class A Common; and (ii) Class C Common in a quantity sufficient to provide for the conversion of all outstanding shares of the Class A Common into Class C Common.

(d) Conversion of Common Stock.

(i) Conversion of Class A Common. Subject to the terms and conditions stated herein, the holder of any shares of Class A Common shall have the right at any time, at such holder's option, to convert all or a portion of the shares of Class A Common so held into the same number of shares of Class C Common. Such right of conversion shall be exercised (A) by giving written notice (the "Notice") to the Corporation at least ten (10) days prior to the Conversion Date (as defined below) specified therein that the holder elects to convert a stated number of shares of Class A Common into shares of Class C Common on the date specified in such Notice (the "Conversion Date") and (B) by surrendering the certificate or certificates representing at least the number of shares of Class A Common to be converted to the Corporation at its principal office at any time during the usual business hours on or before the Conversion Date, duly endorsed in blank by the owner of the certificate so surrendered, together with a statement of the name or names (with addresses) of the Person or Persons in whose name or names the certificate or certificates for shares issued on conversion shall be registered. Shares of Class A Common that have been converted hereunder shall not be canceled but shall remain as treasury shares unless retired by resolution of the Board of Directors.

(ii) Conversion of Class B Common. Each share of Class B Common shall also be convertible, at the option of the holder thereof, into one fully paid and nonassessable share of Class A Common. The procedures for conversion of Class A Common into Class C Common, as set forth in paragraph (i) of this Section 4.3(d), shall also be applicable to the conversion of Class B Common into Class A Common. Shares of Class B Common that have been converted hereunder

shall not be canceled but shall remain as treasury shares unless retired by resolution of the Board of Directors.

(iii) Class B Stockholders. Class B Stockholders (as hereinafter defined) and Class B Permitted Transferees (as hereinafter defined) may exercise their respective rights as a holder of shares of Class C Common to convert such shares into shares of Class A Common, or otherwise acquire shares of Class A Common, only in the event that: (A) the Corporation shall merge or consolidate with or into, or otherwise acquire, any other Person and such Class B Stockholder or Class B Permitted Transferee receives shares of Class A Common in exchange for such Class B Stockholder's or Class B Permitted Transferee's interest in such other Person; (B) such Class B Stockholder or Class B Permitted Transferee desires to sell shares of Class A Common into which all or part of its shares of Class C Common are to be converted in connection with any proposed purchase of Class A Common by another Person (other than a Class B Stockholder or a Class B Permitted Transferee); or (C) such Class B Stockholder or Class B Permitted Transferee intends to sell shares of Class A Common into which all or part of its shares of Class C Common are to be converted pursuant to a registration statement which has been declared effective.

(iv) Conversion of Class C Common. Each share of Class C Common shall also be convertible, at the option of the holder thereof, into one fully paid and nonassessable share of Class A Common. The procedures for conversion of Class A Common into Class C Common, as set forth in paragraph (i) of this Section 4.3(d), shall also be applicable to the conversion of Class C Common into Class A Common. Shares of Class C Common that have been converted hereunder shall not be canceled but shall remain as treasury shares unless retired by resolution of the Board of Directors.

(v) Surrender of Certificates. Subject to the other provisions of this Section 4.3 and of ARTICLE IX of this Amended and Restated Certificate of Incorporation, promptly after (A) the Conversion Date and (B) the surrender of such certificate or certificates representing the share or shares of Class A Common, Class B Common or Class C Common to be converted, the Corporation shall issue and deliver, or cause to be issued and delivered, to the holder requesting conversion, registered in such name or names as such holder may direct, a certificate or certificates for the number of shares of the class of Common Stock issuable upon the conversion of such share or shares, together with a certificate or certificates evidencing any balance of the shares of the class surrendered to the Corporation but not then being converted. To the extent permitted by law, such conversion shall be deemed to have been effected as of the close of business on the later of the Conversion Date or the date upon which the Corporation shall have received the certificate or certificates representing the shares to be converted, and at such time the rights of the holder of such share or shares as such holder shall cease, and the person or persons in whose name or names any certificate or certificates for shares shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of such shares of Class A Common or Class C Common, as the case may be.

(vi) Listing. If the shares of Common Stock required to be reserved for the purpose of conversion hereunder require listing on any national securities exchange, before such shares are issued upon conversion, the Corporation will, at its expense and as expeditiously as possible, use its commercially reasonable best efforts to cause such shares to be listed or duly approved for listing on such national securities exchange.

(e) No Charge. The issuance of certificates representing Common Stock upon conversion of Class A Common, Class B Common or Class C Common, as hereinabove set forth shall be made without charge or any expense or issuance tax in respect thereof; provided, however, that the Corporation shall not be required to pay any taxes which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the shares converted.

(f) Transfer of Class B Common.

(i) A Beneficial Owner (as hereinafter defined) of shares of Class B Common (herein referred to as a Class B Stockholder") may transfer, directly or indirectly, Beneficial Ownership (as hereinafter defined) of shares of Class B Common, whether by sale, assignment, gift or otherwise, only to a Class B Permitted Transferee (as hereinafter defined) and no Class B Stockholder may otherwise transfer Beneficial Ownership of any shares of Class B Common. In the event of any attempted transfer of the Beneficial Ownership of any shares of Class B Common in violation of the limitation provided in the preceding sentence, the shares of Class B Common with respect to which the transfer of such Beneficial Ownership has been attempted shall be deemed to have been converted automatically, without further deed or action by or on behalf of any person, into shares of Class A Common. A "Class B Permitted Transferee" shall be, if the Class B Stockholder is an individual:

(A) the estate of the Class B Stockholder or any legatee, heir or distributees thereof;

(B) the spouse or former spouse of the Class B Stockholder;

(C) any parent or grandparent and any lineal descendant (including any adopted child) of any parent or grandparent of the Class B Stockholder or of the Class B Stockholder's spouse or former spouse;

(D) any guardian or custodian (including a custodian for purposes of the Uniform Gift to Minors Act or Uniform Transfers to Minors Act) for, or any executor, administrator, conservator and/or other legal representative of, the Class B Stockholder and/or any Class B Permitted Transferee or Class B Permitted Transferees thereof;

(E) a trust (including a voting trust), and any savings or retirement account, such as an individual retirement account for purposes of federal income tax laws, whether or not involving a trust, principally for the benefit of such Class B Stockholder and/or any Class B Permitted Transferee or Class B Permitted Transferees thereof, including any trust in respect of which such Class B Stockholder and/or any Class B Permitted Transferee or Class B Permitted Transferees thereof has any general or special power of appointment or general or special non-testamentary power or special testamentary power of appointment limited to any Class B Permitted Transferee or Class B Permitted Transferees;

(F) any corporation, partnership or other business entity if Substantial Beneficial Ownership thereof is held by such Class B Stockholder and/or any Class B Permitted Transferee or Class B Permitted Transferees thereof; provided, however, that if

such Class B Stockholder, and all Class B Permitted Transferees thereof, cease, for whatever reason, to hold Substantial Beneficial Ownership of such corporation, partnership or other business entity, then any and all shares of Class B Common that such corporation, partnership or other business entity is the Beneficial Owner of shall be deemed to be converted automatically, without further deed or action by or on behalf of any person, into shares of Class A Common;

(G) any Founding Investor and/or any Class B Permitted Transferee or Class B Permitted Transferees of a Founding Investor; and

(H) the Corporation.

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

(1) any employee benefit plan, or trust thereunder or therefor, sponsored by the Class B Stockholder;

(2) any trust (including any voting or liquidating trust) principally for the benefit of the Class B Stockholder and/or any Class B Permitted Transferee or Class B Permitted Transferees thereof;

(3) any corporation, partnership or other business entity if Substantial Beneficial Ownership thereof is held by such Class B Stockholder and/or any Class B Permitted Transferee or Class B Permitted Transferees thereof; provided, however, that if such Class B Stockholder, and all Class B Permitted Transferees thereof, cease, for whatever reason, to hold Substantial Beneficial Ownership of such corporation, partnership or other business entity, then any and all shares of Class B Common that such corporation, partnership or other business entity is the Beneficial Owner of shall be deemed to be converted automatically, without further deed or action by or on behalf of any person, into shares of Class A Common;

(4) the stockholders of the corporation, partners of the partnership or other owners of equity interests in any other business entity, who receive such shares, by way of dividend or distribution (upon dissolution, liquidation or otherwise), provided that such transfer will not result in Beneficial Ownership of any of such shares by any person who did not have the power to control such corporation, partnership or business entity at the time such corporation, partnership or business entity first acquired Beneficial Ownership of such shares of Class B Common (other than by any person who qualifies as a Class B Permitted Transferee pursuant to any other provision of this paragraph (i) of this Section 4.3(g));

(5) the Corporation; and

(6) any Founding Investor and/or any Class B Permitted Transferee or Class B Permitted Transferees of a Founding Investor.

(ii) Any person who holds shares of Class B Common for the Beneficial Ownership of another, including (A) any broker or dealer in securities; (B) any clearing house; (C) any bank, trust company, savings and loan association or other financial institution; (D) any other nominee; and (E) any savings plan or account or related trust, such as an individual retirement account, principally for the benefit of any individual, may transfer such shares to the person or persons for whose benefit it holds such shares. Notwithstanding anything to the contrary set forth herein, any holder of Class B Common may pledge such shares to a pledgee pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee, provided that such shares may not be transferred to or registered in the name of the pledgee unless such pledgee is a Class B Permitted Transferee. In the event of foreclosure or other similar action by the pledgee, such pledged shares shall automatically, without any act or deed on the part of the Corporation or any other person, be converted into shares of Class A Common unless within five business days after such foreclosure or similar event such pledged shares are returned to the pledgor or transferred to a Class B Permitted Transferee. The foregoing provisions of this paragraph shall not be deemed to restrict or prevent any transfer of such shares by operation of law upon incompetence, death, dissolution or bankruptcy of any Class B Stockholder or any provision of law providing for, or judicial order of, forfeiture, seizure or impoundment.

(iii) Any transferee of shares of Class B Common pursuant to a transfer made in violation of paragraphs (i) and (ii) of this Section 4.3(g) shall have no rights as a stockholder of the Corporation and no other rights against or with respect to the Corporation except the right to receive, in accordance with paragraph (ii) of Section 4.3(d) or paragraphs (i) and (ii) of this Section 4.3(g), as applicable, shares of Class A Common upon the conversion of such transferred shares. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation, the Corporation shall, to the full extent permitted by law, be entitled to issue shares of Class B Common to any person from time to time.

(iv) The Corporation and any transfer agent of Class B Common may as a condition to the transfer or the registration of any transfer of shares of Class B Common permitted by paragraphs (i) and (ii) of this Section 4.3(g) require the furnishing of such affidavits or other proof as they deem necessary to establish that such transferee is a Class B Permitted Transferee.

(v) For purposes of paragraph (i) of this Section 4.3(g): (A) the term "Beneficial Ownership," in respect of shares of Class B Common, shall mean possession of the power and authority, either singly or jointly with another, to vote or dispose of or to direct the voting or disposition of such shares and the term "Beneficial Owner," in respect of shares of Class B Common, shall mean the person or persons who possess such power and authority; and (B) the term "Substantial Beneficial Ownership," in respect of any corporation, partnership or other business entity, shall mean possession of the power and authority, either singly or jointly with another, to vote or dispose of or to direct the voting or disposition of at least 80% of each class of equity ownership interest in such corporation, partnership or other business entity.

Section IV.4. No Interference. Except as otherwise provided in ARTICLE IX of this Amended and Restated Certificate of Incorporation, the Corporation will not close its books against the transfer of any share of Common Stock or of any of the shares of Common Stock issued or issuable upon the conversion of such shares of Common Stock in any manner which interferes with the timely conversion of any of such shares.

Section IV.5. Mergers, Consolidations. In the case of a merger or consolidation which reclassifies or changes the shares of Common Stock, or in the case of the consolidation or merger of the Corporation with or into another corporation or corporations or the transfer of all or substantially all of the assets of the Corporation to another corporation or corporations, each share of each class of Common Stock shall thereafter be convertible into the greatest number or amount of shares of stock or other securities or property to which a holder of a share of the class of Common Stock entitled to receive the greatest number or amount of such stock or other securities or property would have been entitled upon such reclassification, change, consolidation, merger or transfer, and, in any such case, appropriate adjustment (as determined in good faith by the Corporation's Board of Directors) shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of each class of Common Stock to the end that the provisions set forth herein shall thereafter be applicable, as nearly as reasonably may be practicable, in relation to any shares of stock or other securities or property thereafter deliverable upon the conversion of shares of each class of Common Stock. In case of any such merger or consolidation, the resulting or surviving corporation (if not the Corporation) shall expressly assume the obligation to deliver, upon conversion of each class of Common Stock, such stock or other securities or property as the holders of the each class of Common Stock remaining outstanding shall be entitled to receive pursuant to the provisions hereof, and to make provisions for the protection of the conversion rights provided for in this ARTICLE IV.

Section IV.6. Liquidation, Dissolution or Winding Up. Subject to the provisions of the Preferred Stock, in the event of any Liquidation of the Corporation, all remaining assets of the Corporation shall be distributed to holders of the Common Stock pro rata at the same rate per share of each class of Common Stock according to their respective holdings of shares of the Common Stock.

Section IV.7. Miscellaneous. Subject to the provisions of ARTICLE IX of this Amended and Restated Certificate of Incorporation:

(a) Registration of Transfer. The Corporation shall keep at its principal office a register for the registration of Capital Stock. Upon the surrender of any certificate representing Capital Stock at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate, and dividends shall accrue on the Capital Stock represented by such new certificate from the date to which dividends have been fully paid on such Capital Stock represented by the surrendered certificate. The issuance of new certificates shall be made without charge to the original holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

(b) Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of any class or series of Capital Stock, and in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably

satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor its own agreement shall be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class or series represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate, and dividends shall accrue on the Capital Stock represented by such new certificate from the date to which dividends have been fully paid on such lost, stolen, destroyed or mutilated certificate.

(c) Definitions. The following terms shall have the following meanings:

"Advance of Expenses" has the meaning set forth in Section 8.2.

"Beneficial Ownership" has the meaning set forth in Section 4.3(g)(v).

"Capital Stock" has the meaning set forth in Section 4.1.

"Class A Common" has the meaning set forth in Section 4.1.

"Class B Common" has the meaning set forth in Section 4.1.

"Class B Permitted Transferee" has the meaning set forth in Section 4.3(g).

"Class B Stockholder" has the meaning set forth in Section 4.3(g).

"Class C Common" has the meaning set forth in Section 4.1.

"Class D Common" has the meaning set forth in Section 4.1.

"Common Stock" has the meaning set forth in Section 4.1.

"Communications Act" has the meaning set forth in Section 9.1.

"Conversion Date" has the meaning set forth in Section 4.2(d)(i).

"Corporation" has the meaning set forth in ARTICLE I.

"DGCL" has the meaning set forth in ARTICLE III.

"FCC" has the meaning set forth in Section 9.1.

"Final Adjudication" has the meaning set forth in Section 8.2.

"Founding Investor" means Alfred C. Liggins, III or Catherine L. Hughes.

"Indemnitee" has the meaning set forth in Section 8.2.

"Liquidation" with respect to the Corporation, means the liquidation, dissolution or winding up of the Corporation.

"Notice" has the meaning set forth in Section 4.3(d)(i).

"Person" means an individual, a partnership, a joint venture, a corporation, an association, a joint stock company, a limited liability company, a trust, an unincorporated association and any other entity or organization.

"Preferred Stock" has the meaning set forth in Section 4.2.

"Proceeding" has the meaning set forth in Section 8.2.

"Subsidiary" means any corporation with respect to which another specified corporation has the power to vote or direct the voting of sufficient securities to elect directors having a majority of the voting power of the board of directors of such corporation.

"Substantial Beneficial Ownership" has the meaning set forth in Section 4.3(g)(v).

"Undertaking" has the meaning set forth in Section 8.2.

ARTICLE V

Existence

The Corporation is to have a perpetual existence.

ARTICLE VI

General Provisions

Section VI.1. Dividends. The Board of Directors of the Corporation shall have authority from time to time to set apart out of any assets of the Corporation otherwise available for dividends a reserve or reserves as working capital or for any other purpose or purposes, and to abolish or add to any such reserve or reserves from time to time as said Board may deem to be in the interest of the Corporation; and said Board shall likewise have power to determine in its discretion, except as herein otherwise provided, what part of the assets of the Corporation available for dividends in excess of such reserve or reserves shall be declared in dividends and paid to the stockholders of the Corporation.

Section VI.2. Issuance of Stock. The shares of all classes and series of Capital Stock of the Corporation may be issued by the Corporation from time to time for such consideration as from time to time may be fixed by the Board of Directors of the Corporation, provided that shares having a par value shall not be issued for a consideration less than such par value, as determined by the Board. At any time, or from time to time, the Corporation may grant rights or options to purchase from the Corporation any shares of its Capital Stock of any class or series to run for such period of time, for

such consideration, upon such terms and conditions, and in such form as the Board of Directors of the Corporation may determine. The Board of Directors of the Corporation shall have authority, as provided by law, to determine that only a part of the consideration which shall be received by the Corporation for the shares of its Capital Stock having a par value be capital, provided that the amount of the part of such consideration so determined to be capital shall at least be equal to the aggregate par value of such shares. The excess, if any, at any time, of the total net assets of the Corporation over the amount so determined to be capital, as aforesaid, shall be surplus. All classes and series of Capital Stock of the Corporation shall be and remain at all times nonassessable.

The Board of Directors of the Corporation is hereby expressly authorized, in its discretion, in connection with the issuance of any obligations or Capital Stock of the Corporation (but without intending hereby to limit its general power so to do in other cases), to grant rights or options to purchase Capital Stock of the Corporation of any class or series upon such terms and during such period as the Board of Directors of the Corporation shall determine, and to cause such rights to be evidenced by such warrants or other instruments as it may deem advisable.

Section VI.3. Inspection of Books and Records. The Board of Directors of the Corporation shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or the stockholders of the Corporation.

Section VI.4. Location of Meetings, Books and Records. Except as otherwise provided in the Bylaws, the stockholders of the Corporation and the Board of Directors of the Corporation may hold their meetings and have an office or offices outside of the State of Delaware, and, subject to the provisions of the laws of said State, may keep the books of the Corporation outside of said State at such places as may, from time to time, be designated by the Board of Directors.

Section VI.5. Board of Directors Meeting. The Board of Directors shall be comprised of the number of directors specified in the Corporation's Bylaws, and such directors shall be elected in the manner contemplated by such Bylaws.

ARTICLE VII

Amendments

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereinafter prescribed herein and by the laws of the State of Delaware, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding the foregoing or anything contained in this Amended and Restated Certificate of Incorporation to the contrary, (i) no amendment, modification or waiver shall be binding or effective with respect to Article VIII or clause (i) of this Article VII without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Class A Common of the Corporation, and (ii) no such action under this

ARTICLE VII shall change (A) the redemption, conversion, voting or other rights of any class or series of Preferred Stock without the affirmative vote of the holders of a majority of each such class or series of Preferred Stock then outstanding, (B) the conversion or voting rights of any class of Common Stock without the affirmative vote of the holders of a majority of each class of Common Stock then outstanding, and (C) the percentage required to approve any amendment, modification or waiver described herein, without the affirmative vote of holders of that percentage of the class or series of Capital Stock then required to approve such amendment, modification or waiver.

ARTICLE VIII

Liability

Section VIII.1. Limitation of Liability.

(a) To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted as of the date this Amended and Restated Certificate of Incorporation is filed with the State of Delaware), and except as otherwise provided in the Corporation's Bylaws, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Section VIII.2. Right to Indemnification. Each person who was or is made party or is threatened to be made a party to or is otherwise involved (including involvement as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "Proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter, an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide for broader indemnification rights than permitted as of the date this Amended and Restated Certificate of Incorporation is filed with the State of Delaware), against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that except as provided in Section 8.3 of this ARTICLE VIII with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part

thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Section 8.2 of this ARTICLE VIII shall be a contract right and shall include the obligation of the Corporation to pay the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "Advance of Expenses"); provided, however, that if and to the extent that the Board of Directors of the Corporation requires, an advance of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "Undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "Final Adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 8.2 or otherwise. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same or lesser scope and effect as the foregoing indemnification of directors and officers.

Section VIII.3. Procedure for Indemnification. Any indemnification of a director or officer of the Corporation or advance of expenses under Section 8.2 of this ARTICLE VIII shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days) upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this ARTICLE VIII is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days), the right to indemnification or advances as granted by this ARTICLE VIII shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 8.2 of this ARTICLE VIII, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The procedure for indemnification of other employees and agents for whom indemnification is provided pursuant to Section 8.2 of this ARTICLE VIII shall be the same procedure set forth in this Section 8.3 for directors or officers, unless otherwise set forth in the action of the Board of Directors of the Corporation providing for indemnification for such employee or agent.

Section VIII.4. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the

Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the DGCL.

Section VIII.5. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another Corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (hereinafter a "subsidiary" for this ARTICLE VIII) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

Section VIII.6. Reliance. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director or officer of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this ARTICLE VIII in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VIII shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section VIII.7. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this ARTICLE VIII shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation or under any statute, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Section VIII.8. Merger or Consolidation. For purposes of this ARTICLE VIII, references to "the Corporation" shall include any constituent corporation (including any constituent of a constituent) absorbed into the Corporation in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this ARTICLE VIII with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE IX

Alien Ownership of Stock

Section IX.1. Applicability. This ARTICLE IX shall be applicable to the Corporation so long as the provisions of Section 310 of the Communications Act of 1934, as the same may be amended from time to time (the "Communications Act") (or any successor, provisions thereto) are applicable to the Corporation. As used herein, the term "alien" shall have the meaning ascribed

thereto by the Federal Communications Commission ("FCC") on the date hereof and in the future as Congress or the FCC may change such meaning from time to time. If the provisions of Section 310 of the Communications Act (or any successor provisions thereto) are amended, the restrictions in this ARTICLE IX shall be amended in the same way, and as so amended, shall apply to the Corporation. The Board of Directors of the Corporation may make such rules and regulations as it shall deem necessary or appropriate to enforce the provisions of this ARTICLE IX.

Section IX.2. Voting. Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of Capital Stock of the Corporation outstanding in any class or series entitled to vote on any matter before a meeting of stockholders of the Corporation shall at any time be for the account of aliens or their representatives or for the account of a foreign government or representative thereof, or for the account of any corporation organized under the laws of a foreign country.

Section IX.3. Stock Certificates. Shares of Capital Stock issued to or held by or for the account of aliens and their representatives, foreign governments and representatives thereof, and corporations organized under the laws of foreign countries shall be represented by Foreign Share Certificates. All other shares of Capital Stock shall be represented by Domestic Share Certificates. All of such certificates shall be in such form not inconsistent with this Amended and Restated Certificate of Incorporation as shall be prepared or approved by the Board of Directors of the Corporation.

Section IX.4. Limitation on Foreign Ownership. Except as otherwise provided by law, not more than twenty percent of the aggregate number of shares of Capital Stock of the Corporation outstanding shall at any time be owned of record by or for the account of aliens or their representatives or by or for the account of a foreign government or representatives thereof, or by or for the account of any corporation organized under the laws of a foreign country. Shares of Capital Stock shall not be transferable on the books of the Corporation to aliens or their representatives, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries if, as a result of such transfer, the aggregate number of shares of Capital Stock owned by or for the account of aliens and their representatives, foreign governments and representatives thereof, and corporations organized under the laws of foreign countries shall be more than twenty percent of the number of shares of Capital Stock then outstanding. If it shall be found by the Corporation that Capital Stock represented by a Domestic Share Certificate is, in fact, held by or for the account of aliens or their representative, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries, then such Domestic Share Certificate shall be canceled and a new certificate representing such Capital Stock marked "Foreign Share Certificate" shall be issued in lieu thereof, but only to the extent that after such issuance the Corporation shall be in compliance with this ARTICLE IX; provided, however, that if, and to the extent, such issuance would violate this ARTICLE IX, then, the holder of such Capital Stock shall not be entitled to vote, to receive dividends, or to have any other rights with regard to such Capital Stock to such extent, except the right to transfer such Capital Stock to a citizen of the United States.

Section IX.5. Transfer of Foreign Share Certificates. Any Capital Stock represented by Foreign Share Certificates may be transferred either to aliens or non-aliens. In the event that any Capital Stock represented by a certificate marked "Foreign Share Certificate" is sold or transferred to a non-alien, then such non-alien shall be required to exchange such certificate for a certificate

marked "Domestic Share Certificate." If the Board of Directors of the Corporation reasonably determines that a Domestic Share Certificate has been or is to be transferred to or for the account of aliens or their representatives, foreign governments or representatives thereof, or corporations organized under the laws of foreign countries, the Corporation shall issue a new certificate for the shares of Capital Stock transferred to the transferee marked "Foreign Shares Certificate," cancel the old Domestic Share Certificate, and record the transaction upon its books, but only to the extent that after such transfer is complete, the Corporation shall be in compliance with this ARTICLE IX.

Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation, the transfer or conversion of the Corporation's Capital Stock, whether voluntary or involuntary, shall not be permitted, and shall be ineffective, if such transfer or conversion would (i) violate (or would result in violation of) the Communications Act or any of the rules or regulation promulgated thereunder or (ii) require the prior approval of the FCC, unless such prior approval has been obtained.

ARTICLE X

Section 203 Election

The Corporation expressly elects not to be governed by Section 203 of Title 8 of the DGCL.

IN WITNESS WHEREOF, said Radio One, Inc. has caused its corporate seal to be hereunto affixed and this Amended and Restated Certificate of Incorporation to be signed by Alfred C. Liggins, III, its President, and attested to by Scott R. Royster, one of its Vice Presidents, this ____ day of May, 2000.

RADIO ONE, INC.

By:

Alfred C. Liggins, III, President

[SEAL]

ATTEST:

By:

Scott R. Royster, Vice President

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of March 11, 2000, among the company or companies designated as Seller on the signature page hereto (collectively, "Seller") and the company or companies designated as Buyer on the signature page hereto (collectively, "Buyer").

RECITALS

A. Seller owns and operates the following radio broadcast stations (collectively, the "Stations" and each a "Station") pursuant to certain authorizations issued by the Federal Communications Commission (the "FCC"):

KMJQ(FM), Houston, Texas
KBXX(FM), Houston, Texas
WVCG (AM), Coral Gables, Florida
WZAK(FM), Cleveland, Ohio
WJMO(AM), Cleveland Heights, Ohio
KKBT(FM), Los Angeles (excluding the FCC licenses, transmitter/antenna equipment and transmitter/tower site)
KCMG(FM), Los Angeles (FCC licenses (excluding call letters), transmitter/antenna equipment and transmitter/tower site only to be conveyed to Buyer)
KBFB(FM), Dallas, Texas
WJMZ-FM, Anderson, South Carolina
WFXC-FM, Durham, North Carolina
WFXK-FM, Tarboro, North Carolina
WNNL-FM, Farquay-Varina, North Carolina
WQOK-FM, South Boston, Virginia

The definition of "Stations" with respect to KKBT(FM) does not refer to the FCC licenses, transmitter/antenna equipment and transmitter/tower site, and with respect to KCMG(FM) refers only to the FCC licenses (excluding call letters), transmitter/antenna equipment and transmitter/tower site.

B. Subject to the terms and conditions set forth herein, Buyer desires to acquire the Station Assets (defined below).

C. Clear Channel Communications, Inc. and AMFM Inc. (Seller's parents) and CCU Merger Sub, Inc. are parties to an Agreement and Plan of Merger dated October 2, 1999 (the "AMFM Agreement").

AGREEMENT

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows

ARTICLE 1: PURCHASE OF ASSETS

1.1. Station Assets. On the terms and subject to the conditions hereof,

on the Closing Date (defined below), Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase and acquire 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, which are used or held for use exclusively in the operation of the Stations and specifically described in this Section 1.1, but excluding the Excluded Assets as hereafter defined (the "Station Assets"):

(a) all licenses, permits and other authorizations which are issued to Seller by the FCC with respect to the Stations, other than the licenses, permits and other authorization issued to Seller by the FCC with respect to KKBT-FM, Los Angeles (except for the KKBT call letters which will be conveyed to Buyer) (the "FCC Licenses") and described on Schedule 1.1(a), including any

renewals or modifications thereof between the date hereof and Closing;

(b) all equipment, electrical devices, antennae, cables, tools, hardware, office furniture and fixtures, office materials and supplies, inventory, motor vehicles, spare parts and other tangible personal property of every kind and description which are used or held for use exclusively in the operation of the Stations and listed on Schedule 1.1(b), except any retirements

or dispositions thereof made between the date hereof and Closing in the ordinary course of business and consistent with past practices of Seller and any equipment, inventory and personal property located at the KKBT-FM tower and/or transmitter site (the "Tangible Personal Property");

(c) all Time Sales Agreements and Trade Agreements (both defined in Section 2.1), Real Property Leases (defined in Section 7.7), and other contracts, agreements, and leases which are used in the operation of the Stations and listed on Schedule 1.1(c), together with all contracts, agreements,

and leases made between the date hereof and Closing in the ordinary course of business that are used in the operation of the Stations (the "Station Contracts"), provided that Seller will not enter into any new Station Contract(s) with a (i) term greater than one year, (ii) an individual aggregate value greater than \$ 50,000 per market or (iii) total aggregate value greater than \$250,000 for the Stations combined without obtaining Buyer's prior consent, or enter into any new Trade Agreements under which the aggregate barter payable exceeds the aggregate barter receivable on a per market basis without obtaining Buyer's prior consent;

(d) all of Seller's rights in and to the Stations' call letters and Seller's rights in

and to the trademarks, trade names, service marks, franchises, copyrights, computer software, programs and programming material, jingles, slogans, logos, domain names, registrations, websites and other intangible property which are used or held for use exclusively in the operation of the Stations, other than the KCMG call letters and intellectual property associated with the current operation of KCMG, and listed on Schedule 1.1(d) (the "Intangible Property");

(e) 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, 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 logs, but excluding records relating to Excluded Assets (defined below), and access to records described in Section 1.2(e) that pertain to the Stations; and

(f) any real property which is used exclusively in the operation of the Stations (including any of Seller's appurtenant easements and improvements located thereon) and described on Schedule 1.1(f) (the "Real Property").

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances ("Liens") except for (i) Assumed Obligations (defined 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, (iii) such liens (not related to Seller's indebtedness), easements, rights of way, building and use restrictions, exceptions, reservations and limitations that do not in any material respect detract from the value of the property subject thereto or impair the use thereof in the ordinary course of the business of the Stations, and (iv) any items listed on Schedule 1.1(b) (collectively, "Permitted Liens").

1.2. Excluded Assets. Notwithstanding anything to the contrary contained

herein, the Station Assets shall not include the following assets along with all rights, title and interest therein (the "Excluded Assets"):

(a) all cash and cash equivalents of Seller, including without limitation certificates of deposit, commercial paper, treasury bills, marketable securities, asset or money market accounts and all such similar accounts or investments;

(b) all accounts receivable or notes receivable arising in the operation of the Stations prior to Closing;

(c) all tangible and intangible personal property of Seller disposed of or consumed in the ordinary course of business and consistent with past practices of Seller between the date of this Agreement and Closing;

(d) all Station Contracts that terminate or expire prior to Closing in the ordinary course of business of Seller, except which Seller is required to extend pursuant to

Section 9.1(g);

(e) Seller's name, corporate 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, duplicate copies of the records of the Stations, and all records not relating exclusively to the operation of the Stations;

(f) contracts of insurance, and all insurance proceeds or claims made thereunder except to the extent such proceeds are paid to Buyer pursuant to Section 17.1;

(g) except as provided in Section 10.4, 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;

(h) all Seller's owned FM towers and FM tower sites, all rights, properties and assets described on Schedule 1.2(h), and all rights, properties and assets not specifically described in Section 1.1;

(i) all of Seller's right, title and interest in and to the call letters KCMG-FM and all intellectual property currently used in the operation of KCMG-FM by Seller;

(j) all of Seller's right, title and interest in and to the KKBT tower and/or transmitter site; and

(k) all of Seller's right, title and interest in the KKBT intellectual property as described on Schedule 1.2(h).

1.3. Lease Agreements. At Closing, Buyer and Seller shall negotiate in good faith and enter into the lease agreements described on Schedule 1.2(h) pursuant to leases substantially in the form of Exhibit A (tower lease), Exhibit A-1 (tower lease for WZAK) and Exhibit A-2 (Raleigh studio lease) attached hereto.

1.4. KKBT Intellectual Property. At Closing, Buyer and Seller to enter into a non-exclusive perpetual license agreement whereby Seller grants Buyer the non-exclusive right to use the KKBT intellectual property described on Schedule 1.2(h) ("KKBT I/P") for \$1.00 per year in any market that Seller does not use or has not licensed the KKBT I/P to a third party. Seller may use or license the KKBT I/P for use in any market in which Buyer does not use the KKBT I/P, and such use or license for use by Seller will preclude Buyer's use of the KKBT I/P in such market, provided that Buyer shall have exclusive rights to the KKBT I/P in the Los Angeles market and in any other market where the KKBT I/P is licensed to Buyer.

ARTICLE 2: ASSUMPTION OF OBLIGATIONS

2.1. Assumed Obligations. On the Closing Date, Buyer shall assume the obligations

of Seller (the "Assumed Obligations") arising after Closing under the Station Contracts, including without limitation all agreements for the sale of advertising time on the Stations for cash at commercially reasonable rates in the ordinary course of business ("Time Sales Agreements") and all agreements for the sale of advertising time on the Stations for non-cash consideration ("Trade Agreements").

2.2. Retained Obligations. Buyer does not assume or agree to discharge or

perform and will not be deemed by reason 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 the consummation of the transactions contemplated hereby, 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 Obligations (the "Retained Obligations").

ARTICLE 3: PURCHASE PRICE

3.1. Purchase Price. In consideration for the sale of the Station Assets

to Buyer, in addition to the assumption of the Assumed Obligations, Buyer shall at Closing (defined below) deliver to Seller by wire transfer of immediately available funds, ONE BILLION THREE HUNDRED TWO MILLION FIVE HUNDRED THOUSAND DOLLARS \$1,302,500,000, subject to adjustment pursuant to Sections 3.3, 10.4 and 10.7 (the "Purchase Price").

3.2. Deposit. Within one (1) business day from the date of this Agreement

with no Cure Period as defined below, Buyer shall deposit an amount equal to 10% of the Purchase Price (the "Deposit") with NationsBank/Bank of America (the "Escrow Agent") pursuant to the Escrow Agreement, attached hereto as Exhibit C

(the "Escrow Agreement") of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit shall be applied to the Purchase Price and any interest accrued thereon shall be disbursed to Buyer. If this Agreement is terminated by Seller due to Buyer's failure to consummate the Closing on the Closing Date or if this Agreement is otherwise terminated by Seller pursuant to Section 16.1(c), the Deposit and any interest accrued thereon shall be disbursed to Seller as partial payment of liquidated damages pursuant to Section 16.3. If this Agreement is terminated for any other reason, the Deposit and any interest accrued thereon shall be disbursed to Buyer.

3.3. Prorations and Adjustments. Except as otherwise provided herein, all

deposits, reserves and prepaid and deferred income and expenses relating to the Station Assets or the Assumed Obligations 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. 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 13.1), business and license fees, music and other license fees (including any retroactive adjustments thereof), utility expenses, amounts due or to

become due under Station Contracts, 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. 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) calendar days of the Closing Date. 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 herein and such disputes shall be conclusively determined within thirty (30) days thereafter 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.

3.4. Allocation. The Purchase Price shall be allocated among the Station

Assets in a manner as mutually agreed between the parties based upon an appraisal prepared by Bond & Pecaro (who shall be jointly retained by Seller and Buyer with respect to the Stations and whose fees shall be paid one-half by Seller and one-half by Buyer). 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; such appraisal shall be completed on the earlier of (i) one hundred eighty (180) days following the Closing, or (ii) December 31, 2000.

ARTICLE 4: CLOSING

4.1. Closing. The consummation of the sale and If Closing occurs prior to

the FCC Consent purchase of the Station Assets (the "Closing") becoming a final order (i.e., no longer shall occur on a date (the "Closing Date") and at subject to appeal), and prior to such a time and place designated solely by Seller finality the FCC Consent is reversed or after FCC Consent (defined below), subject to otherwise set aside pursuant to a final order satisfaction or waiver of the conditions to of the FCC (or court of competent Closing contained herein (other than those to be jurisdiction), then the parties shall comply satisfied at Closing). Seller shall provide with such order in a manner that otherwise Buyer with notice of the Closing Date at least complies with applicable law and returns the three (3) business days prior to Closing, parties to the status quo ante in all however, Seller reserves the right to extend the material respects (it being understood that Closing Date without penalty. If requested by in such event Buyer may designate one or more Seller, prior to Closing the parties shall hold a third parties as the transferees of the pre-closing conference at a time and place Stations). designated by Seller, at which the parties shall provide (for review only) all documents to be delivered at Closing under this Agreement, each duly executed but undated, and otherwise review their ability to timely consummate the Closing.

ARTICLE 5: GOVERNMENTAL CONSENTS

Closing is subject to and conditioned upon (i) prior FCC consent (the "FCC Consent") to

the assignment of the FCC Licenses to Buyer, (ii) United States Department of Justice ("DOJ") prior approval (the "DOJ Consent") of the transactions contemplated hereby, including without limitation any such approval as may be necessary to enable Seller to consummate the merger under the AMFM Agreement, and (iii) expiration or termination of any applicable waiting period ("HSR Clearance") under the HSR Act (defined below).

5.1. FCC. On a date designated by Seller, Buyer and Seller shall file an application with the FCC (the "FCC Application") requesting the FCC Consent. Buyer and Seller shall diligently prosecute the FCC Application and otherwise use their best efforts to obtain the FCC Consent as soon as possible. If the FCC Consent imposes upon Buyer any condition (including without limitation any divestiture condition), Buyer shall timely comply therewith.

5.2. HSR. If not previously filed, then within five (5) business days after the execution of this Agreement, Buyer and Seller shall make any required filings with the Federal Trade Commission and the DOJ pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") with respect to the transactions contemplated hereby (including a request for early termination of the waiting period thereunder), and shall thereafter promptly respond to all requests received from such agencies for additional information or documentation.

5.3. General. Buyer and Seller shall notify each other of all documents filed with or received from any governmental agency with respect to this Agreement or the transactions contemplated hereby. Buyer and Seller shall furnish each other with such information and assistance as the other may reasonably request in connection with their preparation of any governmental filing hereunder. If Buyer becomes aware of any fact relating to it which would prevent or delay the FCC Consent, the DOJ Consent or HSR Clearance, Buyer shall promptly notify Seller thereof and take such steps as necessary by the Closing Date to remove such impediment, including but not limited to divesting any stations and terminating any agreements to acquire or program or market any stations.

ARTICLE 6: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby makes the following representations and warranties to Seller:

6.1. Organization and Standing. Buyer is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and on the Closing Date will be qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

6.2. Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all

necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

6.3. No Conflicts. Neither the execution and delivery by Buyer of this

Agreement and the Buyer Ancillary Agreements or the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of Buyer or any law, judgment, order or decree to which Buyer is subject; or (ii) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent and DOJ Consent, and, if applicable, HSR Clearance.

6.4. 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 (the "Communications Act") and the rules, regulations and written policies of the FCC. There are no facts that would, under existing law and the existing rules, regulations, written policies and procedures of the FCC, disqualify Buyer as an assignee of the FCC Licenses or as the owner and operator of the Stations. No waiver of any FCC rule or written policy on behalf of Buyer is necessary for the FCC Consent to be obtained. There is no action, suit or proceeding pending or threatened against Buyer which questions the legality or propriety of the transactions contemplated by this Agreement or could materially adversely affect Buyer's ability to perform its obligations hereunder. Buyer will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated hereby.

6.5. No Finder. No broker, finder or other person is entitled to a

commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf for which Seller could become liable or obligated.

ARTICLE 7: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Buyer:

7.1. Organization. Seller is duly organized, validly existing and in good

standing under the laws of the jurisdiction of its organization, and is qualified to do business in the applicable jurisdiction in which its Station Assets are located. Seller has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments

to be executed and delivered by Seller pursuant hereto (collectively, the "Seller Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

7.2. Authorization. The execution, delivery and performance of this

Agreement and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3. No Conflicts. Neither the execution and delivery by Seller of this

Agreement and the Seller Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will: (i) conflict with any organizational documents of Seller or any law, judgment, order, or decree to which Seller is subject or, except as set forth on Schedule 1.1(c), any Station Contract; or (ii) require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except the FCC Consent and DOJ Consent and, if applicable, HSR Clearance.

7.4. FCC Licenses. Seller (or one of the companies comprising Seller) is

the holder of the FCC Licenses described on Schedule 1.1(a). The FCC Licenses

comprise all of those licenses from the FCC materially necessary to operate the Stations as currently operated, are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending any action by or before the FCC to revoke, suspend, cancel, rescind or materially adversely modify any of the FCC Licenses (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture against Seller with respect to the Stations. The Stations are operating in compliance in all material respects with the FCC Licenses, the Communications Act, and the rules, regulations and policies of the FCC.

7.5. Taxes. Seller has, in respect of the Stations' business, filed all

foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable. Seller agrees to indemnify Buyer for any costs or expenses assessed against or incurred by Buyer as a result of any tax payment or lien related to Stations' business.

7.6. Personal Property. Schedule 1.1(b) contains a list of all material

items of Tangible Personal Property included in the Station Assets. Seller has title to the Tangible Personal Property free and clear of Liens other than Permitted Liens. The Tangible Personal Property is in good condition and working order, subject to normal wear and tear.

7.7. Real Property. Schedule 1.1(f) contains a description of all Real

Property included in the Station Assets. Seller has fee simple title to the owned Real Property ("Owned Real Property") free and clear of Liens other than Permitted Liens. Schedule 1.1(f) includes a description of each lease of Real

Property or similar agreement included in the Station Assets (the "Real Property Leases"). The Owned Real Property includes, and the Real Property Leases provide, access to the Stations' facilities. To Seller's knowledge, the Real Property is not subject to any suit for condemnation or other taking by any public authority.

7.8. Contracts. Each of the Station Contracts (including without

limitation each of the Real Property Leases), as well as licenses with respect to the Intangible Property, is in effect and is binding upon Seller and, to Seller's knowledge, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally). Seller has performed its obligations under each of the Station Contracts in all material respects, and is not in material default thereunder, and to Seller's knowledge, no other party to any of the Station Contracts is in default thereunder in any material respect.

7.9. Environmental. Except as set forth in any environmental report

delivered by Seller to Buyer prior to the date of this Agreement and except as set forth on Schedule 1.1(f), to Seller's knowledge, no hazardous or toxic

substance or waste regulated under any applicable environmental, health or safety law has been generated, stored, transported or released on, in, from or to the Real Property included in the Station Assets. Except as set forth in any environmental report delivered by Seller to Buyer prior to the date of this Agreement and except as set forth on Schedule 1.1(f), to Seller's knowledge,

Seller has complied in all material respects with all environmental, health and safety laws applicable to the Stations.

7.10. Intangible Property. Schedule 1.1(d) contains a description of the

material Intangible Property included in the Station Assets. Except as set forth on Schedule 1.1(d), Seller has received no notice of any claim that its use of

the Intangible Property infringes upon any third party rights. Except as set forth on Schedule 1.1(d), Seller owns or has the right to use through valid

licensing agreements the Intangible Property free and clear of Liens other than Permitted Liens.

7.11. Compliance with Law. Seller has complied in all material respects

with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the operation of the Stations. There is no action, suit or proceeding pending or threatened against Seller in respect of the Stations that will subject Buyer to liability or which questions the legality

or propriety of the transactions contemplated by this Agreement. To Seller's knowledge, there are no governmental claims or investigations pending or threatened against Seller in respect of the Stations (except those affecting the industry generally).

7.12. No Finder. No broker, finder or other person is entitled to a

commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

7.13. Financial Statements. Seller has delivered to Buyer copies of the

unaudited results of operations of the Stations for the twelve months ended December 30, 1998 and 1999, prepared, to the best of Seller's knowledge, materially in accordance with Generally Accepted Accounting Principles. Seller will, each month following the date hereof, provide to Buyer copies of the unaudited results of operations of the Stations for each month between the date hereof and the Closing Date prepared in accordance with the books and records of the Stations, within thirty (30) days of the end of each month.

7.14. Collective Bargaining Agreements. Except as disclosed on Schedule

1.1(c) with respect to KKBTFM, none of the Stations is a party to or bound by any collective bargaining agreements or relationships. To the best of Seller's knowledge, there are neither pending grievances with respect to the KKBTFM union agreement disclosed on Schedule 1.1(c) except for the wage grievance from Monica Dyson, nor are there union organizing efforts underway at the Stations.

ARTICLE 8: ACCOUNTS RECEIVABLE

8.1. Accounts Receivable. 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 "Accounts Receivable") and Buyer shall not acquire any right or interest therein. For a period of six months from Closing (the "Collection Period"), Buyer shall collect the Accounts Receivable in the normal and ordinary course of Buyer's business and shall 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 Seller may be applied to Buyer's account if so directed by the debtor if such debtor indicates 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. Buyer's obligation shall not extend to the institution of litigation, employment of counsel or a collection agency or any other extraordinary means of collection. 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. Any amounts relating to the

Accounts Receivable that are paid directly to Seller shall be retained by Seller, with notice to Buyer. Within twenty calendar days after the end of each month, Buyer shall make a payment to Seller equal to the amount of all collections of Accounts Receivable during the preceding month less any commissions owing and paid to salespersons or agencies for ads to which such Accounts Receivable related. At the end of the Collection Period, any remaining Accounts Receivable shall be returned to Seller for collection.

ARTICLE 9: COVENANTS OF SELLER

9.1. Seller's Covenants. Seller covenants and agrees with respect

to the Stations that, between the date hereof and Closing, except as permitted by this Agreement or with the prior written consent of Buyer, which shall not be unreasonably withheld, Seller shall:

(a) operate the Stations in the ordinary course of business consistent with past practice and in compliance with Section 1.1(c) with respect to the Station Contracts, and in all material respects in accordance with FCC rules and regulations, in compliance with the Communications Act, and with all other applicable laws, regulations, rules and orders;

(b) not, other than in the ordinary course of business in accordance with past practice, sell, lease or dispose of or agree to sell, lease or dispose of any of the Station Assets, or create, assume or permit to exist any Liens upon the Station Assets, except for Permitted Liens, or apply for material modification of any FCC Licenses;

(c) furnish Buyer with such information relating to the Station Assets as Buyer may reasonably request, and permit Buyer's on-site access to the Station Assets with Seller's prior approval after the FCC Application is filed, including access to conduct any environmental assessment or survey of the real property, at Buyer's expense and provided such request and on-site visits do not interfere unreasonably with the business of the Stations;

(d) give or cause the Stations to give Buyer and Buyer's accountants, at Buyer's expense, and reasonable request and upon reasonable notice, full and reasonable access during normal business hours to Seller's financial records that Buyer may reasonably request. The rights of Buyer under this Section shall not be exercised in such a manner as to interfere unreasonably with the business of the Stations. Any investigation by Buyer in accordance with the foregoing shall not diminish or negate, in any way, any of the representations or warranties of Seller set forth in this Agreement or in connection herewith;

(e) cooperate, and use its reasonable best efforts to cause its independent auditors to reasonably cooperate, with Buyer in order to enable Buyer to have independent auditors selected by Buyer, and at Buyer's expense, prepare audited financial statements for the Stations for the three (3) most recently completed fiscal year-ends and any quarter and related year to date period during the current fiscal year. Without limiting the generality of the foregoing, Seller agrees that it will: (i) consent to the use of and execute documents in support of such audited financial statements in any registration statement or other document filed by Buyer

under Securities Act of 1933 and the Securities and Exchange Act of 1934 or any document relating to a private placement of Buyer's securities;

(f) upon the written request of Buyer, promptly send notices of non-renewal or early termination in respect of any Station Contract in which such notice would not constitute a breach of such Station Contract; and

(g) exercise any rights it has to renew the terms of the KBFB tower/transmitter lease, the KCMG tower/transmitter lease and the KCMG translator lease as identified on Schedule 1.1(f).

ARTICLE 10: JOINT COVENANTS

Buyer and Seller hereby covenant and agree that between the date hereof and Closing:

10.1. Cooperation. Subject to express limitations contained elsewhere

herein, each party (i) shall 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 prompt satisfaction of any condition to Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

10.2. Control of Stations. Buyer shall not, directly or indirectly,

control, supervise or direct the operations of the Stations prior to Closing. Such operations, including complete control and supervision of all Station programs, employees and policies, shall be the sole responsibility of Seller.

10.3. Consents to Assignment. The parties shall use commercially

reasonable efforts to obtain any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party). To the extent that any Station Contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment by Seller and assumption by Buyer of Seller's rights and obligations under the applicable Station Contract, with Seller making available to Buyer the benefits thereof and Buyer performing the obligations thereunder on Seller's behalf; provided, however, that Seller shall indemnify Buyer from and against all loss, costs, expenses and damages incurred by Buyer during the first twelve (12) months following the Closing Date as a result of Seller's failure to have obtained a consent to assignment with respect to any of the leases for the main transmitter sites listed on Schedule 1.1(f) from which

the Stations' signals are broadcast. Seller shall be released from all indemnification obligations with respect to Seller's failure to have obtained a consent to assignment with respect to any of the leases for the main transmitter sites from which the

Stations' signals are broadcast twelve (12) months after the Closing Date, except to the extent that written notice of such indemnification claim is given by Buyer to Seller within the twelve month time period.

10.4. Employee Matters.

(a) Prior to Closing, Seller shall deliver to Buyer a list of: (i) all of the employees who work exclusively for the Stations including all employees as of the date of this Agreement, and (ii) pro rata distribution of certain "shared" employees selected by Seller. Buyer may interview and elect to hire such listed employees. Buyer is obligated to hire only those employees that are under employment contracts (and assume Seller's obligations and liabilities under such employment contracts) which are included in the Station Contracts. With respect to employees hired by Buyer ("Transferred Employees"), to the extent permitted by law, Seller shall provide Buyer access to its personnel records and such other information as Buyer may reasonably request prior to Closing and transfer such records to Buyer at Closing. With respect to such hired employees, Seller shall be responsible for the payment of all compensation and accrued employee benefits payable by it until Closing and thereafter Buyer shall be responsible for all such obligations payable by it. Buyer shall cause all employees it hires 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) in which similarly situated employees are generally eligible to participate; provided, however, that all such employees and their spouses and dependents shall be eligible for coverage immediately after Closing (and shall not be excluded from coverage on account of any pre-existing condition) to the extent permitted under such plans. For purposes of any length of service requirements, waiting periods or vesting periods based on length of service in any such plan for which such employees may be eligible after Closing, Buyer shall ensure that service with Seller shall be deemed to have been service with the Buyer. In addition, Buyer shall ensure that each such employee receives credit under any insured or self-insured plan of Buyer for any deductibles or co-payments paid by such employees and dependents for the current plan year under a plan maintained by Seller to the extent permitted by such plans. Notwithstanding any other provision contained herein, Buyer shall grant credit to each such employee for all unused sick leave accrued as of Closing as an employee of Seller. Buyer shall receive a credit at Closing for the payment of all unused vacation leave accrued by such employees as of Closing.

(b) At such time as the Seller can represent to the Buyer as to the tax-qualified status of the 401(k) savings plan(s) (as to form and operation) in which Transferred Employees retain account balances with the Seller or its subsidiaries (the "Saving Plan(s)") and furnish to Buyer a favorable Internal Revenue Service determination letter as to the tax-qualified status of such Savings Plan(s) under Section 401(a) of the Code (or an opinion of counsel that the form of the Savings Plan(s) is so qualified), Buyer and Seller to negotiate in good faith to enter into a 401(k) plan asset transfer agreement pursuant to which Buyer's existing 401(k) plan shall accept a transfer of assets from Seller's Savings Plan(s) attributable to the accounts of Transferred Employees provided that if the Savings Plan(s) have protected benefits under (S)411(d)(6) of the

Code which are inconsistent with Buyer's existing 401(k) saving plan(s), then, in its sole discretion, Buyer need not agree to such transfer.

(c) Following execution of the agreement contemplated in clause (b) above, Seller shall cause to be transferred from the Savings Plan(s) to the plan covering the Savings Plan Employees (the "Transferee Savings Plan") the liability for the account balances of the Savings Plan Employees (including outstanding loan balances of Savings Plan Employees), together with cash or other mutually acceptable property, the value of which on such transfer date is equal to such liability, and Buyer shall cause the Transferee Savings Plan to accept such transfer, all in accordance with the rules and regulations under Section 414(l) of the Code.

(d) Pending completion of the transfers described in this Section, Seller and Buyer shall make arrangements for distributions, if any, to the Savings Plan Employees from the Savings Plan(s). Seller and Buyer shall provide each other with access to information reasonably necessary in order to carry out the provisions of this paragraph. In addition, until the asset transfer is effectuated, Buyer shall cooperate with the reasonable requests of Seller to continue to withhold established loan payments from the pay checks of Transferred Employees' who have outstanding loan balances in the Savings Plan(s) and Buyer shall remit such withheld amounts to the Seller in a timely fashion such that the outstanding loans do not go into default.

10.5. 1031 Exchange. At or prior to Closing, Seller may assign its rights

under this Agreement (in whole or in part) to a qualified intermediary (as defined in Treasury regulation section 1.1031(k)-1(g)(4)) or similar entity or arrangement ("Qualified Intermediary"). Upon any such assignment, Seller shall promptly give written notice thereof to Buyer, and Buyer shall cooperate with the reasonable requests of Seller and any Qualified Intermediary in connection therewith. Without limiting the generality of the foregoing, if Seller gives notice of such assignment, Buyer shall (i) promptly provide Seller with written acknowledgment of such notice and (ii) at Closing, pay the Purchase Price (or any portion thereof designated by the Qualified Intermediary) to or on behalf of the Qualified Intermediary (which payment shall, to the extent thereof, satisfy the obligations of Buyer to make such payment hereunder). 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 or default by Buyer under this Agreement.

10.6. Trust. Notwithstanding anything in this Agreement to the contrary,

Seller may at its option assign this Agreement (in whole or in part) and assign and transfer the Station Assets (in whole or in part) to a trustee to hold and operate pursuant to a trust agreement, provided such trustee assumes Seller's duties and obligations hereunder with respect to the Station Assets held in such trust. Seller shall provide Buyer with written notice of the assignment to such trust, and further provided that Seller shall perform the obligations described in Section 15 below.

10.7. KKBT Frequency Change. For one (1) year following the Closing, Buyer

shall submit to Seller for reimbursement invoices totaling in the aggregate no more than Five Million Dollars (\$5,000,000), such invoices must relate to promotional expenses related to the KKBT(FM), Los Angeles frequency change and at least twenty (20%) of the aggregate of invoices reimbursed to Buyer by Seller must be spent on promotional services provided by Eller Media at its standard competitive rates. At the end of the one year period, if Buyer has not submitted to Seller invoices, which in the aggregate equal or exceed Five Million Dollars, Seller shall pay to Buyer the difference between total invoices reimbursed by Seller and Five Million Dollars (\$5,000,000). Buyer acknowledges that it will be operating Station KKBT on the frequency of 100.3 MHZ as of the Closing Date. Seller agrees that the operations of Station KKBT will only be moved to the new frequency in accordance with a transition plan developed by Buyer and Seller.

10.8. Eller Media Expenditure. At Closing, Buyer shall deposit three

million dollars (\$3,000,000) (the "Eller Deposit") into an escrow account established between Buyer, Seller and a mutually agreeable escrow agent. Buyer shall spend the Eller Deposit during the period fifteen (15) months from the Closing Date on promotional services provided by Eller Media nationwide at its standard competitive rates. At the end of the fifteen (15) month period, the balance of the Eller Deposit, if any, shall be returned to Seller.

ARTICLE 11: CONDITIONS OF CLOSING BY BUYER

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

11.1. Representations, Warranties and Covenants. The representations and

warranties of Seller made in this Agreement and any exhibit or schedule delivered pursuant thereto shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Seller at or prior to Closing shall have been complied with or performed in all material respects. 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 the conditions set forth in this Section have been satisfied.

11.2. Governmental Consents. The FCC Consent and DOJ Consent, and, if

applicable, HSR Clearance, shall have been obtained, and no court or governmental order prohibiting Closing shall be in effect.

ARTICLE 12: CONDITIONS OF CLOSING BY SELLER

The obligations of Seller hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

12.1. Representations, Warranties and Covenants. The representations and

warranties

of Buyer made in this Agreement shall be true and correct in all material respects as of the Closing Date except for changes permitted or contemplated by the terms of this Agreement, and the covenants and agreements to be complied with and performed by Buyer at or prior to Closing shall have been complied with or performed in all material respects. Seller shall have received a certificate dated as of the Closing Date from Buyer, executed by an authorized officer of Buyer, to the effect that the conditions set forth in this Section have been satisfied.

12.2. Governmental Consents. The FCC Consent and DOJ Consent, and, if applicable, HSR Clearance, shall have been obtained, and no court or governmental order prohibiting Closing shall be in effect.

12.3. AMFM Closing. The closing under the AMFM Agreement shall have been consummated.

ARTICLE 13: EXPENSES

13.1. Expenses. Each party 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, except that (i) all recordation, transfer and documentary taxes, fees and charges, and any excise, sales or use taxes, applicable to the transfer of the Station Assets shall be paid equally by Buyer and Seller, (ii) all FCC filing fees shall be paid equally by Buyer and Seller, and (iii) all 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 Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) certified copies of resolutions authorizing its execution, delivery and performance of this Agreement, including the consummation of the transactions contemplated hereby;

(ii) the certificate described in Section 11.1;

(iii) such bills of sale, assignments, special warranty deeds, documents of title and other instruments of conveyance, assignment and transfer as may be necessary to convey, transfer and assign the Station Assets to Buyer, free and clear of Liens, except for Permitted Liens;

(iv) a written opinion of Clear Channel Broadcasting, Inc.'s and Clear Channel Broadcasting Licenses, Inc.'s counsel in the form of Exhibit B, dated as of the Closing Date;

(v) a written opinion of AMFM Operating, Inc., AMFM Ohio, Inc., AMFM Houston, Zebra Broadcasting Corporation, AMFM Radio Licenses, LLC, Cleveland Radio

Licenses, LLC and Capstar TX Limited Partnership counsel in the form of Exhibit

D, dated as of the Closing Date; and
--

(vi) the leases described in Section 1.3.

14.2. Buyer's Documents. At Closing, Buyer shall deliver or cause to be

delivered to Seller:

(i) the certified copies of resolutions authorizing its execution,
delivery and performance of this Agreement, including the consummation of the
transactions contemplated hereby;

(ii) the certificate described in Section 12.1; and

(iii) such documents and instruments of assumption as may be
necessary to assume the Assumed Obligations, and the Purchase Price in
accordance with Section 3.1 hereof.

ARTICLE 15: SURVIVAL; INDEMNIFICATION.

15.1. Survival. The covenants, agreements, representations and warranties

in this Agreement shall survive Closing for a period of twelve (12) months from
the Closing Date whereupon they shall expire and be of no further force or
effect, except those under (i) this Article 15 that relate to Damages (defined
below) for which written notice is given by the indemnified party to the
indemnifying party prior to the expiration, which shall survive until resolved,
(ii) Sections 7.2 and 7.9 shall survive the Closing through the applicable
statute of limitations period, and (iii) Sections 2.1 (Assumed Obligations), 2.2
(Retained Obligations), 3.3 (Adjustments), 3.4 (Allocation), 8.1 (Accounts
Receivable) and 13.1 (Expenses), and indemnification obligations with respect to
such provisions, which shall survive until performed.

15.2. Indemnification.

(a) 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 resulting from: (i) any breach
or default by Seller under this Agreement; (ii) the Retained Obligations; or
(iii) the business or operation of the Stations before Closing; provided,
however, that (i) Seller shall have no liability to Buyer hereunder until, and
only to the extent that, Buyer's aggregate Damages exceed \$500,000 and (ii) the
maximum liability of Seller hereunder shall be \$25,000,000, except that such
limitations in (i) and (ii) shall not apply to Seller's obligations under
Section 10.3 with respect to consent to assignment for the transmitter site
leases or Section 7.5 with respect to tax payments and liens.

(b) 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 resulting from: (i) any breach or default by Buyer under this Agreement; (ii) the Assumed Obligations; or (iii) the business or operation of the Stations after Closing provided, however, that Buyer shall have no liability to Seller hereunder until, and only to the extent that, Seller's aggregate Damages exceed \$500,000 and (ii) the maximum liability of Buyer hereunder shall be \$25,000,000.

15.3. Procedures. The indemnified party shall 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 (a "Claim"), but a 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 with respect to any Claim shall be subject to the following additional terms and conditions:

(a) 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, except with respect to any Claim brought by Buyer pursuant to Section 10.3 above which Buyer shall have the right to undertake, by counsel or other representatives of its own choosing, the defense or opposition to such Claim at its own expense.

(b) 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 shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party 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).

(c) Anything herein to the contrary notwithstanding and except as set forth in the exception of 15.3(a) above: (i) 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; (ii) 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 (iii) 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.

(d) All claims not disputed 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 thirty (30) 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. 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 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. 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

16.1. Termination. This Agreement may be terminated at any time prior

to Closing as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by written notice of Buyer to Seller if Seller (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it on the Closing Date; or (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);

(c) by written notice of Seller to Buyer if Buyer (i) does not satisfy the conditions or perform the obligations to be satisfied or performed by it on the Closing Date; or (ii) otherwise breaches in any material respect any of its representations or warranties or defaults in any material respect in the performance of any of its covenants or agreements herein contained and such breach or default is not cured within the Cure Period (defined below);

(d) by written notice of Buyer to Seller, or by Seller to Buyer, if the FCC

denies the FCC Application;

(e) by written notice of Seller to Buyer if the Closing shall not have been consummated on or before the date four months after the date of this Agreement; (j)

(f) by written notice of Seller to Buyer if the AMFM Agreement is terminated or expires; or

(g) by written notice of Buyer to Seller or Seller to Buyer if the Closing is not consummated on or before the date thirteen months after the date of this Agreement.

The term "Cure Period" as used herein means a period commencing the date Buyer or Seller receives from the other written notice of breach or default hereunder and continuing until the earlier of (i) thirty (30) days thereafter or (ii) the Closing Date; provided, however, that if the breach or default cannot reasonably be cured within such period but can be cured before the Closing Date, and if diligent efforts to cure promptly commence, then the Cure Period shall continue as long as such diligent efforts to cure continue, but not beyond the Closing Date. Except as set forth below, the termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination. Notwithstanding anything contained herein to the contrary, Section 13.1 shall survive any termination of this Agreement.

16.2. 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 or defaults such that the Closing has not occurred ("Breaching Party"), 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 lieu of, and not 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 as its sole remedy in lieu of obtaining specific performance. 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.

16.3. Liquidated Damages. If Seller terminates this Agreement due to

Buyer's failure to consummate the Closing on the Closing Date or if this Agreement is otherwise terminated by Seller pursuant to Section 16.1(c), then Buyer shall pay Seller as liquidated damages an amount equal to THREE HUNDRED TWENTY FIVE MILLION SIX HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$325,625,000). If elected by and paid to Seller, such liquidated damage payment shall be Seller's sole remedy hereunder. 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.

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 Closing and Seller shall assign to Buyer the proceeds of any insurance, including business interruption, payable to Seller on account of such damage or loss. If insurance proceeds payable with respect to the lost or damaged asset and/or lost revenue are insufficient to repair or replace such asset, or are insufficient to satisfy lost revenue, Buyer shall receive a credit at Closing against the Purchase Price equal to the cost of repair or replacement and lost revenue less the amount of insurance proceeds assigned to Buyer.

17.2. Further Assurances.

(a) 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 Seller shall cooperate with Buyer and cause its independent accountant to cooperate, at Buyer's expense, to assist Buyer with its reporting requirements to governmental agencies, 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 to more effectively to relieve Seller of any obligations being assumed by Buyer hereunder.

(b) Following the Closing, Buyer and Seller shall cooperate with each other in the event and for so long as any party is actively contesting or defending against any action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand in connection with this Agreement or any transaction contemplated under the Agreement all at the sole cost of the contesting or defending party (unless the contesting party or defending party is entitled to indemnification therefor under Article 15 above).

17.3. Assignment. Except as set forth in Sections 10.5 (1031 Exchange) and

10.6 (Trust), neither party may assign this Agreement without the prior written consent of the other party hereto; provided, however, that either party may assign this Agreement to one or more direct or indirect subsidiaries so long as (i) the assigning party remains liable hereunder, (ii) the assignment is made prior to any filings with the FTC or DOJ, including any HSR filing, and (ii) such assignment will not delay any consent required to be obtained hereunder, including but not limited to HSR Clearance, DOJ Consent and FCC Consent, or delay the Closing in any respect; and provided, further, after Closing Buyer may collaterally assign its rights hereunder to secure its obligations to institutional or bank lenders (a "Collateral Assignment") without consent of

Seller. With respect to any permitted assignment, the parties shall take all such actions as are reasonably necessary to effectuate such 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 (except under a Collateral Assignment) and inure to the benefit of their respective successors and permitted assigns of the parties hereto.

17.4. 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.

17.5. 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.

17.6. Governing Law. The construction and performance of this Agreement

shall be governed by the laws of the State of Texas without giving effect to the choice of law provisions thereof.

17.7. 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 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 delivered by facsimile transmission, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Seller:

c/o Clear Channel Broadcasting, Inc.
200 Concord Plaza, Suite 600
San Antonio, Texas 78216
Attention: President
Facsimile: (210) 822-2299

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

Graydon, Head & Ritchey
1900 Fifth Third Center
511 Walnut Street
Cincinnati, Ohio 45202
Attention: John J. Kropp, Esq.
Facsimile: (513) 651-3836

if to Buyer:

Radio One, Inc.
5900 Princess Garden Parkway - 8/th/ Floor

Lanham, MD 20706
Attention: Alfred C. Liggins
Facsimile: (301) 306-9694

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

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

Kirkland & Ellis
655 Fifteenth Street, N.W.
Washington, DC 20005
Attention: Terrance L. Bessey, Esq.
Facsimile: (202) 879-5200

17.8. 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.

17.9. 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.

17.10. 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.

17.11. Entire Agreement. This Agreement embodies the entire agreement and

understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings relating to the matters provided for herein. This Agreement does not supersede any confidentiality agreement relating to the Stations, and any such confidentiality agreement is to expire at Closing.

17.12. No Liability. The parties agree that no past, present or future

stockholder, director or officer of Seller or Buyer or of their respective affiliates shall have any personal or individual liability for the obligations of Seller or Buyer, as applicable, under this Agreement or any other agreement entered into in connection with this Agreement.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

CLEAR CHANNEL BROADCASTING, INC.

By: /s/ Jerome L. Kerstine

Name: Jerome L. Kerstine

Title: SVP

CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: /s/ Jerome L. Kerstine

Name: Jerome L. Kerstine

Title: SVP

AMFM OPERATING, INC.

By: _____
Name: _____
Title: _____

AMFM OHIO, INC.

By: _____
Name: _____
Title: _____

AMFM HOUSTON, INC.

By: _____
Name: _____
Title: _____

AMFM RADIO LICENSES, LLC

By: _____
Name: _____
Title: _____

ZEBRA BROADCASTING CORPORATION

By: _____
Name: _____
Title: _____

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

SELLER:

CLEAR CHANNEL BROADCASTING, INC.

By: _____
Name: _____
Title: _____

CLEAR CHANNEL BROADCASTING LICENSES, INC.

By: _____
Name: _____
Title: _____

AMFM OPERATING, INC.

By: /s/ William S. Banowsky, Jr.

Name: William S. Banowsky, Jr.

Title: Executive Vice President

AMFM OHIO, INC.

By: /s/ William S. Banowsky, Jr.

Name: William S. Banowsky, Jr.

Title: Executive Vice President

AMFM HOUSTON, INC.

By: /s/ William S. Banowsky, Jr.

Name: William S. Banowsky, Jr.

Title: Executive Vice President

AMFM RADIO LICENSES, LLC

By: /s/ William S. Banowsky, Jr.

Name: William S. Banowsky, Jr.

Title: Executive Vice President

ZEBRA BROADCASTING CORPORATION

By: /s/ William S. Banowsky, Jr.

Name: William S. Banowsky, Jr.

Title: Executive Vice President

CLEVELAND RADIO LICENSE, LLC

By: /s/ William S. Banowsky, Jr.

Name: _____
Title: _____

CAPSTAR TX LIMITED PARTNERSHIP

By: /s/ William S. Banowsky, Jr.

Name: William S. Banowsky, Jr.

Title: Executive Vice President

BUYER:

RADIO ONE, INC.

By: /s/ Alfred C. Liggins

Name: Alfred C. Liggins

Title: President

Schedules

- -----

- 1.1(a) - FCC Licenses
- 1.1(b) - Tangible Personal Property
- 1.1(c) - Station Contracts
- 1.1(d) - Intangible Property
- 1.1(f) - Real Property
- 1.2(h) - Excluded Assets
- Exhibit A Tower Lease
- Exhibit A-1 WZAK Tower Lease
- Exhibit A-2 Studio Lease
- Exhibit B Clear Channel Opinion Letter
- Exhibit C Escrow Agreement
- Exhibit D AMFM Opinion Letter

AGREEMENT AND PLAN OF MERGER

By and Among
Davis Broadcasting, Inc.

Gregory A. Davis

and

Radio One, Inc.

March 11, 2000

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made as of March 11, 2000 among Davis Broadcasting, Inc., a Delaware corporation (the "Company"), Gregory A. Davis (the "Majority Shareholder"), and Radio One, Inc., a Delaware corporation ("Radio One").

Recitals

The other shareholders of the Company are listed on Schedule 2.2 of this Agreement (the "Minority Shareholders") (the Majority Shareholder and the Minority Shareholders, collectively, the "Shareholders"). The Shareholders own all of the issued and outstanding shares of capital stock of the Company as of the date hereof (the "Company Stock"). The Company owns all of the issued and outstanding shares of capital stock of Davis Broadcasting of Charlotte, Inc., a Delaware corporation ("DBC") and Davis Broadcasting, Inc. of Augusta, a Delaware corporation ("DBA"). DBA owns all of the issued and outstanding shares of capital stock of Davis Broadcasting Inc., of Evans, a Delaware corporation ("DBE") (DBC, DBA and DBE, collectively, the "Station Subs").

The Station Subs own and operate the following radio broadcast stations (the "Davis Stations") pursuant to certain licenses, permits and authorizations issued by the Federal Communications Commission (the "FCC"):

DBC: WCCJ(FM), Harrisburg, North Carolina

DBA: WFXA-FM, Augusta, Georgia
WTHB(AM), Augusta, Georgia
WAKB(FM), Wrens, Georgia

DBE: WAEG(FM), Evans, Georgia
WAEJ(FM), Waynsboro, Georgia

The Company also owns all of the issued and outstanding shares of capital stock of Davis Broadcasting, Inc. of Columbus, a Delaware corporation (the "Columbus Sub"). The Columbus Sub owns and operates the following radio broadcast station and the Company owns and operates the following Columbus radio broadcast stations (the "Columbus Stations") pursuant to licenses, permits and authorizations issued by the FCC:

Company: WFXE(FM), Columbus, Georgia
WOKS(AM), Columbus, Georgia

Columbus Sub: WKZJ(FM), Greenville, Georgia

The parties have determined that it is in their respective best interests to merge the Company with and into a limited liability company to be formed ("Radio One of Charlotte, LLC"), which will be a subsidiary of a new corporation to be formed ("NewCo"), which NewCo just prior to the Merger of the Company into Radio One of Charlotte, LLC, will be a wholly-owned subsidiary of the Company. On the day following the merger of the Company with and into Radio One of Charlotte, LLC, NewCo will be merged with and into Radio One, all in accordance with the Delaware Limited Liability Company Act and the Delaware General Corporation Law (the "Delaware Laws") on the terms and conditions of this Agreement. The parties have, or their respective boards of directors have, approved such mergers (the "Mergers").

The parties intend that the Mergers shall constitute a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the respective boards of directors have adopted this Agreement as a plan of reorganization under the treasury regulations.

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: THE MERGERS

1.1 The Mergers. Upon the terms and conditions of this

Agreement, and in accordance with the Delaware Laws, on the day before the Closing Date (defined below) the Company shall be merged with and into Radio One of Charlotte, LLC, (the "Company/LLC Merger") and upon Closing (defined below) NewCo shall be merged with and into Radio One (the "NewCo/ROI Merger"). As a result of the Mergers, the separate existence of the Company and NewCo shall cease and Radio One of Charlotte, LLC, and Radio One shall continue as the surviving companies of the Mergers. Radio One of Charlotte, LLC, and Radio One as the surviving companies after the Mergers are hereinafter sometimes referred to as a "Surviving Company" or the "Surviving Companies." Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings set forth in Annex A attached hereto.

1.2 Effective Time. The parties hereto shall cause the Mergers to be

consummated by filing certificates of merger (the "Certificates of Merger") with the Secretary of State of the State of Delaware, in such form as required by, and executed in accordance with the relevant provisions of, the Delaware Laws. The "Effective Time" of the Company/LLC Merger shall be on the day before the Closing Date, and the "Effective Time" of the NewCo/ROI Merger shall be Closing. Such effective times shall be specified in the Certificates of Merger.

1.3 Effect of the Mergers. As of the respective effective times, the

Mergers shall have the effects set forth in the Delaware Laws. Without limiting the generality of the foregoing, and subject thereto, as of the Effective Time of the Company/LLC Merger all the property, rights, privileges, powers and franchises of the Company shall vest in Radio One of Charlotte, LLC, the Surviving Company, and all debts, liabilities and duties of the Company shall become the debts, liabilities and duties of the Surviving Company. As of the Effective Time of the NewCo/ROI Merger, all property, rights, privileges, powers and franchises of NewCo shall vest in Radio One, the Surviving Company, and all debts, liabilities and duties of NewCo shall become the debts, liabilities and duties of the Surviving Company.

1.4 Certificates of Incorporation and of Formation and Company

Agreement:

(a) As of the Effective Time of the Company/LLC Merger, the Certificate of Formation of Radio One of Charlotte, LLC, as in effect immediately prior to the Effective Time, shall be the Certificate of Formation of the Surviving Company, until thereafter amended as provided by law and such Certificate of Formation. As of the Effective Time of the Company/LLC Merger, the limited liability company agreement of Radio One of Charlotte, LLC, as in effect immediately prior to the Effective Time, shall be the limited liability company agreement of the Surviving Company, until thereafter amended as provided by law, the Certificate of Formation of Radio One of Charlotte, LLC, and such limited liability company agreement.

(b) As of the Effective Time of the NewCo/ROI Merger, the Certificate of Incorporation of Radio One, as in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Company, until thereafter amended as provided by law and such Certificate of Incorporation. As of the Effective Time of the NewCo/ROI Merger, the by-laws of Radio One, as in effect immediately prior to the Effective Time, shall be the by-laws of the Surviving Company, until thereafter amended as provided by law, the Certificate of Incorporation of Radio One and such by-laws.

1.5. Managers, Members, Directors and Officers.

(a) As of the Effective Time of the Company/LLC Merger, the managers designated by Radio One shall be the managers of Radio One of Charlotte, LLC, each to hold office in accordance with the Certificate of Formation and limited liability company agreement of Radio One of Charlotte, LLC, until the earlier of their resignation or removal or until their respective successors are duly elected or appointed and qualified, as the case may be. As of the Effective Time of the Company/LLC Merger, the officers designated by Radio One shall be the officers of Radio One of Charlotte, LLC, each to hold office in accordance with the Certificate of Formation and limited liability company agreement of Radio One of Charlotte, LLC, until the earlier of their resignation or removal or until their respective successors are duly elected or appointed and qualified, as the case may be. As of the Effective Time of the Company/LLC Merger, the sole member of Radio One of Charlotte, LLC, shall be NewCo.

(b) The officers and directors of Radio One immediately prior to the Effective Time of the NewCo/ROI Merger shall be the officers and directors of Radio One as of the Effective Time of the NewCo/ROI Merger, until the earlier of their resignation or removal or until their respective successors are duly elected or appointed and qualified, as the case may be, in accordance with the Certificate of Incorporation and by-laws of Radio One.

1.6. Stock. As of the Effective Time of the NewCo/ROI Merger, by virtue

of the Mergers and without need for any action by any party, all shares of Company Stock shall be converted as provided by Section 1.7 and shall no longer be outstanding, all such Company Stock being automatically canceled and retired and ceasing to exist, and the Shareholders shall no longer have any rights with respect thereto, except to receive the Merger Consideration as set forth herein.

1.7. Merger Consideration.

(a) As of the Closing, each Shareholder shall cease to have any rights with respect to its shares of Company Stock, and for all purposes, the Company Stock shall be converted into the right to receive the consideration provided for pursuant to Sections 1.7(b) and 1.7(c) below (the "Merger Consideration").

(b) Each share of Class A Common Stock shall be converted into the right to receive a pro rata share (as among the other shares of Class A Common Stock) of the Minority Cash Amount; provided, however, that each holder of Class

A Common Stock may elect, upon written notice to Radio One given not less than thirty (30) days after the date hereof, to forego all of the cash consideration due such holder hereunder and for its shares of Class A Common Stock to instead be converted into the right to receive, upon the due execution and delivery of a Subscription Agreement, the number of shares of Radio One's common stock determined by dividing the cash consideration that would have been paid hereunder to such holder by the Closing Price.

(c) Each share of Class B Common Stock shall be converted into the right to receive a pro rata share (as among the other shares of Class B Common Stock) of (i) the Cash Amount minus the aggregate amount cash to be paid to the holders of Class A Common Stock pursuant to Section 1.7(b), (ii) upon the due execution and delivery of a Subscription Agreement, the Stock Consideration minus the number of shares of Radio One common stock issued to the holders of the Class A Common Stock pursuant to Section 1.7(b) minus the Escrowed Shares, (iii) the rights to the Escrowed Shares under Section 1.8, and (iv) plus or minus the amount of any adjustment to the Merger Consideration to be paid or received pursuant to Section 1.10.

(d) Radio One shall issue the Stock Consideration and pay the Cash Amount on the Closing Date upon presentation and surrender to Radio One of the certificates representing all of the issued and outstanding Company Stock duly endorsed in blank or with separate executed stock powers attached. Payment of the Cash Amount shall be in immediately available funds pursuant to written instructions of the Majority Shareholder to be delivered to Radio One no later than three (3) business days prior to Closing.

1.8. Post-Closing Escrow. As of the Effective Time, the Escrowed Shares

shall be delivered to the Escrow Agent (as hereinafter defined) pursuant to the Post-Closing Escrow Agreement as an indemnification and adjustment fund (without limiting Radio One's other rights under this Agreement). The Escrowed Shares shall be distributed as follows: (i) if after Closing the Merger Consideration is adjusted in favor of Radio One under Section 1.10, then Radio One shall be entitled to redeem shares from the Escrowed Shares equal to the amount of such adjustment; (ii) if after Closing a Deficiency (as defined in Section 10.3(a)) is established pursuant to Article 10, then Radio One shall be entitled to redeem shares from the Escrowed Shares equal to the amount of such Deficiency; and (iii) on the date twelve months after Closing, the Escrow Agent shall release to the holders of Class B Common Stock shares from the Escrowed Shares in excess of any such adjustment and Deficiency amounts delivered to Radio One and the amount of any pending indemnification claims made under Section 10.2(a). The number of shares of Radio One common stock to be redeemed shall be determined by dividing the amount of the adjustment, Deficiency or claim therefor by the Closing Price.

1.9. Deposit. One business day after the date of this Agreement, Radio

One shall deposit the Escrow Amount in cash (the "Deposit") into escrow with Wilmington Trust Company (the "Escrow Agent"), pursuant to the Escrow Agreement of even date herewith among Radio One, the Majority Shareholder, and the Escrow Agent. At Closing, the Deposit and all interest earned thereon shall be disbursed to or at the direction of Radio One (and Radio One may elect to apply all or part of such amounts to payment of the Cash Amount). If this Agreement is terminated by the Majority Shareholder pursuant to Section 11.1(g) or 11.1(h), then the indebtedness of the Davis Companies to Radio One in the amount of \$350,000 together with accrued interest thereon shall be forgiven and the note dated December 15, 1999, representing same returned marked paid and the Deposit shall be disbursed to the Shareholders as liquidated damages and such forgiveness and disbursement shall be the sole and exclusive remedy of the Shareholders and the Company. The Majority Shareholder and the Company hereby waive all other legal and equitable rights and remedies each may otherwise have as a result of any breach or default by Radio One under this Agreement. If this Agreement is terminated without a Closing for any other reason, then the Deposit and all interest thereon shall be returned to Radio One. The parties shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.10. Adjustment.

(a) Not later than five (5) business days before Closing, the Majority Shareholder shall deliver to Radio One a statement (the "Preliminary Adjustment Statement") that sets forth a good faith estimate of the amount of the Consolidated Accounts Payable, the Consolidated Accounts Receivable, the Consolidated Current Assets, the Consolidated Liabilities (including the Transaction Fees and Costs) at Closing and the Majority Shareholder's calculation of the Adjusted Consideration and the Merger Consideration. The Preliminary Adjustment Statement shall show the Majority Shareholder's calculations in reasonable detail and shall be accompanied by a good faith, estimated balance sheet of the Davis Companies (as of the date of the Preliminary Adjustment Statement) prepared by the Company Accountant in accordance with GAAP and other supporting documentation. The Preliminary Adjustment Statement shall also be accompanied by a certificate of the Majority Shareholder (the "Preliminary Adjustment Certificate") certifying that the Shareholders' calculations are in accordance with the provisions of this Agreement.

(b) Not later than 90 days after Closing, Radio One shall deliver to the Majority Shareholder a statement (the "Final Adjustment Statement") that sets forth the amount of the Consolidated Accounts Payable, the Consolidated Accounts Receivable, the Consolidated Current Assets and the Consolidated Liabilities at Closing and Radio One's calculation of the Adjusted Consideration and the Merger Consideration for each Shareholder. The Final Adjustment Statement shall show Radio One's calculations in reasonable detail and shall be accompanied by a balance sheet of the Company (as of the Closing Date) prepared by Radio One's Accountant in accordance with GAAP and other supporting documentation. The Final Adjustment Statement shall also be accompanied by a certificate of Radio One certifying that Radio One's calculations are in accordance with the provisions of this Agreement.

(c) If the Majority Shareholder disputes any item in the Final Adjustment Statement, the Majority Shareholder shall notify Radio One in writing thereof (specifying the amount of each item in dispute and setting forth in detail the basis for each item in dispute) within ten (10) business days of the Majority Shareholder's receipt of the Final Adjustment Statement. If the Majority Shareholder does not notify Radio One of any such dispute within such time, then the Final Adjustment Statement shall be deemed to be final and binding on the parties. In the event of such a dispute, the parties shall negotiate in good faith to attempt to reconcile their differences. If such dispute has not been resolved within twenty (20) business days, the parties shall submit the items remaining in dispute for resolution to the Independent Accounting Firm, which shall, as promptly as practicable but in any event within twenty (20) business days, resolve the disputed items and report to the parties, and such report shall have the effect of an arbitral award and shall be final and binding on the parties. The fees and disbursements of the Independent Accounting Firm shall be allocated between the parties in the same proportion as the award of the amount in dispute.

(d) If the Merger Consideration as determined in accordance with Section 1.10(c) differs from the amount calculated at the Effective Time, then within five (5) business days of such determination, the parties shall make appropriate settlement thereof. In any such settlement, the number of shares of Radio One stock subject to settlement shall be determined by dividing the amount of the settlement by the Closing Price.

1.11 Closing. The consummation of the Mergers (the "Closing") shall take

place at a date and time designated by Radio One after the date of the FCC Consent pursuant to the FCC's initial order, but in no event later than the earlier of: (a) nine months after the date the FCC gives public notice of the filing of the FCC Applications (the "Final Closing Date"), (b)

ten business days after the date the FCC Consent becomes Final, or (c) at Radio One's election, upon ten business days notice after the date the FCC Consent is granted by initial order, in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 7 or 8 below (other than those requiring a delivery of a certificate or other document, or the taking of other action, at the Closing). Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.12. FCC Applications. As soon as possible (but in no event later than

five business days after the date of this Agreement) the parties shall file applications with the FCC (the "FCC Applications") requesting the FCC's written consent to the transfer of control of the Company to Radio One pursuant to this Agreement, including the Merger Reorganization. The parties shall diligently take all steps that are necessary, proper or desirable to expedite the prosecution of the FCC Applications to a favorable conclusion. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Applications, shall furnish all information required by the FCC, and shall be represented at all meetings or hearings scheduled to consider the FCC Applications. The FCC's written consent to the FCC Applications is referred to herein as the "FCC Consent."

1.13. Hart-Scott-Rodino. If necessary, as soon as possible (but in no

event later than ten business days after the date of this Agreement), the parties shall prepare and file with the Federal Trade Commission and the United States Department of Justice any documents that may be necessary to comply with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") (including a request for early termination of the waiting period thereunder) and shall thereafter promptly furnish all materials thereafter requested by such agencies.

1.14. Employment Agreement. At Closing, Radio One and the Majority

Shareholder shall enter into an Employment Agreement in the form attached hereto as Exhibit A.

1.15. Preclosing Reorganizations. Notwithstanding anything herein to

the contrary, prior to and at Closing, the Company, the Majority Shareholder and Radio One shall undertake the transactions when and as described in Schedule

1.15 ("Merger Reorganizations").

ARTICLE 2: COMPANY REPRESENTATIONS AND WARRANTIES

To induce Radio One to enter into this Agreement and to consummate the transactions contemplated hereby, the Majority Shareholder and the Company represent and warrant to Radio One as follows:

2.1 Organization. The Davis Companies are duly organized, validly

existing and in good standing under the laws of the jurisdiction of their organization (as first set forth above), and, except as set forth in Schedule

2.1, are in good standing in each state or other jurisdiction in which their

assets are located or in which their business or operations as presently conducted make such qualification necessary. The Davis Companies have the requisite power and authority to own and operate the Davis Stations, to carry on the Davis Stations' business as now conducted by them, and to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by the Company pursuant hereto (collectively, the "Company Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2 Capitalization. The entire authorized capital stock and the

entire issued and outstanding capital stock of the Davis Companies are described on Schedule 2.2. The

Shareholders own and hold all legal and beneficial right, title and interest in and to the Company Stock (being all of the issued and outstanding shares of stock of the Company), the Company owns and holds all legal and beneficial right, title and interest in and to all of the issued and outstanding shares of capital stock of DBA (the "DBA Stock") and DBC (the "DBC Stock"), and DBA owns and holds all legal and beneficial right, title and interest in and to all of the issued and outstanding shares of capital stock of DBE (the "DBE Stock") (the Company Stock, DBA Stock, DBC Stock and DBE Stock, collectively, the "Davis Company Shares"), in each case free and clear of Liens except as set forth in Schedule 2.2. All Davis Company Shares have been duly authorized, are validly

issued, fully paid, and nonassessable, and the Company Stock is held of record by the persons set forth on Schedule 2.2. No shares of the Davis Companies are

held in treasury. Except as provided by this Agreement, there are no outstanding subscriptions, options, warrants, rights, calls, commitments, conversion rights, rights of exchange, plans or other agreements of any character providing for the purchase, issuance or sale of any shares of the Davis Companies. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Davis Companies. Except as set forth in Schedule 2.2, there are no stockholder agreements, voting trusts,

proxies, or other agreements or understandings with respect to the voting or transfer of any shares of the Davis Companies. Schedule 2.2 contains a complete

listing of all the officers and directors of the Davis Companies.

2.3 Subsidiaries and Investments. Except for the Station Subs and the

Columbus Sub, the Davis Companies have no Subsidiaries. None of the Davis Companies is a member of (nor is any part of their business conducted through) any partnership, nor are any of the Davis Companies a participant in any joint venture or similar arrangement. None of the Davis Companies owns directly or indirectly, any other capital stock or other equity or ownership or proprietary interest in any corporation, partnership, association, trust, joint venture.

2.4 Books and Records. The minute books of the Davis Companies, true and

correct copies of which have been provided to Radio One, contain materially accurate records of all meetings of, and corporate actions taken by, (including actions taken by written consent) the shareholders and directors of the Davis Companies. At Closing all of the books and records of the Davis Companies will be in the possession of the Company.

2.5 Authority. The execution, delivery and performance of this

Agreement and the Company Ancillary Agreements by the Company have been duly authorized and approved by the board of directors of the Company and do not require any further authorization or consent of the Company except as provided in Section 5.10 below. This Agreement is, and each Company Ancillary Agreement when executed and delivered by the Company and the other parties thereto will be, a legal, valid and binding agreement of the Company enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.6 No Conflicts. Except as set forth in Schedule 2.6, neither the

execution and delivery by the Company of this Agreement and the Company Ancillary Agreements nor the consummation by the Company of any of the transactions contemplated hereby or thereby nor compliance by the Company with or fulfillment by the Company of the terms, conditions and provisions hereof or thereof will:

(i) conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of

any Lien upon any of the Assets under, the charter or other organizational documents of any of the Davis Companies, or any contract, lease, agreement or instrument, or any governmental license, permit or authorization, or any judgment, order, award or decree to which any of the Davis Companies are a party or any of the Assets are subject or by which any of the Davis Companies are bound, or any statute, other law or regulatory provision affecting any of the Davis Companies or the Assets; or

(ii) require the approval, consent, authorization or act of, or the making by any of the Davis Companies of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for such of the foregoing as are necessary pursuant to the HSR Act and the Communications Act.

2.7 Financial Statements.

(a) The Majority Shareholder has furnished Radio One with audited financial statements used by the Davis Companies in the preparation of its federal and state tax returns and copies of its filed federal and state tax returns for fiscal years ending June 30, 1996, 1997, 1998 and 1999 as well as unaudited monthly financial statements for the period from July 1, 1999 through February 29, 2000. The financial statements described in the preceding sentences and in Section 5.2 shall be collectively referred to as "Financial Statements." The Financial Statements: (x) have been and will be prepared in accordance with GAAP applied on a consistent basis throughout the periods involved and as compared with prior periods subject in the case of unaudited statements to the absence of notes and normal year-end adjustments after audit; and (y) fairly present the Davis Companies' financial position, income, expenses, assets, liabilities, and the results of operations of the Davis Companies as of the dates and for the periods indicated. There has been no sale of material properties or assets, other than broadcast time, or loss or material injury to the business and no material adverse change in the business, assets, properties or condition (financial or otherwise) of the Davis Companies since the preparation of the most recent annual or monthly Financial Statement. No event has occurred that would make any Financial Statement misleading in any material respect.

(b) Except as reflected in the balance sheets included in the Financial Statements dated January 31, 2000 (the "Balance Sheet Date"), 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 Davis Companies (not including for this purpose any tort-like liabilities or breach of contract) since the Balance Sheet Date, there exist no liabilities or obligations of the Davis Companies, contingent or absolute, matured or unmatured, known or unknown of the type that would, in accordance with GAAP, consistently applied, be required to be set forth in the Financial Statements. Since the Balance Sheet Date: (i) the Davis Companies have not made any contract, agreement or commitment or incurred any liability or obligation of any kind or nature 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 the Davis Companies, which is not in the ordinary course of business or which is inconsistent with past business practices; (iii) there has been no material damage, destruction or loss to any of the Assets or any asset or property, tangible or intangible, of the Davis Companies; (iv) the Davis Companies have operated their business in the ordinary course; and (v) the Davis Companies have not increased the salaries or any other compensation of any of its employees or agreed to the payment of any bonuses, except in the ordinary course of business consistent with existing employment practices. The monthly balance sheets: (x) have been and will be prepared on a consistent basis throughout the periods involved and as compared with prior periods; and (y) fairly present the Davis Companies' financial position, income, expenses, assets, liabilities, and

results of operations as of the dates and for the periods indicated, subject to year end adjustments which do not materially affect the operations of the Davis Companies.

2.8 Tax Matters.

(a) The Davis Companies have been corporations for U.S. federal income tax purposes at all times since their formation up to and including the Closing Date and have never elected to be treated as another kind or type of entity.

(b) The Davis Companies have duly filed or caused to be filed all Tax Returns required to have been filed by or with respect to the Davis Companies, and each such Tax Return correctly and completely reports the Tax liability required to be reported thereon. The Davis Companies have paid all Taxes (whether or not shown on any Tax Return) owed by or with respect the Davis Companies.

(c) The amount of the liability of the Davis Companies for unpaid Taxes as of the Balance Sheet Date did not exceed the current liability accruals for Taxes (excluding any reserves for deferred Taxes) set forth on the Financial Statements dated as of the Balance Sheet Date. The amount of the liability of the Davis Companies for unpaid Taxes as of the date of any Financial Statements provided pursuant to Section 5.2 will not exceed the current liability accruals for Taxes (excluding any reserves for deferred Taxes) set forth on such Financial Statements. The amount of the liability of the Davis Companies for unpaid Taxes as of the Closing Date will not exceed the current liability accruals for Taxes (excluding any reserves for deferred Taxes) set forth on the Financial Statements dated as of the Balance Sheet Date, as such accruals are adjusted on the books and records of the Davis Companies through the Closing Date in accordance with past custom and practice, excluding, however, Taxes arising from the spinoff of the Columbus Stations and the Columbus Sub.

(d) The Davis Companies are not a party or subject to any agreement extending the time within which to file any Tax Return. No claim has ever been made by any Tax Authority in any jurisdiction in which the Davis Companies do not file Tax Returns that they are or may be subject to taxation by that jurisdiction. The Davis Companies have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency.

(e) The Davis Companies have withheld and paid over all Taxes required to have been withheld and paid over, and complied with all information reporting and record-keeping requirements with respect to, any amounts paid or owing to any employee, creditor, independent contractor or other third party.

(f) No Tax Proceedings are pending with regard to any Tax Returns or Taxes of the Davis Companies, and no notice has been received by the Davis Companies (whether in writing or orally) of the expected commencement of a Tax Proceeding. No issues have been raised in any audit or examination by or with respect to the Davis Companies which, by application of similar principles, could be reasonably expected to result in a proposed deficiency for any other period not so examined. The Davis Companies have neither received any written ruling of a Tax Authority relating to Taxes nor entered into any closing agreement or similar written binding agreement with a Tax Authority relating to Taxes.

(g) Schedule 2.8 attached hereto lists all material federal, state,

local and foreign income and franchise Tax Returns required to be filed by or with respect to the Davis Companies for the prior three Taxable Periods. With respect to each such Tax Return, Schedule 2.8 indicates if such Tax Return has

been audited and, if so, whether it is open or closed. The Davis Companies have delivered to Radio One complete and correct copies of all

federal, state, local and foreign income and franchise Tax Returns filed by or with respect to, and all Tax examination reports and statements of deficiencies assessed against or agreed to by, the Davis Companies for the prior three Taxable Periods.

(h) The Davis Companies are neither a party to any Tax allocation, Tax indemnity, Tax sharing agreement, or any similar arrangement pursuant to which any of them have agreed to be liable for Taxes of any other person or entity nor do any of them have any liability for Taxes of any other person or entity as a transferee or successor.

(i) Except for an adjustment of not more than \$200,000 to convert from the cash to the accrual method of accounting, the Davis Companies will not be required to include any adjustment in taxable income in any Taxable Period ending after the Closing Date under Section 481 of the Code (or any similar provision of the Tax laws of any jurisdiction) as a result of any change in any method of accounting occurring in a Taxable Period ending on or before the Closing Date. No Tax Authority has proposed any such change in any accounting method. The Davis Companies use the cash method of accounting for income Tax purposes.

(j) There are (and immediately following the Closing there will be) no Liens on any of the assets of the Davis Companies relating or attributable to Taxes (other than liens for Taxes not yet due and payable). No deficiencies for any Taxes have been asserted or assessed against the Davis Companies which, if unpaid, might result in a Lien on any of the assets of the Davis Companies relating or attributable to the taxes (other than Liens for Taxes not yet due and payable).

(k) There is no contract or agreement covering any employee or former employee of the Davis Companies that, individually or collectively, could give rise to the payment of any amount (or portion thereof) that would not be deductible pursuant to Sections 280G, 404 or 162 of the Code.

(l) The Davis Companies' net operating losses as of June 30, 1999 for federal and Georgia state tax purposes are as set forth on Schedule 2.8.

2.9 Assets. The Assets include all the assets used or held for use in

the business or operation of the Davis Stations. The Davis Companies have no business or operations other than the business and operation of the Davis Stations. The Davis Companies have good title to and ownership of the Assets, free and clear of Liens, except for those described in Schedule 2.9 and for the Permitted Encumbrances.

2.10 FCC Authorizations.

(a) The Station Subs are the holders of the FCC Authorizations listed and described on Schedule 2.10. Such FCC Authorizations constitute all of

the licenses and authorizations required under the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations and policies of the FCC for, and used in the operation of, the Davis Stations. The FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. There is not pending or threatened any action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding or pending or threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against the Davis Companies or the Davis Stations.

(b) Except as set forth in Schedule 2.10: (i) all reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by the Davis

Companies with respect to the Davis Stations have been timely filed and paid; (ii) all such reports and filings are accurate and complete; (iii) the Davis Companies maintain public files for the Davis Stations as required by FCC rules; (iv) with respect to FCC licenses, permits and authorizations, the Davis Companies are operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and the Davis Companies are meeting the conditions of each such FCC Authorization; and (v) the Davis Stations are operating in compliance in all material respects with the FCC Authorizations, the Communications Act, and the rules, regulations and policies of the FCC.

(c) The Majority Shareholder and the Davis Companies are aware of no facts indicating that the Shareholders, the Davis Companies or the Davis Stations are not in compliance with all requirements of the FCC, the Communications Act, or any other applicable federal, state and local statutes, regulations and ordinances. The Majority Shareholder and the Davis Companies are aware of no facts and Company has received no notice or communication, formal or informal, indicating that the FCC is considering revoking, suspending, canceling, rescinding or terminating any FCC Authorization.

(d) The operation of the Davis Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992) issued by the American National Standards Institute, adopted by the FCC effective October 15, 1997, and described in OET Bulletin No. 65. Renewal of the FCC Authorizations would not constitute a "major action" within the meaning of Section 1.1301, et seq., of the FCC's rules.

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(e) Each communications tower structure used in the operation of the Davis Stations (whether owned or leased) has been registered under the rules and regulations of the FCC, and the Federal Aviation Administration has issued a determination of no hazard to air navigation with respect to each such tower for which such a determination is required.

2.11 Personal Property. Schedule 2.11 contains a list of all machinery,

equipment, vehicles, furniture and other tangible personal property owned by the Davis Companies as of the date hereof with a value in excess of \$2,500. Each item of Tangible Personal Property is in good operating condition and repair, is free from material defect or damage, is functioning in the manner and purposes for which it was intended, and has been maintained in accordance with industry standards.

2.12 Real Property. Schedule 2.12 contains a description of all real

property owned or leased by the Davis Companies. One of the Davis Companies has good and marketable fee simple title to all owned Real Property (the "Owned Real Property"), including all real property described on Schedule 2.12 as owned, and

including all buildings and other improvements thereon. Schedule 2.12 includes

a description of each lease or similar agreement under which any of the Davis Companies are lessee or licensee of, or holds, uses or operates, any real property in the business or operation of the Davis Stations (the "Real Property Leases"). The Owned Real Property includes, and the Real Property Leases provide, sufficient access to the Davis Stations' facilities without the need to obtain any other access rights. Neither the whole nor any part of any Real Property is subject to any pending, or to the knowledge of the Company threatened, suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and repair, and free from material defect or damage, and comply with applicable zoning, health and safety laws and codes. The Majority Shareholder has delivered to Radio One copies of all title insurance policies in its possession that are applicable to the Real Property.

2.13 Contracts. Schedule 2.13 contains a complete and correct list of

all Station Contracts as of the date hereof (other than Time Sales Agreements). Each of the Station Contracts (including without limitation each of the Real Property Leases) constitutes a valid and binding obligation of Company and, to the best knowledge of Company, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally) and is in full force and effect and (except as set forth in Schedule 2.6 and except for those Station Contracts

which by their terms will expire prior to the Closing Date or will be otherwise terminated prior to the Closing Date in accordance with the provisions hereof) may be assigned or transferred to the Surviving Companies pursuant to this Agreement and will be in full force and effect at the time of such transfer or assignment, in each case without breaching the terms thereof or resulting in the forfeiture or impairment of any rights thereunder and without the consent, approval or act of, or the making of any filing with, any other party. The Davis Companies have performed in all material respects their obligations under each of the Station Contracts, and the Davis Companies are not in, or to the best knowledge of the Company alleged to be in, breach or default under any of the Station Contracts, and, to the best knowledge of the Company, no other party to any of the Station Contracts has breached or defaulted thereunder, and no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would constitute such a default or breach by the Davis Companies or, to the best knowledge of the Company, by any such other party. Complete and correct copies of each of the Station Contracts, together with all amendments thereto, have been delivered to Radio One by the Majority Shareholder and the Company.

2.14 Intangible Property. The Davis Companies have all right, title and

interest in and to all trademarks, service marks, trade names, copyrights, Websites and all other intangible property necessary to conduct its business and operations as presently operated. Schedule 2.14 contains a description of all

material Intangible Property. The Davis Companies have received no notice of any claim that any Intangible Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict) other than any claim which could not reasonably be expected to have a material adverse effect on the Davis Companies. The Davis Companies have the sole and exclusive right to use the Intangible Property. No service provided by the Davis Companies or any programming or other material used, broadcast or disseminated by the Davis Stations infringes upon any copyright, patent or trademark of any other party.

2.15 Employees. Schedule 2.15 contains a list of all employees of the

Davis Companies as of the date hereof and their position and rate of compensation, and a description of all the Davis Companies' employee benefit plans. The Majority Shareholder and the Company have delivered to Radio One copies of all the Davis Companies' handbooks, policies and procedures. The Davis Companies have complied in all material respects with all labor and employment laws, rules and regulations applicable to their business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining, and are not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. The Davis Companies are not a party to any collective bargaining agreement and no collective bargaining agreement is currently being negotiated by the Davis Companies. There is no (i) unfair labor practice charge or complaint against the Davis Companies in respect of its business pending or threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, or (ii) strike, dispute, request for representation, slowdown or stoppage pending or threatened in respect of its business, in each case, other than any such items which could not reasonably be expected to result in a material adverse effect upon the Davis Companies.

2.16 Employee Benefit Matters. Except as set forth in Schedule 2.15, the

Davis

Companies have never maintained, sponsored or contributed to, or been obligated to contribute to, any employee pension benefit plan as defined in Section 3(2) of ERISA. All employee benefit plans (including those defined in Section 3(3) of ERISA) and all benefits arrangements that have been maintained, sponsored or contributed to by the Davis Companies have been maintained, administered and funded in material compliance with their terms and, both as to form and operation, with the requirements prescribed by any and all statutes, orders, rules and regulations which are applicable to such plans, including but not limited to ERISA and the Code. There are no unfunded benefit liabilities and no accumulated funding deficiencies in respect of any such employee benefit plans. As to each employee benefit for which an annual report, including schedules, or comparable report is required to be filed under ERISA or the Code, no liabilities, with respect to such plan, existed on the dates of such annual report except as disclosed therein, and no material adverse change has occurred with respect to the financial data covered by such annual report since the date thereof. Neither the Davis Companies nor any such employee benefit plan will have at Closing any present or future obligation to make any payment to or with respect to any present or former employee of the Davis Companies pursuant to any retiree medical benefit plan, or other retiree welfare plan (within the meaning of Section 3(1) of ERISA), and no condition exists which would prevent the Davis Companies from amending or terminating any such employee benefit plan, including any such welfare plan. Each such welfare plan has been operated in compliance with the provisions of Part 6 of Title I of ERISA and Sections 162 and 4980B of the Code at all times.

2.17 Compliance with Law; Litigation. The Davis Companies have complied

in all material respects with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to them, the Assets, the Davis Stations or their business. Except as set forth in Schedule 2.17, as of the date hereof there is no action, suit or proceeding

pending, or to the best knowledge of the Company threatened, against the Davis Companies, and there are no claims or investigations pending, or to the best knowledge of the Company threatened, against the Davis Companies. There are no unsatisfied judgments issued or outstanding against the Davis Companies.

2.18 Insurance. The Davis Companies maintain insurance policies bearing

the policy numbers with the companies set forth on Schedule 2.18 hereto. All of

such policies are in full force and effect and the Davis Companies are not in default thereunder. The Davis Companies have not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by them.

2.19 Environmental. No hazardous or toxic substance or waste (including

without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law (each a "Contaminant") has been generated, stored, transported or released (each a "Release") on, in, from or to any of the Assets in material violation of applicable law. Neither the Davis Companies nor any of the Assets are subject to any order from or agreement with any governmental authority or private party respecting (i) any environmental, health or safety law, (ii) any environmental clean-up, removal, prevention or other remedial action or (iii) any obligation or liability arising from the Release of a Contaminant. Neither the Davis Companies nor any of the Assets includes any underground storage tanks installed or used by the Davis Companies or surface impoundment containing hazardous materials installed or used by the Davis Companies, or to the best knowledge of the Company installed by others or any asbestos containing material, or any polychlorinated biphenyls. The Davis Companies have not received any notice or claim to the effect that they are or may be liable as a result of the Release of a Contaminant. To the best knowledge of the Company neither the Davis Stations nor any of the Assets is the subject of any investigation by any governmental authority with respect to a Release of a Contaminant. The Majority Shareholder and the Company have delivered to Radio One copies of all environmental

surveys, analyses and assessments in their possession relating to any of the Real Property.

2.20 Affiliates. No Shareholders or relative of any of the Shareholders

and no Affiliate of the Davis Companies has an interest in, or option to acquire, any of the Assets. None of the Davis Companies, the Shareholders, any Affiliate of the Davis Companies or the Shareholders, or any officer or director of the Davis Companies possesses, directly or indirectly, any ownership interest in, or is a director, officer or employee of, any person which is a supplier, advertiser, customer, lessor, lessee, licensor, licensee, developer, competitor or potential competitor of the Davis Companies. Ownership of securities of a company whose securities are registered under the Securities Exchange Act of 1934 of 5% or less of any class of such securities shall not be deemed to be a financial interest for purposes of this Section.

2.21 Guaranties, Indemnities, Etc. The Davis Companies are not a

guarantor nor otherwise liable for any liability or obligation (including indebtedness) of any other person. The Davis Companies have not agreed to indemnify or otherwise hold harmless any person from any liability, known or unknown, existing or future, direct or indirect, contingent or primary. The Davis Companies are not a party to any non-competition, covenant-not-to-compete or similar agreement except as the beneficiary of any such agreement.

2.22 No Finder. No broker, finder or other person is entitled to a

commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of the Shareholders or the Davis Companies or any party acting on their behalf.

2.23 Powers of Attorney The Davis Companies have not granted a power of

attorney to any person or entity.

2.24 Year 2000 Compliance. All of the Assets (including all systems,

machinery, information technology, computer software and hardware, and other data sensitive technology) are operating without error or interruption related to date data (meaning data or input that includes an indication of or reference to a date) and without other problems commonly referred to as "year 2000 problems."

2.25 Disclosure. With respect to the Davis Companies, the Shareholders,

the Company Stock, the Davis Stations and the Assets, this Agreement, the Company Ancillary Agreements and all information and other materials delivered to Radio One pursuant to this Agreement do not and will not contain any untrue statement of material fact or omit to state a material fact required to be made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 3: MAJORITY SHAREHOLDER REPRESENTATIONS AND WARRANTIES

To induce Radio One to enter into this Agreement and to consummate the transactions contemplated hereby, the Majority Shareholder represents and warrants to Radio One as follows:

3.1 Authority. Each Shareholder resides in the jurisdiction set forth

on Schedule 2.2 hereto and has the requisite power and authority to execute and deliver all of the agreements and instruments to be executed and delivered by each such Shareholder (collectively, the "Shareholder Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2 Binding Effect. Each of the Shareholder Ancillary Agreements when

executed

and delivered by each such Shareholder and the other parties thereto will be, a legal, valid and binding agreement of each such Shareholder enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Each Shareholder has the full legal right, power and authority to consummate the Mergers without the consent of any other person.

ARTICLE 4: RADIO ONE REPRESENTATIONS AND WARRANTIES

To induce the Majority Shareholder and the Company to enter into this Agreement and to perform and consummate the transactions contemplated hereby, Radio One represents and warrants to the Shareholders and the Company as follows:

4.1 Organization. Radio One is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization (first set forth above). Radio One has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by them (collectively, the "Radio One Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

4.2 Authority. The execution, delivery and performance of this Agreement and the Radio One Ancillary Agreements by Radio One have been duly authorized and approved by all necessary action of Radio One and does not require any further authorization or consent of Radio One. This Agreement is, and each Radio One Ancillary Agreement when executed and delivered by Radio One and the other parties thereto will be, a legal, valid and binding agreement of Radio One enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Upon issuance of the Stock Consideration, the shares comprising the Stock Consideration will be duly authorized, validly issued and fully paid and non-assessable.

4.3 No Conflicts. Neither the execution and delivery by Radio One of this Agreement and the Radio One Ancillary Agreements nor the consummation by Radio One of any of the transactions contemplated hereby or thereby nor compliance by Radio One with or fulfillment by Radio One of the terms, conditions and provisions hereof or thereof will: (i) conflict with the charter or other organizational documents of Radio One or any judgment, order or decree to which Radio One is subject; or (ii) require the approval, consent, authorization or act of, or the making by Radio One of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for such of the foregoing as are necessary pursuant to the HSR Act and the Communications Act.

4.4 No Finder. No broker, finder or other person is entitled to a commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Radio One or any party acting on its behalf.

4.5 Qualification Radio One is qualified under the Communications Act

and the rules, regulations and policies of the FCC to control the FCC Authorizations.

4.6 Representations Neither Radio One nor any of its Affiliates has

taken, or agreed to take, any action that will prevent the Mergers from qualifying as reorganization under Section 368(a) of the Code, and Radio One will use commercially reasonable efforts to cause the Mergers to constitute a reorganization under such section.

ARTICLE 5: COVENANTS OF COMPANY AND THE SHAREHOLDERS

The Company and the Majority Shareholder covenant and agree that from the date hereof until the completion of the Closing:

5.1 Operation of the Business

(a) Subject to Section 1.15 the Davis Companies shall: (i) continue to carry on their business and keep their books and accounts, records and files in the usual and ordinary manner in which the business has been conducted in the past; (ii) operate their business in all material respects in accordance with the terms of the FCC Authorizations and in compliance in all material respects with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Authorizations in full force and effect and timely file and prosecute any necessary applications for renewal of the FCC Authorizations; (iii) use best efforts to preserve their business organization intact, retain substantially as at present their employees, consultants and agents, preserve the goodwill of their suppliers, advertisers, customers and others having business relations with it, and broadcast all time due under barter time sales agreements to the extent possible and permissible under such barter agreements; (iv) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies of inventory, office supplies, spare parts and other materials as have been customarily maintained in the past; (v) preserve intact the Assets and maintain in effect its current insurance policies with respect to the Davis Stations and the Assets; and (vi) collect accounts receivable only in the ordinary course of business consistent with past practice. Nothing contained in this Agreement shall give Radio One any right to control the programming, operations or any other matter relating to the Davis Stations prior to the Closing, and the Davis Companies shall have complete control of the programming, operations and all other matters relating to the Davis Stations up to the Closing.

(b) Subject to Section 1.15 and notwithstanding Section 5.1(a), the Davis Companies shall not, without the prior written consent of Radio One: (i) sell, lease, transfer, or agree to sell, lease or transfer, any Assets except for non-material sales or leases, in the ordinary course of business of items which are being replaced by assets of comparable or superior kind, condition and value; (ii) grant any raises to employees, pay any substantial bonuses or enter into any contract of employment with any employee or employees other than in the ordinary course of business consistent with existing employment practices; (iii) adopt or increase any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other employee benefit plan for or with any of its employees; (iv) amend or terminate any existing Time Sales Agreements except in the ordinary course of business; (v)

amend or terminate any of the Station Contracts or enter into any contract, lease or agreement except those entered into in the ordinary course of business consistent with past practices and except for barter time sales agreements that will be paid and performed in full before Closing; (vi) by any act or omission cause any representation or warranty made herein to become untrue or inaccurate; (vii) discount, or otherwise reduce the amount receivable in respect of, any accounts receivable; (viii) increase its indebtedness for borrowed money, except current borrowings in the ordinary course of business; (ix) cancel, compromise or waive any claim or right of substantial value; (x) except as set forth in Section 1.15, declare or make any dividend or other distribution of any kind or for any purpose to any stockholder; (xi) redeem, purchase or otherwise acquire any of its capital stock; (xii) make any change in accounting methods or practices, except as required by law or generally accepted accounting principles; (xiii) issue or sell any shares of capital stock or any other securities, or issue any securities convertible into, or options, warrants or rights to purchase or subscribe to, or enter into any arrangement or contract with respect to the issue or sale of, any shares of its capital stock or any other securities, or make any other changes in its capital structure; or (xiv) amend or modify its certificate of incorporation or bylaws.

(c) The Majority Shareholder and the Davis Companies shall not, and shall not solicit, negotiate or enter into any agreement to, sell, transfer, assign, encumber or pledge the Company Stock or any of the other Davis Company Shares.

5.2 Reports The Majority Shareholder shall furnish to Radio One by the -----

end of each calendar month for the preceding calendar month: (a) unaudited monthly Financial Statements for the Davis Companies and for the year to date period, and (b) such other reports as Radio One may reasonably request relating to the Davis Companies. The Financial Statements so delivered shall include the comparable month and year to date period for the previous fiscal year. Each of the Financial Statements delivered pursuant to this Section shall be prepared in accordance with GAAP subject to the absence of notes and normal year-end adjustments after audit (except as disclosed therein).

5.3 Access Between the date hereof and the Closing Date, Radio One and -----

the officers, employees, accountants, counsel, agents, consultants and representatives of Radio One shall be given reasonable access to all Assets, employees of the Davis Companies, accounts, statements, books, records, minutes, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, state and federal tax returns, records and files of every character, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable of the Davis Companies, and any other information concerning the affairs of the Davis Companies as Radio One may reasonably request provided that Radio One does not unreasonably interfere with the business and operations of the Davis Companies. It is expressly understood that, pursuant to this Section, Radio One, at its expense, shall be entitled to conduct such inspections and reviews of the Davis Companies, the Davis Stations, the Assets, and financial records relating to the Davis Companies and the Davis Stations as Radio One may desire, so long as the same do not unreasonably interfere with the operation of the Davis Stations. No inspection or investigation made by or on behalf of Radio One, or Radio One's failure to make any inspection or investigation, shall affect the Majority Shareholder's or the Company's representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants. Immediately after the date hereof, the Majority Shareholder and the Company shall also cooperate, and shall cause their respective accountants to cooperate, with Radio One to conduct an audit by Radio One's accountants at Radio One's expense of the Financial Statements for the Davis Stations for the years 1996, 1997, 1998 and 1999, and Radio One may disclose such financial

statements provided or created hereunder in reports filed by Radio One with any governmental or regulatory authority, including the Securities and Exchange Commission.

5.4 Confidentiality Until the Closing, Radio One agrees to, and to

cause its employees and agents to, protect the confidentiality of all proprietary and confidential information received from the Davis Companies pursuant to this Agreement or otherwise, using the same care and procedures used to protect Radio One's own proprietary and confidential information, and agrees not to disclose, and to cause its Affiliates, employees and agents not to disclose, such proprietary and confidential information to any other persons except as may be reasonably necessary in connection with the transactions contemplated herein or except to the extent (i) such information is or becomes publicly available or obtainable from independent, nonconfidential sources and not in breach of Radio One's obligations hereunder or any other party's confidentiality obligations owed to the Davis Companies and known by Radio One; (ii) such information is required to be disclosed by law or by governmental authorities having jurisdiction over Radio One; (iii) such information was known by Radio One prior to any disclosure by the Davis Companies; (iv) disclosure is necessary for Radio One to enforce any or all of its rights under this Agreement; or (v) such disclosure is consistent with Radio One's usual and customary disclosure practices with respect to its own information. In the event this Agreement is terminated prior to the Closing Date, Radio One shall return to the Davis Companies all written confidential information provided to Radio One by the Davis Companies and all copies thereof.

5.5 Consents The Majority Shareholder and the Company shall use their

reasonable best efforts to obtain all necessary consents to the assignment and transfer of Station Contracts and all of the consents noted on Schedules 2.6, 2.12 and 2.13 hereto. Marked with an asterisk on Schedules 2.12 and 2.13 are those consents the receipt of which is a condition precedent to Radio One's obligation to close under this Agreement (the "Required Consents").

5.6 Estoppel Certificates; Title Insurance; Liens The Majority

Shareholder and the Company, at the Shareholders' expense, will use their reasonable best efforts to obtain and deliver to Radio One: (i) written estoppel certificates (the "Estoppel Certificates") duly executed by the lessors under the Real Property Leases, in form and substance satisfactory to Radio One; and (ii) all UCC, litigation, judgment and state and federal tax lien search reports showing searches in such names and jurisdictions as shall be reasonably necessary to assure that no Liens are filed or recorded against the Davis Company Shares or the Assets (the "Lien Search Reports"). The Estoppel Certificates shall be dated within fifteen days prior to Closing. The Lien Search Reports shall be delivered within thirty days after the date of this Agreement and shall be updated within fifteen days prior to Closing.

5.7 Environmental Subject to the receipt of any permits or approvals

required by governmental authorities and, as to any leased Real Property, any landlord, Radio One shall have the right at its expense to conduct one or more reviews of the Real Property and take soil and water samples (including groundwater samples) from the Real Property, and to test and analyze those samples to determine the extent of any contamination of the soils and water (including groundwater) on or about the Real Property. Any such reviews and tests shall be undertaken and completed within forty-five days after the date hereof. If, based on the results of those inspections and/or tests, Radio One reasonably determines that the condition of the Owned Real Property is unsatisfactory or if Radio One believes that its ownership of any parcel of Owned Real Property would expose Radio One to undue risks of government

intervention or third-party liability, Radio One may notify the Majority Shareholder and the Company that it desires to terminate this Agreement unless such environmental hazard or violation is remediated prior to the Closing Date. No information contained in any report of an environmental review shall relieve Company of any obligation with respect to any representation, warranty or covenant herein or waive any condition to Radio One's obligations hereunder. The Majority Shareholder and Company shall use their reasonable best efforts to remove any such hazardous material or correct any violations noted prior to the Closing Date, provided, however, in the event that Radio One's environmental

consultant's written estimate of the cost to remediate the hazardous materials or violations exceeds \$100,000, the Majority Shareholder and Company may elect by written notice to Radio One to refuse to undertake or pay for such remediation in excess of \$100,000 and in such event Radio One may terminate this Agreement upon written notice to the Majority Shareholder and the Company. In the event that the cost is estimated to be less than \$100,000, or if it is greater and Radio One does not terminate this Agreement, the Majority Shareholder and the Company shall remediate such environmental hazard or violation, and if they are unable to accomplish same prior to the Closing Date, an appropriate adjustment to the Merger Consideration shall be made as a part of the adjustments and they shall indemnify and hold Radio One harmless from and against any and all costs and expenses incurred by Radio One in order to complete such remediation action following the Closing Date, up to a maximum aggregate cost of \$100,000, to the extent an adjustment is not made. Absent a termination of this Agreement, Radio One shall be responsible for any costs in excess of \$100,000.

5.8 Employment Matters Radio One shall have the right, but not the

obligation, to retain all or any of the employees of the Davis Companies as employees after the Closing.

5.9 Exclusive Dealing None of the Shareholders, the Davis Companies,

any of its respective affiliates or representatives or any officers or directors of the Davis Companies shall take any action directly or indirectly, to encourage, initiate, solicit or engage in discussions or negotiations with, or provide any information to any person other than Radio One and its affiliates and representatives concerning any purchase of any capital stock of the Davis Companies or any merger, asset sale or similar transaction involving the Company or any of the Assets.

5.10 Shareholders' Approval. The Majority Shareholder and the Board of

Directors of the Company shall submit this Agreement and the Mergers to the Stockholders for approval within thirty (30) days after the date of this Agreement. The Majority Shareholder and the Company shall recommend that the Shareholders vote to approve this Agreement and the Mergers. The Majority Shareholder shall vote his shares of the Company Stock in favor of the Mergers and for approval of this Agreement. Following approval by the Shareholders, the Majority Shareholder shall request each of the Minority Shareholders to execute an agreement or a power of attorney appointing the Majority Shareholder as the custodian of the Minority Shareholders' Company Stock for all purposes of this Agreement and the Mergers, with full right, power and authority to perform any act arising under this Agreement which the Minority Shareholders themselves could do including the right, power and authority to deliver the Minority Shareholders' Company Stock upon Closing and the right to receive the issuance and payment of the Merger Consideration on their behalf and in connection therewith to direct Radio One as to the specific Merger Consideration to be received by each Shareholder. Prior to or at such time that the Minority Shareholders deliver the custodial agreement, they shall further execute such document or documents as may be necessary or appropriate to waive any appraisal rights they may have under Delaware law, and they shall deliver to the Majority Shareholder the certificates representing their shares of Company Stock either endorsed in

blank or with separate executed stock powers attached, and with signatures guaranteed if requested by Radio One.

5.11 Inter-Davis Companies Debt Prior to the Closing Date, the Majority

Shareholder and the Company shall cause the Davis Companies to take whatever actions may be necessary or appropriate in order to cancel and eliminate all inter-company debt and other obligations.

5.12 Cancellation of Subordinated Lenders' Conversion, Purchase Option

and Put Rights Agreement Between the date hereof and the Closing Date,

Majority Shareholder and the Company shall use their best and all reasonable efforts to obtain from DBC's subordinated lenders, Syndicated Communications Venture Partners III, L.P., Medallion Capital, Inc. (successor in interest to Capital Dimensions Venture Fund, Inc.), Alliance Enterprise Corporation and Mesbic Ventures, Inc., (collectively the "Subordinated Lenders") waivers of their rights to convert their subordinated indebtedness into common stock of DBC and of their right and option to acquire the Charlotte Station pursuant to the Conversion, Purchase Option and Put Rights Agreement dated October 22, 1997. As of the date hereof, Majority Shareholder and Company have obtained all such waivers, copies of which are contained in Schedule 5.12 hereto.

5.13 Qualification The Majority Shareholder and the Company shall

cause DBE to qualify to do business in South Carolina within thirty (30) days after the date hereof.

5.14 FCC Compliance The Majority Shareholder and the Company shall

cure any exceptions to FCC compliance described in Schedule 2.10 as promptly as, and to the extent, possible and prior to the Closing Date.

5.15 Bank Accounts Within thirty (30) days after the date hereof the

Majority Shareholder and the Company shall deliver to Radio One an accurate and complete list showing the name and address of each bank in which the Davis Companies have an account or safe deposit box, the number of any such account or box and the names of all persons authorized to draw thereon or to have access thereto.

ARTICLE 6: ADDITIONAL COVENANTS

Radio One, the Company and the Majority Shareholder covenant and agree that from the date hereof until the completion of the Closing:

6.1 Representations and Warranties Each party shall give the other

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

6.2 Notice of Proceedings Each party shall promptly notify the other

in writing upon: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated

hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

ARTICLE 7: SHAREHOLDERS CONDITIONS

The obligations of the Shareholders under this Agreement are, at their option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

7.1 Representations, Warranties and Covenants Each of the

representations and warranties of Radio One contained in this Agreement shall have been true and correct as of the date when made and shall be true and correct in all material respects on the Closing Date as if made on the Closing Date, except to the extent changes are permitted pursuant to this Agreement. Radio One shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by them prior to or on the Closing Date. Radio One shall have furnished the Majority Shareholder with a certificate, dated the Closing Date and duly executed by an officer of Radio One authorized on behalf of Radio One to give such a certificate, to the effect that the conditions set forth in this Section have been satisfied.

7.2 Proceedings None of the parties shall be subject to any restraining

order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by Company or the Majority Shareholder pursuant to this Section prior to the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after the Final Closing Date if such restraining order or injunction remains in effect.

7.3 FCC Consent The FCC Consent shall have been granted by the FCC by

initial order.

7.4 Hart-Scott-Rodino If applicable, the waiting period under the

HSR Act shall have expired or been terminated.

7.5 Deliveries Radio One shall have complied with its obligations

set forth in Section 9.2.

7.6 Columbus Sub The distribution of the Columbus Stations and the

Columbus Sub pursuant to Section 1.15 shall have been consummated prior to the Closing Date.

ARTICLE 8: RADIO ONE CONDITIONS

The obligations of Radio One under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

8.1 Representations, Warranties and Covenants Each of the

representations and warranties of the Company and the Majority Shareholder contained in this Agreement shall have been true and correct as of the date when made and shall be true and correct in all material respects on the Closing Date as if made on the Closing Date, except to the extent changes are permitted pursuant to this Agreement. The Company and the Shareholders shall have performed and complied with each and every covenant and agreement required by this Agreement to be performed or complied with by each prior to or on the Closing Date. The Majority Shareholder shall have furnished Radio One with a certificate, dated the Closing Date and duly executed by the Company to the effect that the conditions set forth in this Section have been satisfied.

8.2 Proceedings None of the parties shall be subject to any

restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by Radio One pursuant to this Section prior to the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

8.3 FCC Consent The FCC Consent shall have been granted by the FCC

by Final order, without any conditions materially adverse to Radio One.

8.4 Hart-Scott-Rodino If applicable, the waiting period under the

HSR Act shall have expired or been terminated.

8.5 Deliveries The Company and the Shareholders shall have complied

with their obligations set forth in Section 9.1.

8.6 Required Consents The Majority Shareholder and the Company shall

have obtained and delivered to Radio One all of the Required Consents.

8.7 Material Adverse Change None of the Davis Companies, the Davis

Stations, nor any of the Assets shall have suffered a material adverse change since the date hereof in the business, operations, condition (financial or otherwise), properties, assets, liabilities, capitalization or ownership of the Davis Companies, the Davis Stations or any of the Assets, except changes permitted by this Agreement and changes which are not (either individually or in the aggregate) materially adverse to the Davis Stations.

8.8 Title Commitments Radio One shall have obtained commitments from a

title insurance company acceptable to Radio One to issue to Radio One or its designee at standard rates ALTA extended coverage owner's and leasehold title insurance policies with respect to the owned and leased Real Property with no exceptions other than Permitted Encumbrances (the "Title Commitments").

8.9 Surveys Radio One shall have obtained an ALTA survey of each

parcel of Owned Real Property (the "Surveys").

8.10 Estoppel Certificates The Majority Shareholder and the Company

shall have obtained and delivered to Radio One the Estoppel Certificates.

8.11 Environmental The Shareholders and the Company shall have

remediated any environmental hazards or violations required to be remediated or
cured by them pursuant to Section 5.6 or the estimated costs and expenses
thereof in an amount acceptable to Radio One shall have been set forth in the
Preliminary Adjustment Statement as a credit to Radio One to the extent required
by Section 5.7.

8.12 Net Operating Losses As of the Closing on the Closing Date, the

Davis Companies then current net operating losses for tax purposes shall not be
less than the amounts set forth on Schedule 2.8, minus the amounts of such net

operating losses used to offset (i) earnings for the Davis Companies since June
30, 1999, and (ii) gain from the spin off of the Columbus Sub pursuant to
Section 1.15 and Schedule 1.15.

8.13 Subordinated Lenders' Conversion All of the Subordinated Lenders

shall have waived their conversion and purchase option rights with respect to
DBC as set forth in Section 5.12.

8.14 Inter-Company Debt All inter-company indebtedness by and among the

Davis Companies shall have been satisfied and eliminated without any adverse tax
consequences of any kind or nature upon Radio One or the Surviving Company.

8.15 Shareholders' Approval The Shareholders shall have approved this

Agreement and the Mergers, and the Minority Shareholders shall have satisfied
the requirements of Section 5.10 to Radio One's reasonable satisfaction.

8.16 Liens Radio One shall have received evidence reasonably

satisfactory to it that, upon consummation of the Closing, the Assets shall be
free and clear of all liens other than Permitted Encumbrances.

ARTICLE 9: ITEMS TO BE DELIVERED AT THE CLOSING

9.1 Deliveries by the Company and the Shareholders At Closing, the

Company and the Shareholders, as appropriate, shall deliver to Radio One duly executed by Company, the Shareholders or such other signatory as may be required by the nature of the document:

(a) the certificates representing (i) the Company Stock accompanied by stock powers duly endorsed in blank, sufficient to cancel all right, title and interest in and to the Company Stock and (ii) the other Davis Company Shares;

(b) certified copies of resolutions duly adopted by the Shareholders and the board of directors of the Company, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;

(c) the certificate referred to in Section 8.1;

(d) the corporate minute book, stock ledger and all other original and duplicate corporate records of the Davis Companies;

(e) copies of the certificate of incorporation of the Davis Companies, including all amendments thereto, certified by the Secretary of State or other appropriate official of the jurisdiction of incorporation of the Davis Companies dated within 10 business days of the Closing Date;

(f) copies of the bylaws of the Davis Companies, certified by an officer of the Company as being true and correct and in effect on the Closing Date;

(g) certificates from the Secretaries of State or other appropriate officials of the jurisdiction of incorporation of the Davis Companies and any jurisdiction in which the Davis Companies have qualified to do business, dated within 10 business days of the Closing Date and showing that the Davis Companies are duly incorporated and in good standing in its jurisdiction of incorporation and that it is in good standing in each jurisdiction in which it has qualified to do business;

(h) a certificate as to the tax status of the Davis Companies from the appropriate official of the jurisdiction of incorporation of the Davis Companies and each jurisdiction in which the Davis Companies have qualified to do business;

(i) resignations and releases of all officers and directors of the Davis Companies and releases of the Shareholders of the Davis Companies;

(j) the Required Consents and any other consents obtained by Shareholders and Company under Section 5.4;

(k) opinions of Company's counsel in the forms of Exhibit B attached hereto;

(l) the Preliminary Adjustment Statement and the Preliminary Adjustment Certificate;

(m) the Estoppel Certificates obtained by Majority Shareholder and Company and Lien Search Reports;

(n) the Subscriptions and the Registration Rights Agreements; and

(o) the Post-Closing Escrow Agreement.

9.2 Deliveries by Radio One At the Closing, Radio One shall deliver

to the Shareholders:

(a) certified copies of resolutions authorizing the execution, delivery and performance by Radio One of this Agreement, which shall be in full force and effect at the time of the Closing;

(b) the certificate referred to in Section 7.1;

(c) at the Effective Time, the Merger Consideration as provided by Sections 1.7 and 1.8;

(d) the Post-Closing Escrow Agreement; and

(e) the Registration Rights Agreements.

9.3 Satisfaction of Davis Companies Indebtedness for Long Term Debt

Simultaneously with Closing on the Closing Date, the Davis Companies long term indebtedness payable to Amresco, the Subordinated Lenders, First Union National Bank, and all other Davis Companies' financial institutions and banks, and Transactions Fees and Costs, shall be paid and satisfied in full out of the Total Consideration with such amounts so paid to be treated as Indebtedness and a part of the Consolidated Liabilities. In connection with such satisfactions, the Davis Companies' lenders shall release and discharge any and all security interests, stock pledges, mortgage, liens, claims and encumbrances whatsoever that they may have or possess against and in respect of the Davis Companies' Assets, including, without limitation, the execution, delivery and filing of mortgage satisfactions and UCC termination

statements in all required jurisdictions.

ARTICLE 10: SURVIVAL; RELEASE; INDEMNIFICATION

10.1 Survival; Release All representations and warranties contained in

this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing, any investigation conducted by any party hereto and any information which any party may receive, for a period of one (1) year after the Closing Date, provided, however, that representations and warranties with

respect to authorization, title, taxes and environmental matters shall survive without limitation.

10.2 Indemnification

(a) From and after Closing, subject to the limitation set forth in Section 5.7, if applicable, the Majority Shareholder (an "Indemnifying Party") hereby agrees to indemnify and hold harmless Radio One and Radio One of Charlotte, the shareholders, directors, officers and employees of Radio One and Radio One of Charlotte, LLC, and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Radio One, and their respective successors and assigns (collectively, the "Radio One Indemnitees") from, against and in respect of, and to reimburse the Radio One Indemnitees for, the amount of any and all Deficiencies (as defined in Section 10.3(a)). Effective upon Closing, the Majority Shareholder hereby assumes and agrees to pay and perform when due any and all such Deficiencies. Notwithstanding anything to the contrary set forth in this Agreement, the Majority Shareholder shall have no obligation to indemnify any Radio One Indemnitees on account of (i) any Taxes required to be paid by, or on behalf of, any Davis Company as a result of the Mergers not being treated as reorganizations under Section 368(a) of the Code, or (ii) any breach of Section 2.8 resulting from the Mergers not being treated as reorganizations under Sections 368(a) of the Code.

(b) From and after Closing, Radio One (an "Indemnifying Party") hereby agrees to indemnify and hold harmless the Majority Shareholder and its respective successors and assigns (collectively, the "Majority Shareholder Indemnitees") from, against and in respect of, and to reimburse the Majority Shareholder Indemnitees for, the amount of any and all Deficiencies (as defined in Section 10.3(b)). Radio One shall have no obligation whatsoever to indemnify any of the Minority Shareholders for any Deficiencies.

10.3 Deficiencies

(a) As used in this Article 10, the term "Deficiencies" when asserted by Radio One Indemnitees or arising out of a third party claim against Radio One Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Radio One Indemnitees and arising out of, based upon or resulting from: (i) any misrepresentation, breach of warranty, or any failure to comply with any covenant, obligation or agreement on the part of the Majority Shareholder or the Company contained in or made pursuant to this Agreement to the extent not

covered by proceeds of insurance; (ii) any obligation or liability arising from the business or operations of the Davis Companies prior to Closing of a nature or type required to be reflected on the Closing Date consolidated balance sheet of the Davis Companies in accordance with GAAP to the extent not covered by proceeds of insurance, except for Assumed Obligations and except for Consolidated Liabilities that are taken into account in calculating the Merger Consideration; (iii) without limiting the foregoing, any litigation, proceeding or claim by any third party relating to the business or operation of the Davis Companies prior to Closing to the extent not covered by proceeds of insurance; or (iv) any obligation or liability arising from the business or operations of, and any litigation proceeding or claim by any third party relating to the business or operations of, the Columbus Stations and the Columbus Sub, whether prior to or after Closing. Such Deficiencies include without limitation any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined in Section 10.6 below)).

(b) As used in this Article 10, the term "Deficiencies" when asserted by the Majority Shareholder Indemnitees or arising out of a third party claim against the Majority Shareholder Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Majority Shareholder Indemnitees and arising out of, based upon or resulting from: (i) any misrepresentation, breach of warranty, or any failure to comply with any covenant, obligation or agreement on the part of Radio One contained in or made pursuant to this Agreement to the extent not covered by proceeds of insurance; (ii) any failure by the Radio One Indemnitees to pay or perform any of the Assumed Obligations and Consolidated Liabilities that are taken into account in calculating the Merger Consideration to the extent not covered by proceeds of insurance; or (iii) any litigation, proceeding or claim by any third party relating to the business or operation of the Davis Companies after Closing to the extent not covered by proceeds of insurance. Such Deficiencies include without limitation any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined in Section 10.6 below)).

10.4 Exceptions Neither party shall be required to indemnify and hold

harmless the other party or parties with respect to deficiencies described in Sections 10.3(a)(i) and 10.3(b)(i) until the aggregate amount of such deficiencies exceed \$100,000, provided, however, that if such amount exceeds \$100,000 the indemnifying party shall be liable to the indemnified party or parties for the entirety of the amount claimed and not just that portion in excess of \$100,000. The aggregate amount that Majority Shareholder and the Company shall be required to indemnify and hold harmless Radio One Indemnitees for Deficiencies with respect to Section 10.3(a)(i) above shall not exceed the amount of the Merger Consideration.

10.5 Procedures

(a) Third Party Claims In the event that any claim shall be asserted by any

third party against the Radio One Indemnitees or the Majority Shareholder Indemnitees (Radio One Indemnitees or the Majority Shareholder Indemnitees, as the case may be, hereinafter, the "Indemnitees"), which, if sustained, would result in a Deficiency, then the Indemnitees, as promptly as practicable but in no event later than 10 business days, after learning of such

claim, shall notify the Indemnifying Party of such claim, and shall extend to the Indemnifying Party a reasonable opportunity to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (A) prior to such settlement or compromise the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses; (B) the Indemnitees are furnished with a full release from the party or parties asserting the claim; and (C) the Indemnifying Party has the ability (financial or otherwise) to pay or perform such settlement or compromise.

(b) Direct Claims In the event that the Indemnitees assert the existence of

any Deficiency (other than a Deficiency arising out of any litigation, proceeding claim, by any third party) against the Indemnifying Party, they shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party, within a period of thirty (30) days after the giving of notice by the Indemnitees, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within said 30-day period, then the contested assertion of a Deficiency shall be settled by arbitration to be held in Washington, D.C. in accordance with the Commercial Rules of the American Arbitration Association then existing. The determination of the arbitrator shall be delivered in writing to the Indemnifying Party and the Indemnitees and shall be final, binding and conclusive upon all of the parties hereto, and the amount of the Deficiency, if any, determined to exist, shall be deemed established.

(c) The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, upon the execution of such agreement such Deficiency shall be deemed established.

10.6 Payment The Indemnifying Party hereby agrees to pay the amount of

established Deficiencies within 15 days after the establishment thereof. The amount of established Deficiencies shall be paid in cash except as provided in the Post-Closing Escrow Agreement, which shall be used for such purpose on a priority basis. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation the Indemnitees, or any of them, may have to the Indemnifying Party.

10.7 Legal Expenses As used in this Article 10, the term "Legal

Expenses" shall mean any and all reasonable fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

10.8 Sole Remedy Except as set forth Sections 11.1 and 11.2 below, from

and after the Closing Date, the rights pursuant to this Article 10 and Sections 1.8 and 1.10 above shall be the parties' exclusive remedies with respect to all breaches of representations, warranties and covenants under this Agreement (specifically excluding breaches of representations, warranties and covenants set forth in the Employment Agreement), and the parties' waive all other rights and remedies whatsoever in law or equity with respect to the foregoing, except for rights and remedies that the Majority Shareholder may have as a shareholder of Radio One arising out of securities laws.

ARTICLE 11: MISCELLANEOUS

11.1 Termination This Agreement may be terminated at any time prior to

Closing: (a) by the mutual consent of the Majority Shareholder and Radio One; (b) by the Majority Shareholder or Radio One if the FCC has denied the approvals contemplated by this Agreement in an order which has become Final; (c) by Radio One as provided in Section 5.6 (Environmental), Section 11.5 (Broadcast Transmission Interruption) or Section 11.6 (Risk of Loss); (d) except as set forth in Section 11.6, by Radio One or the Majority Shareholder if the Closing has not taken place by the Final Closing Date; (e) by Radio One, if on the Closing Date the Company or the Majority Shareholder has failed to satisfy any of the conditions set forth in Section 8.1, 8.5, 8.6, 8.7, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15 or 8.16; (f) by Radio One if the Company or the Majority Shareholder has failed to cure a material breach of any of their representations, warranties or covenants under this Agreement within fifteen (15) calendar days after they receive notice from Radio One of such breach; (g) by the Majority Shareholder, if on the Closing Date Radio One has failed to satisfy either of the conditions set forth in Section 7.1 or 7.5; or (h) by the Majority Shareholder if Radio One has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within fifteen (15) calendar days after they receive notice from the Majority Shareholder of such breach. A termination pursuant to this Section 11.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement.

11.2 Specific Performance In the event of a breach by the Majority

Shareholder or the Company of any representation, warranty, covenant or agreement under this Agreement, at Radio One's election, in addition to any other remedy available to it, Radio One shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the Company and the Majority Shareholder to fulfill their obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required. The remedies provided Radio One in this Agreement shall be cumulative and shall not preclude the assertion by Radio One of any other rights or the seeking of any other remedies against the Company or the Majority Shareholder.

11.3 Expenses Each party hereto shall bear all of its expenses

incurred in connection with the transactions contemplated by this Agreement, including without limitation, accounting and legal fees incurred in connection herewith; provided that: (i) the Majority Shareholder and Radio One shall each pay one-half of the filing fees required to be paid in connection with the FCC Applications and the Merger Reorganizations; (ii) the Majority Shareholder shall be exclusively responsible for, and Radio One shall not have any liability or responsibility for, any sales or transfer taxes (including without limitation any real estate transfer taxes), arising from the consummation of the Mergers; and (iii) Radio One shall pay the HSR Act filing fee, if any.

11.4 Further Assurances From time to time prior to and after Closing,

each party hereto will use their respective reasonable best efforts to take all actions required hereunder to consummate this Agreement and the Mergers and will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at Closing, and any and all actions which may reasonably be necessary to complete the transactions contemplated hereby, including the Merger Reorganizations. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

11.5 Broadcast Transmission Interruption If before Closing the regular

broadcast transmission of the Davis Stations in the normal and usual manner is interrupted for a period of eight consecutive hours or more, the Company shall give prompt written notice thereof to Radio One. Radio One shall then have the right, by giving written notice, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) days after the end of any such interruption. If regular broadcast transmission in the normal and usual manner is interrupted for a continuous period of eighteen (18) hours or more at any time prior to Closing, then (a) the Company immediately shall give written notice thereof to Radio One and (b) Radio One shall have the right, by giving written notice, to (i) terminate this Agreement, or (ii) postpone the Closing as provided above.

11.6 Risk of Loss The risk of loss, damage or destruction to any of the

Assets shall be borne by the Company and the Shareholders at all times up to 12:01 a.m. local time on the Closing Date. In the event of any such loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition, subject to the conditions stated below. In the event of any loss or damage to any of the Assets, the Company and the Majority Shareholder shall notify Radio One thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. If any part of the Assets are damaged or destroyed by casualty loss prior to the Closing Date, and the cost of restoring the damaged or destroyed

Assets to a condition reasonably comparable to their prior condition does not exceed \$500,000, at Radio One's option, (a) the Company shall perform such restoration, and in such event, the Closing shall be postponed until restoration can be completed or (b) the amount of the Merger Consideration shall be reduced by the estimated cost of such incomplete restoration (as estimated by a qualified firm reasonably acceptable to Radio One and the Company) minus the amount of expected insurance proceeds attributable to such casualty loss (not including any such proceeds received before the Closing Date). If the cost of restoration is in excess of \$500,000, the Majority Shareholder and Company may elect to perform such restoration and in such event, at Radio One's option (x) the Closing shall be postponed until restoration can be completed, (y) the Merger Consideration shall be reduced by such estimated cost of restoration minus the amount of expected insurance proceeds attributable to such casualty

loss (not including any such proceeds received before the Closing Date), or (z) this Agreement shall be terminated. If the cost of the restoration is in excess of \$500,000 and the Majority Shareholder and Company elect not to perform the restoration, Radio One may elect to terminate this Agreement. If necessary, the Company and the Majority Shareholder shall join Radio One in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs.

11.7 Cooperation From the date of Closing and for a period of three (3)

years thereafter, the Majority Shareholder shall provide Radio One with such cooperation and information as Radio One shall reasonably request in Radio One's: (i) analysis and review of Financial Statements or information provided or created hereunder, or (ii) preparation of any reports or analyses prepared by Radio One. The Majority Shareholder shall also make the accountants employed by the Company prior to Closing available, including any work papers, opinions and financial statements relating to the Company or the Shareholders, to provide explanations of any documents or information provided hereunder and to permit disclosure of such information by Radio One, including disclosure to any governmental authority, including the Securities and Exchange Commission.

11.8 Tax Matters Prior to Closing, the Majority Shareholder shall cause

the Company to prepare and timely file, or cause to be prepared and timely filed, all tax returns of the Davis Companies that are due prior to Closing, which shall be prepared by treating items on such tax returns in a manner consistent with the past practices with respect to such items, unless otherwise required by law. The Majority Shareholder shall cause the Company to provide to Radio One drafts of all tax returns (and accompanying work papers) of the Davis Companies at least thirty (30) days prior to filing. Not less than fifteen (15) days prior to filing, Radio One shall notify the Majority Shareholder of the existence of any objection (specifying in reasonable detail the nature and basis for such objection) Radio One may have to any items set forth on such draft tax returns. Radio One and the Majority Shareholder agree to consult and resolve in good faith any such objection. After Closing, Radio One shall prepare and timely file, or cause to be prepared and timely filed, all tax returns of the Davis Companies; provided, however, that in the case of any return that includes any

period prior to Closing, Radio One shall provide to the Majority Shareholder drafts of such tax returns (and accompanying work papers) at least thirty (30) days prior to filing. No less than fifteen (15) days prior to filing, the Majority Shareholder shall notify Radio One of the existence of any objection (specify in reasonable detail the nature and basis for such objection) the Majority Shareholder may have to any items set forth on such draft tax return to the extent that such return would adversely impact the Majority Shareholder indemnification obligations hereunder. Radio One and the Majority Shareholder agree to consult and resolve in good faith any such objection and any such objection that is not resolved shall be determined by an independent

certified public accountant who is acceptable to both Radio One and the Majority Shareholder. The parties shall treat the spin-off of Davis Broadcasting of Columbus, Inc. as a Code Section 355 transaction, and for purposes of determining taxable gain under Code Section 355(e), shall value the stock of such corporation at \$2,500,000. The Majority Shareholder shall not file or cause to be filed any amended tax return without the prior written consent of Radio One, which consent shall not be unreasonably withheld. The Majority Shareholder and Radio One shall cooperate with one another in connection with the preparation, filing and any inquiries relating to any tax returns. Any refund of taxes relating to the Davis Companies received by the Shareholders after Closing shall be paid by the Shareholders to Radio One within ten business days after such refund is received by the Shareholders.

ARTICLE 12: GENERAL PROVISIONS

12.1 Successors and Assigns This Agreement shall be binding upon and

inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Neither the Company nor the Shareholders may assign any rights or delegate any duties hereunder without the prior written consent of Radio One, and any such attempted assignment or delegation without such consent shall be void. Radio One may assign its rights and obligations hereunder in whole or in part without consent of the Company or the Majority Shareholder to: (a) any person which directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Radio One; and (b) Radio One's senior lender as collateral.

12.2 Amendments; Waivers The terms, covenants, representations,

warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

12.3 Notices All notices, requests, demands and other communications

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

if to the Company or the Majority Shareholder: c/o Davis Broadcasting, Inc.
2203 Wynnton Road

Columbus, GA 31906
Attn: Gregory A. Davis
Facsimile No.: (704) 358-1612

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

Robinson, Bradshaw & Hinson, P.A.
101 North Tryon Street
Suite 1900
Charlotte, N.C. 28246
Attn: Robin L. Hinson
Facsimile No.: (704) 378-4000

and

Fleishman and Walsh, L.L.P.
1400 Sixteenth Street, N.W.
Washington, D.C. 20036
Attn: Howard A. Topel
Facsimile No.: (202) 745-0916

if to Radio One:

Radio One, Inc.
5900 Princess Garden Parkway, Suite 800
Lanham, MD 20706
Attn: Alfred C. Liggins, President
Facsimile No.: (301) 306-9638

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

Radio One, Inc.
5900 Princess Garden Parkway, Suite 800
Lanham, MD 20706
Attn: Linda J. Eckard, General Counsel
Facsimile No.: (301) 306-9638

and

Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Attn: Dominic T. Bodensteiner
Facsimile No.: (202) 719-7049

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

12.4 Captions The captions of Articles and Sections of this Agreement

are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

12.5 Governing Law This Agreement and all questions relating to

its validity,

interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws.

12.6 Entire Agreement This Agreement constitutes the full and entire

understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. This Agreement has been prepared by all of the parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any party hereto.

12.7 Counterparts This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO MERGER AGREEMENT

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

RADIO ONE:

RADIO ONE, INC.

By: -----

Name: -----

Title: -----

COMPANY: DAVIS BROADCASTING, INC.

By: -----

Gregory A. Davis, President

MAJORITY SHAREHOLDER:

Gregory A. Davis

ANNEX A

Certain Defined Terms

For the purposes of this Agreement, the following terms have the meanings set forth below.

"Adjusted Consideration" means the Total Consideration less the Consolidated Liabilities and (i) plus one half of the amount by which Consolidated Current Assets exceed the Consolidated Accounts Payable, or (ii) less the amount by which Consolidated Accounts Payable exceed Consolidated Current Assets, as the case may be.

"Affiliate" of any particular person means any other person controlling, controlled by, or under common control with, such particular person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a person whether through the ownership of voting securities, contract or otherwise.

"Assets" means all right, title and interest of the Davis Companies in all properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, including its business and goodwill, including, without limitation, the FCC Authorizations, Tangible Personal Property, Real Property, the DBC Stock, Time Sales Agreements, Station Contracts, Intangible Property, Programming and Copyrights, Files and Records and Websites.

"Assumed Obligations" means the obligations arising on and after the Closing for Consolidated Accounts Payable and under the Station Contracts other than those required by this Agreement to be terminated at or prior to Closing.

"Barter Balance" on a given date means the difference between the value of air time (based upon the Davis Stations' then prevailing rates) to be provided and the fair market value of goods or services to be received therefor pursuant to trade, barter or similar agreements for the sale of time for goods or services.

"Cash Amount" means the amount of Two Million Dollars (\$2,000,000).

"Closing Price" means \$61.89 per share of Radio One's common stock.

"Company Accountant" means Sievers & Knopf.

"Consolidated Accounts Payable" means the trade account payable of the Davis Companies incurred in the usual and ordinary course of business consistent with past practices with maturities of less than thirty (30) days.

"Consolidated Accounts Receivable" means the trade accounts receivable of the Davis Companies net after the deduction of reserve for bad debts equal to two percent (2%) of net sales for the prior 12 month period.

"Consolidated Current Assets" means the sum of the cash and Consolidated Accounts Receivable of the Davis Companies.

"Consolidated Liabilities" means all Indebtedness of the Davis Companies other than the Assumed Obligations, including without limitation all indebtedness of the Davis Companies owing to Radio One, all other indebtedness for borrowed money, all change of control payments the Davis Companies are obligated to make as a result of the transaction contemplated by this Agreement, the amount of any negative Barter Balance and Transaction Fees and Costs.

"Davis Companies" means the Company and the Station Subs collectively.

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

"Escrow Amount" means \$850,000, being an amount equal to (i) five percent (5%) of the Total Consideration less (ii) the \$350,000 principal amount of indebtedness for borrowed money owed by the Company to Radio One.

"Escrowed Shares" means the number of shares of Radio One common stock equal to \$1,200,000 based on the Closing Price, which shares issued in the name of the Majority Shareholder shall be deposited by Radio One into the post-closing Escrow Account pursuant to Section 1.8 from the Stock Consideration.

"FCC Authorizations" means all of the FCC authorizations issued with respect to the Davis Stations, including without limitation all rights in and to the Davis Stations' call letters and any variations thereof, and all of those FCC authorizations listed and described on Schedule 2.10 attached hereto, and all applications therefor, together with any renewals or extensions thereof and additions thereto.

"Files and Records" means all FCC logs and all files and other records of the Davis Companies (other than duplicate copies of such files ("Duplicate Records")), including

without limitation all schematics, blueprints, engineering data, customer lists, reports, specifications, projections, statistics, promotional graphics, original art work, mats, plates, negatives and other advertising, marketing or related materials, and all other technical and financial information.

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

pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have

expired or otherwise terminated.

"GAAP" means generally accepted accounting principles as of the date hereof consistently applied throughout the specified period and in prior periods.

"Indebtedness" means all indebtedness, liabilities and obligations of every kind and nature, both current and long term, which are vested, absolute, and accrued, including but not limited to, all indebtedness for borrowed money (and interest thereon and prepayment penalties incurred as a result of prepaying such indebtedness, if any, pursuant to Section 9.3) of the Davis Companies, all determined in accordance with GAAP on a consolidated basis.

"Independent Accounting Firm" means a "big-five" accounting firm other than the Company Accountant and Radio One's Accountant.

"Intangible Property" means all interests of the Davis Companies as of the date of this Agreement in all trademarks, trade names, service marks, franchises, patents, jingles, slogans, logotypes and other intangible rights, including without limitation all right, title and interest in and to the marks consisting of the Davis Stations' call letters and any variations thereof, and all of those listed and described on Schedule 2.14 attached hereto, and those

acquired by the Davis Companies between the date hereof and the Closing Date.

"Knowledge", including the phrases "to the knowledge of" or "to the best knowledge of" any person and any similar phrase means, with respect to the Company the actual knowledge of Greg Davis, Bill Yeager and Bernie Corcoran.

"Liens" means any mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever.

"Minority Cash Amount" means the portion of the Cash Amount equal to the excess of (i) the Adjusted Consideration multiplied by the Minority Percentage

over (ii) \$500,000.

"Minority Percentage" means the percentage of Company Stock (both Class A Common Stock and Class B Common Stock) held by the Minority Shareholders as set forth in Schedule 2.2, determined prior to the redemption of the shares of Class

B Common Stock pursuant to Schedule 1.15.

"Permitted Encumbrances" means: (i) liens for real estate taxes not yet due and payable (all such taxes for the periods prior to Closing being a part of the Consolidated Liabilities); (ii) the Assumed Obligations (iii) statutory or common law liens to secure landlords, lessors or renters under leases or rental agreements confined to the premises rented to the extent that no payment or performance under any such lease or rental agreement is in

arrears or is otherwise past due, (iv) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance or old age pension programs mandated under applicable laws or other social security regulations, (v) statutory or common law liens to secure claims for labor, materials or supplies and other liens, which secure obligations to the extent the payment thereof is not in arrears or otherwise past due, (vi) non-monetary easements, rights of way or other reservations or imperfections of title and encumbrances of record that do not, individually or in the aggregate, materially impair the continued use and operation of the Assets.

"Post-Closing Escrow Agreement" means a Post-Closing Escrow Agreement in the form of C Attached hereto.

"Programming and Copyrights" means all interests of the Davis Companies as of the date of this Agreement in all programs and programming materials and elements of whatever form or nature, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common-law and statutory copyrights, together with all such programs, materials, elements and copyrights acquired by the Davis Companies between the date hereof and the Closing Date.

"Radio One's Accountant" means Arthur Andersen LLP.

"Real Property" means all interests of the Davis Companies as of the date of this Agreement in all land, leaseholds, licenses, rights-of-way and other interests of every kind and description in and to all of the real property and buildings and other improvements thereon, including without limitation those listed and described on Schedule 2.12 attached hereto, and any additions and

improvements thereto between the date of this Agreement and the Closing Date.

"Registration Rights Agreements" means registration rights agreements in the form of Exhibit E attached hereto.

"Station Contracts" means (i) those contracts and agreements used in connection with the business or operation of the Davis Stations that are listed and described on Schedule 2.13 attached hereto (ii) the Time Sales Agreements,

and (iii) and those contracts that Radio One shall elect in writing to assume at Closing.

"Stock Consideration" means a number of shares of Radio One's common stock equal to the Adjusted Consideration less the Cash Amount divided by the Closing Price.

"Subscriptions" means written subscriptions delivered by the Shareholders to Radio One in form and substance as set forth on Exhibit D attached hereto.

"Subsidiary" means any other corporation, partnership, limited liability company or other business entity in which a person owns, directly or indirectly, any equity security or other equity interest and which is controlled, directly or indirectly, by such person.

"Tangible Personal Property" means all interests of the Davis Companies as of the date of this Agreement in all equipment, electrical devices, antennas, cables, vehicles, furniture, fixtures, towers, office materials and supplies, hardware, tools, spare parts, and other tangible personal property of every kind and description, including without limitation those listed and described on Schedule 2.11 attached hereto, and any additions and improvements thereto

between the date of this Agreement and the Closing Date.

"Tax" (including with correlative meaning the terms "Taxes" and "Taxable")

shall mean (a) all foreign, federal, state, local and other income, gross receipts, sales, use, entertainment, ticket, ad valorem, value-added, intangible, unitary, withholding, transfer, franchise, license, payroll, employment, estimated, excise, environmental, stamp, occupation, premium, property, prohibited transactions, windfall or excess profits, customs, duties or other taxes, levies, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, (b) any liability for payment of amounts described in clause (a) as a result of transferee liability, of being a member of an affiliated, consolidated, combined or unitary group for any period, or otherwise through operation of law, and (c) any liability for payment of amounts described in clause (a) or (b) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other Person or Taxes.

"Tax Proceeding" shall mean any audit, examination, claim or other administrative or judicial proceeding relating to Taxes or Tax Returns.

"Tax Return" shall mean any return (including any information return), report, statement, schedule, notice, form, estimate or declaration of estimated tax relating to or required to be filed with any governmental authority in connection with the determination, assessment, collective or payment of any Tax.

"Tax Authority" shall mean any governmental agency, board, bureau, body, department or authority of any United States federal, state or local jurisdiction or any foreign jurisdiction, having jurisdiction with respect to any Tax.

"Taxable Period" shall mean any taxable year or any other period that is treated as a taxable year with respect to which any Tax may be imposed under any applicable statute, rule or regulation.

"Time Sales Agreements" means those obligations of the Davis Companies that exist on the Closing Date for the sale of air time on the Davis Stations for cash entered in the ordinary course of business, at customary rates for the periods in question and cancelable on 30 days notice or less without penalty.

"Total Consideration" means the sum of Twenty Four Million Dollars (\$24,000,000).

"Transaction Fees and Costs" means fees and costs incurred by the Davis Companies in connection with the transactions contemplated by this Agreement for outside legal and accounting services and disbursements, recording and filing fees and expenses.

"Websites" means all interests of the Davis Companies in any Internet domain leases and domain names relating to the Davis Stations, the unrestricted right to the use of HTML content located and publicly accessible from those domain names, and the "visitor" email data base for those sites.

Schedules

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- 1.15 Merger Reorganizations
- 2.2 Capitalization
- 2.6 Consents
- 2.8 Taxes
- 2.9 Liens
- 2.10 FCC Authorizations
- 2.11 Tangible Personal Property
- 2.12 Real Property
- 2.13 Station Contracts
- 2.14 Intangible Property
- 2.15 Employment Matters
- 2.17 Litigation
- 2.18 Insurance Policies
- 5.12 Subordinated Lenders' Waivers

Exhibit

- - - - -

- A Employment Agreement
- B Company's Counsel Opinions
- C Post-Closing Escrow Agreement
- D Subscriptions
- E Registration Rights Agreements

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of the 11th day of March, 2000 among Shirk, Inc., an Indiana corporation ("Shirk"), IBL, L.L.C., an Indiana limited liability company ("IBL") (Shirk and IBL, collectively, "Seller"), and (only as to Section 11.9) William Shirk Poorman and William G. Mays, each an individual residing in the State of Indiana, and Radio One, Inc., a Delaware corporation ("Buyer").

Recitals

Seller owns and operates the following broadcast stations (collectively, the "Stations") pursuant to certain licenses, permits and authorizations (the "FCC Authorizations") issued by the Federal Communications Commission (the "FCC"):

Radio Stations:

WHHH(FM), Indianapolis, Indiana
 WBKS(FM), Greenwood, Indiana
 WYJZ(FM), Lebanon, Indiana

Television Station:

W53AV, Indianapolis, Indiana (Channel 53)
 Construction Permit for W65DW, Indianapolis, Indiana (Channel 65)
 (W53AV and the Construction Permit for W65DW may sometimes be referred to collectively herein as "Station W53AV/W65DW")

Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Station Assets (defined below), subject to the terms and conditions of this Agreement.

Agreement

NOW, THEREFORE, taking the foregoing into account, and in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: SALE AND PURCHASE

1.1 Station Assets. Except for Excluded Assets as defined in Section 1.2,

and subject to and in reliance upon the representations, warranties and agreements herein set forth, and to the terms and conditions herein contained, Seller shall grant, convey, sell, assign, transfer and deliver to Buyer on the Closing Date (as hereinafter defined) all right, title and interest of Seller in all properties, assets, privileges, rights, interests and claims, real and personal, tangible and intangible, of every type and description, wherever located, including its business and goodwill used or held for use in the business or operation of the Stations (collectively, the "Station Assets"). Without limiting the foregoing, the Station Assets shall include the following:

(a) FCC Authorizations. All of the FCC Authorizations issued with

respect to the Stations, including without limitation all rights in and to the
Stations' call letters and any variations thereof, and all of those FCC
Authorizations listed and described on Schedule 1.1(a) attached hereto, and all

applications therefor, together with any renewals or extensions thereof and
additions thereto.

(b) Tangible Personal Property. All interests of Seller as of the

date of this Agreement in all equipment, electrical devices, antennas, cables,
vehicles, furniture, fixtures, towers, office materials and supplies, hardware,
tools, spare parts, and other tangible personal property of every kind and
description, used or held for use in connection with the business or operation
of the Stations, including without limitation those listed and described on
Schedule 1.1(b) attached hereto, and any additions and improvements thereto

between the date of this Agreement and the Closing Date (collectively, the
"Tangible Personal Property").

(c) Real Property. All interests of Seller as of the date of this

Agreement in all land, leaseholds, licenses, rights-of-way and other interests
of every kind and description in and to all of the real property and buildings
and other improvements thereon, used or held for use in the business or
operation of the Stations, including without limitation those listed and
described on Schedule 1.1(c) attached hereto, and any additions and improvements

thereto between the date of this Agreement and the Closing Date (collectively,
the "Real Property").

(d) Time Sales Agreements. Those obligations of Seller that exist on

the Closing Date for the sale of air time on the Stations for cash that are:
(i) listed on Schedule 1.1(d) attached hereto; or (ii) cancelable without

penalty on no more than 15 days notice.

(e) Station Contracts. Those contracts and agreements used in

connection with the business or operation of the Stations that are: (i) listed
on Schedule 1.1(e) attached hereto or (ii) entered into after the date hereof in

compliance with Section 4.1(b) (the "Station Contracts").

(f) Intangible Property. All interests of Seller as of the date of

this Agreement in all trademarks, trade names, service marks, copyrights,
franchises, patents, jingles, slogans, logotypes and other intangible rights,
used or held for use in connection with the business or operation of the
Stations, including without limitation all right, title and interest in and to
the marks consisting of the Stations' call letters and any variations thereof,
and all of those listed and described on Schedule 1.1(f) attached hereto, and

those acquired by Seller between the date hereof and the Closing Date
(collectively and together with the Websites (defined below), the "Intangible
Property").

(g) Programming and Copyrights. All interests of Seller as of the

date of this Agreement in all programs and programming materials and elements of
whatever form or nature used or held for use in the business or operation of the
Stations, whether recorded on tape or any other substance or intended for live
performance, and whether completed or in production, and all related common-law
and statutory copyrights used or held for use in the

business or operation of the Stations, together with all such programs, materials, elements and copyrights acquired by Seller in the business or operation of the Stations between the date hereof and the Closing Date.

(h) Files and Records. All FCC logs and other records that relate to

the operation of the Stations, and all files and other records of Seller relating to the business or operation of the Stations and that do not relate solely to Seller's internal corporate or limited liability affairs (other than duplicate copies of such files ("Duplicate Records")), including without limitation all schematics, blueprints, engineering data, customer lists, reports, specifications, projections, statistics, promotional graphics, original art work, mats, plates, negatives and other advertising, marketing or related materials, and all other technical and financial information concerning the Stations or the Station Assets.

(i) Claims. Any and all claims and rights against third parties if

and to the extent that they relate to the Station Assets, including, without limitation, all rights under manufacturers' and vendors' warranties.

(j) Prepaid Items. All deposits, reserves and prepaid expenses

relating to the Stations and prepaid taxes relating to the Stations or the Station Assets listed on Schedule 1.1(j).

(k) Goodwill. All of Seller's goodwill in, and going concern value

of, the Stations.

(l) Accounts Receivable. All accounts receivable (including any notes

receivable and other receivables) of Seller with respect to the Stations as of the Closing Date.

(m) Internet Websites. Without limiting the foregoing, all interests

of Seller in any internet domain leases and domain names relating to the Stations, the unrestricted right to the use of HTML content located and publicly accessible from those domain names, and the "visitor" email data base for those sites (collectively, the "Websites").

1.1A Permitted Encumbrances. The Station Assets shall be sold and

conveyed to Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, "Liens") except: (i) liens for real estate taxes not yet due and payable for which Buyer receives a Purchase Price adjustment under Section 1.7; (ii) the post-Closing obligations of Seller which Buyer will assume pursuant to Section 1.3 under the Station Contracts and (iii) solely with respect to Real Property, the Ordinary Exceptions (defined below) (collectively in the case of (i), (ii) and (iii) above the "Permitted Encumbrances"). "Ordinary Exceptions" means the following, but only if and to the extent not at any time adversely affecting the current and intended use of the properties or requiring the removal or alteration of the presently existing structures, or appurtenant structures thereon: (a) building and use restrictions of record; (b) vehicular or pedestrian easements of record affecting the properties and being contiguous to the front, rear or side lot lines; (c) water,

sewer, gas, electric, cable television, and telephone lines or easements of record or as presently installed; (d) other imperfections of title which do not materially detract from the value or impair the use of the property subject thereto (collectively, the "Ordinary Exceptions").

1.2 Excluded Assets. There shall be excluded from the Station Assets and -----

retained by Seller to the extent in existence on the Closing Date, all (a) cash and cash equivalents, (b) publicly traded securities, (c) insurance policies (including all insurance proceeds of settlements and insurance claims made by Seller on or before the Closing Date, except as provided in Section 10.7 (Risk of Loss)), (d) any other contracts and agreements not included in the Station Contracts, (e) all pension, profit sharing and all other employee benefit plans, (f) all claims, rights, and interest in and to any refunds for federal, state or local taxes to which Seller is entitled, (g) any Duplicate Records and (h) the assets listed on Schedule 1.2 hereto (the "Excluded Assets").

1.3 Liabilities. Buyer shall assume as of the Closing all liabilities -----

relating to the business and operations of the Stations after the Closing under the Station Contracts (the "Assumed Obligations"). Except for the Assumed Obligations, Buyer shall not assume or be liable for any obligation or liability arising from the pre-Closing operation of the Stations (the "Retained Liabilities"). The Retained Liabilities include, without limitation: (i) any liability or obligation of Seller arising out of or relating to any contract, lease agreement, or instrument (other than the Assumed Obligations); (ii) any liability or obligation of Seller arising out of or relating to any employee benefit plan or otherwise relating to employment (including, but not limited to, any severance obligations due to employees who are terminated by Seller on or before the Closing Date and all employment obligations shall be brought current by Seller as of the Closing Date, including the payment of all accrued benefits and severance pay and all bonuses, whether or not such benefits or bonuses are due as of the Closing Date); (iii) any liability or obligation of Seller arising out of or relating to any litigation, proceeding or claim (whether or not such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Closing Date); (iv) any other liabilities, obligations, debts or commitments of Seller whatsoever whether accrued now or hereafter, whether fixed or contingent, whether known or unknown (except to the extent Seller is entitled to indemnification therefor from Buyer pursuant to Section 9.2(b) hereof); or (v) any claims asserted against the Stations or any of the Station Assets relating to any event (whether act or omission) prior to the Closing Date, including without limitation, the payment of all taxes. Seller retains and shall hereafter pay, satisfy, discharge, perform and fulfill all Retained Liabilities as they become due, without any charge or cost to Buyer.

1.4 Purchase Price.

(a) Amount. The purchase price to be paid for the Station Assets

shall be \$40 million, as adjusted pursuant to Section 1.7 hereof (the "Purchase Price").

(b) Allocation. The Purchase Price shall be allocated as follows:

(i) \$10 million, as adjusted pursuant to Section 1.7 (the "Shirk Amount") to Shirk for the WHHH(FM) Station Assets; and

(ii) \$30 million, as adjusted pursuant to Section 1.7 (the "IBL Amount") to IBL for the other Station Assets, of which amount \$27 million (as adjusted pursuant to Section 1.7) shall be allocated to the WBKS(FM) and WYJZ(FM) Station Assets and \$3 million (as adjusted) shall be allocated to the Station W53AV/W65DW Station Assets.

(c) Payment. Upon Closing, the Purchase Price shall be paid as

follows: (i) issuance of the Stock Consideration (defined below) to Shirk; and (ii) payment of the IBL Amount in cash to IBL. Payment of cash shall be in immediately available funds pursuant to written instructions of the Seller to be delivered by Seller to Buyer at least three (3) business days prior to Closing.

(d) Definitions. As used herein, the following terms have the

following meanings:

"Cash Flow Amount" means the amount of reported earnings before interest, taxes, depreciation and amortization of radio stations WHHH(FM), WBKS(FM) and WYJZ(FM) plus the addbacks described on Exhibit A hereto, all for calendar year 1999.

"Closing Price" means \$68 per share of Buyer's Class A common stock (as appropriately adjusted to reflect any stock splits, stock dividends, or reclassifications of Buyer's Class A common stock, including a merger, consolidation or recapitalization).

"Stock Consideration" means a number of shares of Buyer's Class A common stock equal to the Shirk Amount divided by the Closing Price.

"Subscription" means a written subscription delivered by Shirk to Buyer in form and substance as set forth on Exhibit B attached hereto.

(e) Audit.

(i) Seller shall, at its option and expense, have an audit conducted by an accounting firm of its choice of the Cash Flow Amount (the "Audit"), provided that the Audit shall be completed by March 17, 2000. A copy of the Audit, together with copies of all working papers and other materials used in and generated by the Audit, and such other items

relating to the Audit as Buyer shall reasonably request, shall be provided promptly to Buyer. If the Audit results in a Cash Flow Amount that is at least \$1,700,000 and Buyer disagrees with such result, then Buyer may have an audit of the Cash Flow Amount conducted by an accounting firm of its choice (the "Buyer Audit") promptly after the results of the Audit are provided to Buyer, provided that the Buyer Audit shall be ordered no later than ten business days after the results of the Audit are provided to Buyer. In the event that the Buyer Audit results in a Cash Flow Amount that is less than \$1,700,000, Seller and Buyer shall negotiate in good faith to attempt to agree on the Cash Flow Amount. If such an agreement is not reached within five (5) days of the date of completion of the Buyer Audit, then Buyer may terminate this Agreement upon written notice to Seller without further liability hereunder and the Deposit together with interest thereon shall be returned to Buyer.

(ii) Without limiting Buyer's other rights under this Agreement, Seller shall timely make available to Buyer for review and/or audit all books and records necessary to calculate the Cash Flow Amount.

1.5 Deposit. Within one business day of the date of this Agreement, Buyer

shall deposit Two Million Dollars (\$2,000,000) (the "Deposit") into escrow with Wilmington Trust Company (the "Escrow Agent"), pursuant to the Escrow Agreement of even date herewith among Buyer, Seller and the Escrow Agent. At Closing, the Deposit together with all interest thereon shall be paid to Seller as a partial payment of the Purchase Price. If this Agreement is terminated by Seller pursuant to Section 10.1(h) or 10.1(i), then the Deposit, together with any interest thereon, shall be disbursed to Seller as liquidated damages and such disbursement shall be the sole and exclusive remedy of Seller. Seller hereby waives all other legal and equitable rights and remedies it may otherwise have as a result of any breach or default by Buyer under this Agreement. If this Agreement is terminated without a Closing for any other reason, then the Deposit and all interest thereon shall be returned to Buyer. Seller and Buyer shall each instruct the Escrow Agent to disburse the Deposit and all interest thereon to the party entitled thereto and shall not, by any act or omission, delay or prevent any such disbursement.

1.6 Allocation and Appraisal. Concurrent with Closing, or, if later,

within 90 days thereafter, Buyer and Seller will further allocate the Purchase Price in accordance with the respective fair market values of the Station Assets and the goodwill being purchased and sold in a manner consistent with Section 1.4(b) hereof and in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code"). Buyer may, at its election and expense prior to Closing, engage a broadcast property appraisal company to appraise the Station Assets. In the event Buyer does so, a copy thereof shall be provided to Seller.

1.7 Adjustments.

(a) The operation of the Stations and the income and normal operating expenses attributable thereto through the date preceding the Closing Date (the "Adjustment Date") shall be for the account of Seller and thereafter for the account of Buyer, and, if any income or expense is properly allocable or credited, then it shall be allocated, charged or

prorated accordingly. Expenses for goods or services received both before and after the Adjustment Date, power and utilities charges, frequency discounts, and rents and similar prepaid and deferred items shall be prorated between Seller and Buyer as of the Adjustment Date in accordance with generally accepted accounting principles. All special assessments and similar charges or liens imposed against the Owned Real Property and Tangible Personal Property in respect of any period of time through the Adjustment Date, whether payable in installments or otherwise, shall be the responsibility of Seller, and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Adjustment Date shall be the responsibility of Buyer, and such charges shall be adjusted accordingly. One-half of the total amount owing as of the Adjustment Date pursuant to all leases of equipment or other personal property included in the Station Contracts (including without limitation for remaining rental payments due, early termination fees, amounts owing upon termination for purchase of equipment or other personal property leased or other costs incurred in connection with purchasing such leased equipment or other personal property free and clear of Liens) shall be the responsibility of Seller. To the extent that any of the foregoing prorations and adjustments cannot be determined as of the Closing Date, Buyer and Seller shall conduct a final accounting and make any further payments, as required on a date mutually agreed upon, within ninety (90) days after the Closing.

(b) With respect to trade, barter or similar agreements for the sale of time for goods or services ("Barter Agreements") assumed by Buyer pursuant to Section 1.1(e), if any, if there exists on the date of assumption an aggregate negative barter balance (i.e., the amount by which the value of air time (based upon the Stations' then prevailing rates) to be provided exceeds the fair market value of goods or services to be received therefor), then, to the extent such excess is greater than \$50,000 in the aggregate for all Stations, it will be treated as prepaid time sales and adjusted for as a proration in Buyer's favor. If, however, there exists on such date an aggregate positive barter balance (i.e., the amount by which the value of air time (based upon the Stations' then prevailing rates) to be provided is less than the fair market value of goods or services to be received therefor) with respect to Barter Agreements assumed by Buyer, there shall be no proration in Seller's favor.

(c) Anything herein to the contrary notwithstanding, all sales commissions with respect to amounts collected by Seller with respect to the stations on or prior to the Adjustment Date shall be the responsibility of Seller and all sales commissions with respect to amounts collected by Buyer after the Adjustment Date shall be the responsibility of Buyer.

1.8 Closing. The consummation of the sale and purchase of the Station

Assets provided for in this Agreement (the "Closing") shall take place at a date and time mutually agreed upon by Buyer and Seller after the date of the FCC Consent pursuant to the FCC's initial order, but in no event later than the earlier of (a) nine months after the date the FCC gives public notice of the filing of the FCC Application (defined below) (the "Final Closing Date"), (b) ten business days after the date the FCC Consent becomes Final, or (c) at Buyer's election, upon ten days notice after the date the FCC Consent is granted by initial order, in any case subject to the satisfaction or waiver of the last of the conditions required to be satisfied or waived pursuant to Articles 6 or 7 below (other than those requiring a delivery of a certificate

or other document, or the taking of other action, at the Closing). Alternatively, the Closing may take place at such other place, time or date as the parties may mutually agree upon in writing. The date on which the Closing is to occur is referred to herein as the "Closing Date."

1.9 FCC Application.

(a) As soon as possible (but in no event later than ten business days after the date of this Agreement) Seller and Buyer shall file an application with the FCC (the "FCC Application") requesting the FCC's written consent to the assignment of the FCC Authorizations from Seller to Buyer or, at Buyer's option, to Buyer's wholly-owned subsidiary Radio One Licenses, Inc., pursuant to this Agreement. Seller and Buyer shall diligently take all steps that are necessary, proper or desirable to expedite the prosecution of the FCC Application to a favorable conclusion. Each party shall promptly provide the other with a copy of any pleading, order or other document served on it relating to the FCC Application, shall furnish all information required by the FCC, and shall be represented at all meetings or hearings scheduled to consider the FCC Application.

(b) The FCC's written consent to the FCC Application is referred to herein as the "FCC Consent." For purposes of this Agreement, the term "Final" shall mean that action shall have been taken by the FCC (including action duly taken by the FCC's staff, pursuant to delegated authority) which shall not have been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely request for stay, petition for rehearing, appeal or certiorari or sua sponte action of the FCC with comparable effect shall be

pending; and as to which the time for filing any such request, petition, appeal, certiorari or for the taking of any such sua sponte action by the FCC shall have

expired or otherwise terminated.

1.10 Hart-Scott-Rodino. As soon as possible (but in no event later than

ten business days after the date of this Agreement), Buyer and Seller shall prepare and file with the Federal Trade Commission and the United States Department of Justice any documents that may be necessary to comply with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") (including a request for early termination of the waiting period thereunder) and shall thereafter promptly furnish all materials thereafter requested by such agencies.

1.11 Characterization of Transactions for Tax Purposes. The transactions

contemplated hereby will be reported for tax purposes as (i) a sale of assets, in the case of the acquisition of assets from IBL, and as (ii) a reorganization described in Section 368(a)(1)(C) of the Internal Revenue Code of 1986, as amended, in the case of the acquisition of assets from Shirk.

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF SELLER

To induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereby, Seller represents and warrants to Buyer as follows:

2.1 Organization. Seller is duly organized and validly existing under the

laws of the jurisdiction of its organization (as first set forth above). Seller has the requisite power and authority to own and operate the Stations, to carry on the Stations' business as now conducted by it, and to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered Seller pursuant hereto (collectively, the "Seller Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2 Authority. The execution, delivery and performance of this Agreement

and the Seller Ancillary Agreements by Seller have been duly authorized and approved by all necessary action of Seller and do not require any further authorization or consent of Seller. This Agreement is, and each Seller Ancillary Agreement when executed and delivered by Seller and the other parties thereto will be, a legal, valid and binding agreement of Seller enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Except as set forth in Schedule 2.3, neither the

execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements or the consummation by Seller of any of the transactions contemplated hereby or thereby nor compliance by Seller with or fulfillment by Seller of the terms, conditions and provisions hereof or thereof will:

(i) conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any Lien upon any of the Station Assets under, the charter or other organizational documents of Seller, or, to the knowledge of Seller, any contract, lease, agreement or instrument, or any governmental license, permit or authorization, or any judgment, order, award or decree to which Seller is a party or any of the Station Assets is subject or by which Seller is bound, or any statute, other law or regulatory provision affecting Seller or the Station Assets; or

(ii) require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for such of the foregoing as are necessary pursuant to the HSR Act and the Communications Act (defined below).

2.4 Financial Statements.

(a) Seller has furnished Buyer with audited financial statements used by Seller in the preparation of its federal and state tax returns and copies of its filed federal and state tax returns for fiscal years 1996, 1997 and 1998 as well as unaudited monthly financial statements for the period from January 1, 1999 through December 31, 1999. Pursuant to Section 4.2, Seller will, each month, furnish to Buyer unaudited monthly financial statements for the preceding calendar month as well as financial statements for the year to date period. In addition, Seller will deliver financial statements for the comparable month and year to date period for the previous calendar year. So, for example, on January 30, Seller would deliver financial statements for the following periods: (i) December, 1999; (ii) January 1, 1999 through December 31, 1999; (iii) December, 1998; and (iv) January 1, 1998 through December 31, 1998. The financial statements described in the preceding sentences and in Section 4.2 shall be collectively referred to as "Financial Statements". Except in the case of interim and monthly financial statements for normal year end adjustments, the Financial Statements: (x) 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; (y) fairly present Seller's financial position, income, expenses, assets, liabilities, and the results of operations of the Stations as of the dates and for the periods indicated; and (z) properly and fairly disclose and allocate all transactions by or between Seller and any affiliate. There has been no material adverse change in the business, assets, properties or condition (financial or otherwise) of the Stations since the preparation of the most recent annual or monthly Financial Statement. To the knowledge of Seller, no event has occurred that would make any Financial Statement misleading in any material respect.

(b) To the knowledge of Seller, except as reflected in the balance sheets included in the Financial Statements dated December 31, 1999, 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 this most recent balance sheet, there exist no liabilities or obligations of Seller, contingent or absolute, matured or unmatured, known or unknown. Since the December 31, 1999 balance sheet: (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; (v) except as set forth in Schedule 2.4(b), Seller has not increased the salaries or any other compensation of any of its employees or agreed to the payment of any substantial bonuses except in the ordinary course of business consistent with past practices; and (vi) Seller has not entered into any contract, agreement or transaction with any affiliate. The monthly balance sheets: (x) have been prepared on a consistent basis throughout the periods involved and as compared with prior periods; and (y) fairly present Seller's financial position, income,

expenses, assets, liabilities, 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.

2.5 Taxes. Seller has, in respect of the Stations' business, filed all

foreign, federal, state, county and local income, excise, property, sales, use, franchise and other tax returns and reports which are required to have been filed by it under applicable law and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments which have become payable. To the knowledge of Seller, all monies required to be withheld by Seller from employees of the Stations for income taxes, social security and other payroll taxes have been collected or withheld, and paid to the appropriate governmental authorities.

2.6 Station Assets. The Station Assets constitute all the assets used or

held for use in the business or operation of the Stations. Except as set forth in Schedule 2.6, Seller has good and marketable title to the Station Assets,

free and clear of Liens, except for Permitted Encumbrances. Upon delivery to Buyer at Closing of the documents contemplated by Section 8.1(a), Seller will thereby transfer to Buyer good and marketable title to the Station Assets, free and clear of Liens, except for Permitted Encumbrances.

2.7 FCC Authorizations.

(a) Seller is the holder of the FCC Authorizations listed and described on Schedule 1.1(a). Such FCC Authorizations constitute all of the

licenses and authorizations required under the Communications Act of 1934, as amended (the "Communications Act"), or the rules, regulations and policies of the FCC for, and used in the operation of, the Stations. The FCC Authorizations are in full force and effect and have not been revoked, suspended, canceled, rescinded or terminated and have not expired. Except as set forth in Schedule

2.7(a), there is not pending or, to the knowledge of Seller, threatened any

action by or before the FCC to revoke, suspend, cancel, rescind or modify any of the FCC Authorizations (other than proceedings to amend FCC rules of general applicability), and there is not now issued or outstanding or pending or, to the knowledge of Seller, threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability, or notice of forfeiture or complaint against Seller or the Stations. The Stations are operating in material compliance with the FCC Authorizations, the Communications Act, and the rules, regulations and policies of the FCC.

(b) All reports and filings required to be filed with, and all regulatory fees required to be paid to, the FCC by Seller with respect to the Stations have been timely filed and paid. All such reports and filings are accurate and complete in all material respects. Seller maintains public files for the Stations as required by FCC rules. With respect to FCC licenses, permits and authorizations, Seller is operating only those facilities for which an appropriate FCC Authorization has been obtained and is in effect, and Seller is meeting the conditions of each such FCC Authorization in all material respects.

(c) Seller is aware of no facts indicating that Seller is not in material compliance with all requirements of the FCC, the Communications Act, or any other applicable federal, state and local statutes, regulations and ordinances. To Seller's knowledge, there are no facts, and Seller has received no notice or communication, formal or informal, indicating that the FCC is considering revoking, suspending, canceling, rescinding or terminating any FCC Authorization.

(d) Except as set forth in Schedule 2.7(d), the operation of the Stations does not cause or result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels with Respect to Human Exposure to Radio Frequency Electromagnetic Fields 3 kHz to 300 GHz" (ANSI/IEEE C95.1-1992) issued by the American National Standards Institute, adopted by the FCC effective October 15, 1997, and described in OET Bulletin No. 65. Renewal of the FCC Authorizations would not constitute a "major action" within the meaning of Section 1.1301, et seq., of the FCC's rules.

(e) Seller has no cable carriage agreements for Station W53AV/W65DW with cable systems. To the extent must carry rights are available to Station W53AV/W65DW, Seller has made valid must carry elections or has valid retransmission consent agreements with each cable system located in the market in which such Station operates (and all such elections, agreements and systems are listed on Schedule 2.7(e)), and complete and correct copies of such elections and agreements have been provided to Buyer.

(f) Seller has timely made all filings necessary to obtain, protect and preserve the rights of Station W53AV/W65DW arising out of the FCC's transition to digital television ("DTV"), including without limitation any filings necessary for Station W53AV/W65DW to obtain a Class A television license. Except as listed on Schedule 2.7(f), Station W53AV/W65DW is not adversely affected by other DTV facilities, and Seller has not filed at the FCC a displacement application.

(g) Each communications tower structure used in the operation of the Stations (whether owned or leased) has been registered under the rules and regulations of the FCC, and the Federal Aviation Administration has issued a determination of no hazard to air navigation with respect to each such tower for which such a determination is required.

2.8 Real Property. Schedule 1.1(c) contains a description of all real property used, held for use, or anticipated to be used or held for use, in the business or operation of the Stations. Seller has, or has the right to acquire, good and marketable fee simple title to all owned Real Property ("Owned Real Property"), including all real property described on Schedule 1.1(c) as owned, and including all buildings and other improvements thereon. Schedule 1.1(c) lists each lease or similar agreement under which Seller is lessee or licensee of, or holds, uses or operates, or anticipates that it will hold, use or operate, any real property in the business or operation of the Stations (the "Real Property Leases"). The Owned Real Property includes, and the Real Property Leases provide, sufficient access to the Stations' facilities without the need to obtain any other access rights. Neither the whole nor any part of

any Real Property is subject to any pending or, to the knowledge of Seller, threatened suit for condemnation or other taking by any public authority. All buildings and other improvements included in the Real Property are in good operating condition and repair (ordinary wear and tear excepted), and free from material defect or damage, and, to Seller's knowledge, comply with applicable zoning, health and safety laws and codes. Seller has delivered to Buyer copies of all title insurance policies, if any, in its possession that are applicable to the Real Property. Schedule 1.1(c) contains a description of all Real

Property anticipated to be used in connection with the Improvement Application and the WYJZ CP (each defined below), together with a summary of Seller's rights in and to such Real Property.

2.9 Personal Property. Schedule 1.1(b) contains a list of all machinery, -----
equipment, vehicles, furniture and other tangible personal property owned by Seller and used or held for use in the business or operation of the Stations. Each material item of Tangible Personal Property is in good operating condition and repair (ordinary wear and tear excepted), is free from material defect or damage, is functioning in the manner and purposes for which it was intended, and has been maintained in accordance with industry standards.

2.10 Contracts. Each of the Station Contracts (including without -----
limitation each of the Real Property Leases) constitutes a valid and binding obligation of Seller and, to the knowledge of Seller, the other parties thereto (subject to bankruptcy, insolvency, reorganization or other similar laws relating to or affecting the enforcement of creditors' rights generally) and is in full force and effect and (except as set forth in Schedule 2.3 and except for -----
those Station Contracts which by their terms will expire prior to the Closing Date or will be otherwise terminated prior to the Closing Date in accordance with the provisions hereof) may be transferred to the Buyer pursuant to this Agreement, in each case without breaching the terms thereof or resulting in the forfeiture or impairment of any rights thereunder and without the consent, approval or act of, or the making of any filing with, any other party. Seller has performed its obligations under each of the Station Contracts, and Seller is not in, or alleged to be in, breach or default under any of the Station Contracts, and, to the knowledge of Seller, no other party to any of the Station Contracts has breached or defaulted thereunder, and to the knowledge of Seller, no event has occurred and no condition or state of facts exists which, with the passage of time or the giving of notice or both, would constitute such a default or breach by Seller or, to the knowledge of Seller, by any such other party. Complete and correct copies of each of the Station Contracts, together with all amendments thereto, have been delivered to Buyer by Seller. Except as set forth in Schedule 2.10, none of the Station Contracts (including without limitation

the Real Property Leases and Time Sales Agreements) is between Seller and an affiliate. Any Real Property Leases for which renewal rights, options or elections exist have been duly and validly renewed as set forth in such leases and are currently in effect for the renewal terms set forth therein, and no notice of termination or non-renewal has been received with respect to such leases.

2.11 Intangible Property. To the knowledge of Seller, Seller has all -----
right, title and interest in and to all Intangible Property necessary to the conduct of the business and operations of the Stations as presently operated.

Schedule 1.1(f) contains a description of all material Intangible Property.

Seller has received no notice of any claim that any Intangible

Property or the use thereof conflicts with, or infringes upon, any rights of any third party (and there is no basis for any such claim of conflict). The Stations have the sole and exclusive right, or a license, to use the Intangible Property. To the knowledge of the Seller, no service provided by the Stations or any programming or other material used, broadcast or disseminated by the Stations infringes upon any copyright, patent or trademark of any other party.

2.12 Employees. Schedule 2.12 contains a list of all Stations' employees

and their position and rate of compensation, and a list of all Seller's employee benefit plans. Seller has delivered to Buyer copies of all Seller's handbooks, policies and procedures relating to Stations' employees, if any. Seller has received no notice that it is not in compliance with, and Seller has to its knowledge complied with, all labor and employment laws, rules and regulations applicable to the Stations' business, including without limitation those which relate to prices, wages, hours, discrimination in employment and collective bargaining. Seller is not liable for any arrears of wages or any taxes or penalties for failure to comply with any of the foregoing. There is no (i) unfair labor practice charge or complaint against Seller in respect of the Stations' business pending or to the knowledge of Seller, threatened before the National Labor Relations Board, any state labor relations board or any court or tribunal, or (ii) strike, dispute, request for representation, slowdown or stoppage pending, or to the knowledge of Seller, threatened in respect of the Stations' business. Buyer shall have the right, but not the obligation, to offer employment to any of the Stations' employees concurrent with Closing.

2.13 Compliance with Law. To the knowledge of Seller, Seller has complied

with all laws, regulations, rules, writs, injunctions, ordinances, franchises, decrees or orders of any court or of any foreign, federal, state, municipal or other governmental authority which are applicable to the Station Assets, the Stations or the Stations' business. There is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against Seller in respect of the Station Assets, the Stations or the Stations' business. To the knowledge of Seller, there are no claims or investigations pending or threatened against Seller in respect of the Station Assets, the Stations or the Stations' business. There is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against Seller which questions the legality or propriety of the transactions contemplated by this Agreement.

2.14 Insurance. Seller maintains insurance policies relating to the

Stations bearing the policy numbers, for the terms, with the companies, in the amounts, providing the general coverage set forth on Schedule 2.14 hereto. All

of such policies are in full force and effect and Seller is not in default thereunder. Seller has not received notice from any issuer of any such policies of its intention to cancel, terminate or refuse to renew any policy issued by it.

2.15 Environmental. Seller has not and, to the knowledge of Seller, no

other party has, generated, stored, transported or released (each a "Release") on, in, from or to the assets or properties of the Stations any hazardous or toxic substance or waste (including without limitation petroleum products) or other material regulated under any applicable environmental, health or safety law (each a "Contaminant"). Neither the Stations nor any of the Station Assets is subject to any order from or agreement with any governmental authority or private party respecting (i) any environmental, health or safety law, (ii) any environmental clean-up,

removal, prevention or other remedial action or (iii) any obligation or liability arising from the Release of a Contaminant. Neither the Stations nor any of the assets or properties of the Stations includes any underground storage tanks or surface impoundments or any polychlorinated biphenyls. To the knowledge of Seller, neither the Stations nor any of the assets or properties of the Stations includes any asbestos containing material. Seller has not received in respect of the Stations or any assets or properties of the Stations any notice or claim to the effect that it is or may be liable as a result of the Release of a Contaminant. To the knowledge of Seller, neither the Stations nor any of their assets or properties are the subject of any investigation by any governmental authority with respect to a Release of a Contaminant. Seller has delivered to Buyer copies of all environmental surveys, analyses and assessments in its possession relating to any of the Real Property, if any.

2.16 No Finder. No broker, finder or other person is entitled to a ----- commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Seller or any party acting on Seller's behalf.

2.17 Year 2000 Compliance. To the knowledge of Seller, all of the Station ----- Assets (including all systems, machinery, information technology, computer software and hardware, and other data sensitive technology) are operating without error or interruption related to date data (meaning data or input that includes an indication of or reference to a date) and without other problems commonly referred to as "year 2000 problems."

2.18 Disclosure. With respect to Seller, the Stations and the Station ----- Assets, to the knowledge of Seller, this Agreement and the Seller Ancillary Agreements do not and will not contain any untrue statement of material fact or omit to state a material fact required to made in order to make the statements herein and therein not misleading in light of the circumstances in which they are made.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF BUYER -----

To induce Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer represents and warrants to Seller as follows:

3.1 Organization. Buyer is duly organized, validly existing and in good ----- standing under the laws of the jurisdiction of its organization (first set forth above). Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer (collectively, the "Buyer Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2 Authority.

(a) The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) Upon issuance of the Stock Consideration at Closing, the shares comprising the Stock Consideration will be duly authorized, validly issued and fully paid and non-assessable.

3.3 No Conflicts. Neither the execution and delivery by Buyer of this

Agreement and the Buyer Ancillary Agreements or the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will: (i) conflict with the charter or other organizational documents of Buyer or any law, regulation, judgment, order or decree to which Buyer is subject; (ii) require the approval, consent, authorization or act of, or the making by Buyer of any declaration, filing or registration with, any third party or any foreign, federal, state or local court, governmental or regulatory authority or body, except for such of the foregoing as are necessary pursuant to the HSR Act and the Communications Act; or (iii) cause a breach or default under any agreement of Buyer that would have a material adverse affect on Buyer's ability to consummate this Agreement.

3.4 No Finder. No broker, finder or other person is entitled to a

commission, brokerage fee or other similar payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement or action of Buyer or any party acting on Buyer's behalf, except Media Services Group, whose fee shall be paid by Buyer.

3.5 Qualification. Buyer is qualified under the Communications Act and

the rules, regulations and policies of the FCC, including those with respect to multiple ownership/duopoly, to hold the FCC Authorizations and to own and operate the Stations. To the knowledge of Buyer, there are no facts which would disqualify Buyer as an assignee of the FCC Authorizations or as the owner and operator of the Station Assets. No waiver of any FCC rule or policy in effect as of the date hereof is required for the grant of the application for the assignment of the FCC authorizations to Buyer.

3.6 Availability of Funds. Buyer has available as of the date hereof

sufficient funds to enable it to pay the Deposit as called for herein and it will have available on the Closing Date sufficient funds to enable it to consummate the transactions contemplated herein.

3.7 Litigation. There is no claim, litigation, proceeding or

investigation pending or, to the knowledge of Buyer, threatened, that could reasonably be expected to materially adversely affect Buyer's ability to perform its obligations pursuant to this Agreement.

ARTICLE 4: COVENANTS OF SELLER

Seller covenants and agrees that from the date hereof until the completion of the Closing:

4.1 Operation of the Business.

(a) Seller shall: (i) continue to carry on the business of the Stations and keep their books and accounts, records and files in the usual and ordinary manner in which the business has been conducted in the past; (ii) operate the Stations in accordance with the terms of the FCC Authorizations and in material compliance with the Communications Act, FCC rules, regulations and policies, and all other applicable laws, rules and regulations, and maintain the FCC Authorizations in full force and effect and timely file and prosecute any necessary applications for renewal of the FCC Authorizations; (iii) use commercially reasonable efforts to (1) preserve the business organization of the Stations intact, (2) retain substantially as at present the Stations' employees, consultants and agents, and (3) preserve the goodwill of the Stations' suppliers, advertisers, customers and others having business relations with it; (iv) keep all Tangible Personal Property and Real Property in good operating condition (ordinary wear and tear excepted) and repair and maintain adequate and usual supplies of inventory, office supplies, spare parts and other materials as have been customarily maintained in the past; (v) preserve intact the Station Assets and maintain in effect its current insurance policies with respect to the Stations and the Station Assets; and (vi) collect the Stations' accounts receivable only in the ordinary course of business consistent with past practice. Nothing contained in this Agreement shall give Buyer any right to control the programming, operations or any other matter relating to the Stations prior to the Closing, and Seller shall have complete control of the programming, operations and all other matters relating to the Station up to the Closing.

(b) Notwithstanding Section 4.1(a), Seller shall not, without the prior written consent of Buyer: (i) sell, lease, transfer, or agree to sell, lease or transfer, any Station Assets, except for non-material sales or leases in the ordinary course of business of items which are being replaced by assets of comparable or superior kind, condition and value; (ii) grant any raises to employees of the Stations or pay any substantial bonuses, except in the ordinary course of business and consistent with past practices, or enter into any contract of employment with any employee or employees of the Stations; (iii) amend or terminate any existing time sales contracts with respect to the Stations except in the ordinary course of business; (iv) amend, terminate or, by any act or omission, breach or default on any of the Station Contracts, or enter into any contract, lease or agreement with respect to the Stations except those entered into in the ordinary course of business and with parties other than affiliates of Seller which have an obligation of no more than \$5,000 individually and \$50,000 in the aggregate; (v) by any act or omission cause any representation or warranty set forth in

Article 2 to become untrue or inaccurate; or (vi) settle, discount or otherwise reduce the amount receivable in respect of any of the Stations' accounts receivable, except in the ordinary course of business and consistent with past practice.

(c) Without limiting the foregoing:

(i) Seller shall continue to diligently prosecute, and at the Closing shall assign to the Buyer its rights to prosecute, its pending FCC application to improve the facilities of radio station WBKS(FM) (FCC File No. BPH-980904IE) (the "Improvement Application"), and shall take no action to dismiss, and shall vigorously oppose the dismissal of, such application.

(ii) for all FCC applications with respect to the Stations, including the Improvement Application, Seller shall timely respond to all FCC inquiries, timely provide Buyer copies of all documents prepared or received by it that relate thereto, otherwise keep Buyer informed of the status thereof, and consult with Buyer in advance regarding Seller's actions in connection therewith.

(iii) Seller shall timely make all filings necessary to preserve the rights of Station W53AV/W65DW arising out of the FCC's transition to DTV, including without limitation any filings necessary for Station W53AV/W65DW to obtain a Class A television license. If Station W53AV/W65DW will be adversely affected by other DTV facilities, prior to Closing Seller shall file and prosecute at the FCC a displacement application requesting a new channel at maximum allowable power.

(iv) Seller shall cooperate with Buyer with respect to each of the foregoing matters in this Section 4.1(c), provide Buyer with copies of all material items of correspondence relating thereto, and provide Buyer with copies of all documents, reports, analyses or other items relating thereto requested by Buyer.

4.2 Reports. Seller shall furnish to Buyer by the 30th day after the end

of each calendar month for such calendar month: (a) monthly Financial Statements for Seller, and (b) such other reports as Buyer may reasonably request relating to Seller (except that the Financial Statements for January, 2000 shall be furnished to Buyer by March 17, 2000). Except for normal year end adjustments, each of the Financial Statements delivered pursuant to this Section shall have been prepared in accordance with generally accepted accounting principles consistently applied during the periods covered (except as disclosed therein).

4.3 Access. Between the date hereof and the Closing Date, Seller shall

give Buyer and the officers, employees, accountants, counsel, agents, consultants and representatives of Buyer reasonable access to all Station Assets, employees of Seller and the Stations, accounts, books, records, deeds, title papers, insurance policies, licenses, agreements, contracts, commitments, records and files of every character, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable of Seller relating to the Stations, and any other information concerning the affairs of the Stations as Buyer may reasonably request. It is

expressly understood that, pursuant to this Section, Buyer, at its expense, shall be entitled to conduct such inspections and reviews of the Stations, the Station Assets, and financial records relating to the Stations 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. Immediately after the date hereof, Seller shall also cooperate, and shall cause its accountants to cooperate, with Buyer to conduct an audit by Buyer's independent accountants at Buyer's expense of the Financial Statements for the Stations for the years 1996, 1997, 1998 and 1999, and Buyer may disclose such financial statements provided or created hereunder in reports filed by Buyer with any governmental or regulatory authority, including the Securities and Exchange Commission. Buyer shall provide copies of any such financial statements in advance of disclosure and, in the event Seller shall reasonably object to the contents of such disclosure of its financial statements, Seller and Buyer shall negotiate in good faith to attempt to agree on the form of such disclosure, provided that Buyer shall in all events have the right to proceed with such disclosure in the event an agreement is not reached. Seller acknowledges that in responding and negotiating as set forth in the previous sentence, time is of the essence.

4.4 Consents. Seller shall use commercially reasonable efforts to obtain

all of the consents noted on Schedule 2.3 hereto. If Seller does not obtain a

consent required to assign a Station Contract hereunder, Buyer shall not be required to assume such Station Contract. Marked with an asterisk on Schedule

2.3 are those consents the receipt of which is a condition precedent to Buyer's

obligation to close under this Agreement (the "Required Consents"). Seller shall obtain the Required Consents prior to Closing.

4.5 Estoppel Certificates; Title Insurance; Liens. Seller, at Seller's

expense, will obtain and deliver to Buyer: (i) written estoppel certificates (the "Estoppel Certificates") duly executed by the lessors under the Real Property Leases, in form and substance satisfactory to Buyer; (ii) commitments from a title company acceptable to Buyer to issue to Buyer at standard rates ALTA extended coverage owner's and leasehold title insurance policies with respect to the owned Real Property and with respect to those parcels of leased Real Property marked with a dagger (+) on Schedule 1.1(c) with no exceptions

other than the Liens listed on Schedule 2.6 (all of which shall be discharged and released by Seller at or before Closing) and Permitted Encumbrances (the "Title Commitments"); and (iii) an ALTA survey of each parcel of Owned Real Property satisfactory to cause the removal of any standard exceptions or conditions to the Title Commitments (the "Surveys"). The Estoppel Certificates and Surveys shall be dated within fifteen days prior to Closing. The Title Commitments shall be delivered within thirty days of the date of this Agreement and shall be updated within fifteen days prior to Closing.

4.6 Environmental. Following the execution of this Agreement, at Buyer's

expense, Buyer may engage engineering or environmental assessment firms to perform one or more Phase I, Phase II or other environmental assessments for any or all of the Real Property (collectively, the "Environmental Assessments"). Seller shall cooperate, and shall use reasonable efforts to ensure that any lessor or other person in control of any of the Real

Property shall also cooperate, with Buyer and such firms in performing the Environmental Assessments. The Environmental Assessments shall initially be ordered promptly, but not later than thirty (30) days after the date hereof, it being understood that, so long as the initial Environmental Assessment for a piece of property has been ordered within such time, any follow-up Environmental Assessments need not be ordered within such time. Receipt of the Environmental Assessments shall not relieve Seller of any obligation with respect to any representation, warranty or covenant of Seller herein or waive any condition to Buyer's obligations herein. If any Environmental Assessment, including any follow-up Environmental Assessment, reveals the existence of Environmental Noncompliance (defined as any condition that renders Section 2.15 hereof untrue, misleading or inaccurate in any material respect) that can be remedied by the expenditure of One Million Dollars or less, Seller shall remedy the Environmental Noncompliance at its expense prior to the Closing and the Closing will otherwise take place in the manner and at the time provided for herein. In the event that the cost of remedying the Environmental Noncompliance will exceed One Million Dollars, Buyer may elect to: (a) proceed with the Closing with a Purchase Price reduction in the amount of One Million Dollars, any additional cost of remedying the Environmental Noncompliance to be contributed by Buyer, and Seller shall have no further liability or obligation to Buyer with respect thereto, or (b) terminate this Agreement. Nothing in this Section or otherwise in this Agreement shall be construed as creating any third-party beneficiaries or any other rights in parties other than the parties hereto.

ARTICLE 5: COVENANTS OF BUYER AND SELLER

Buyer and Seller covenant and agree that from the date hereof until the completion of the Closing:

5.1 Representations and Warranties. Each party shall give the other

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

5.2 Notice of Proceedings. Each party shall promptly notify the other in

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

5.3 WYJZ Tower Construction. Seller shall proceed diligently with

construction of the tower site identified in the Construction Permit issued with respect to WYJZ-FM (FCC File No. BPH-981113IH) (the "WYJZ CP") consistent with the budget provided by Seller to Buyer. The cost of such construction shall be shared equally by Buyer and Seller, provided that Buyer's obligation shall not exceed \$75,000 without its prior written consent.

ARTICLE 6: CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

6.1 Representations, Warranties and Covenants. Each of the

representations and warranties of Buyer contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects, except to the extent changes are permitted or contemplated pursuant to this Agreement. Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Buyer shall have furnished Seller with a certificate, dated the Closing Date and duly executed by an officer of Buyer authorized on behalf of Buyer to give such a certificate, to the effect that the conditions set forth in this Section 6.1 have been satisfied.

6.2 Proceedings. Neither Seller nor Buyer shall be subject to any

restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby. In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Seller pursuant to this Section 6.2 prior to the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be abandoned after the Final Closing Date if such restraining order or injunction remains in effect.

6.3 FCC Consent. The FCC Consent shall have been granted by the FCC by

initial order.

6.4 Hart-Scott-Rodino. If applicable, the waiting period under the HSR

Act shall have expired or been terminated.

6.5 Deliveries. Buyer shall have complied with its obligations set forth

in Section 8.2.

ARTICLE 7: CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer under this Agreement are, at its option, subject to the fulfillment of the following conditions prior to or on the Closing Date:

7.1 Representations, Warranties and Covenants. Each of the

representations and warranties of Seller contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement. Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Seller shall have furnished Buyer with a certificate, dated the Closing Date and duly executed by an officer of Seller authorized on behalf of Seller to give such a certificate, to the effect that the conditions set forth in this Section 7.1 have been satisfied.

7.2 Proceedings. Neither Seller nor Buyer shall be subject to any

restraining order

or injunction restraining or prohibiting the consummation of the transactions contemplated hereby. In the event such a restraining order or injunction is in effect, this Agreement may not be abandoned by Buyer pursuant to this Section 7.2 prior to the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be abandoned after such date if such restraining order or injunction remains in effect.

7.3 FCC Consent. The FCC Consent shall have been granted by the FCC by

Final order, without any conditions materially adverse to Buyer.

7.4 Hart-Scott-Rodino. If applicable, the waiting period under the HSR

Act shall have expired or been terminated.

7.5 Deliveries. Seller shall have complied with its obligations set forth

in Section 8.1.

7.6 Required Consents. Seller shall have obtained all of the Required

Consents.

7.7 Material Adverse Change. No Station nor any material portion of the

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

7.8 Cash Flow Amount. The Cash Flow Amount determined pursuant to Section

1.4(e) shall be at least \$1,700,000 and the Buyer Audit, if any, shall have been completed.

ARTICLE 8: ITEMS TO BE DELIVERED AT THE CLOSING

8.1 Deliveries by Seller. At the Closing, Seller shall deliver to Buyer

duly executed by Seller or such other signatory as may be required by the nature of the document:

(a) bills of sale, certificates of title, endorsements, assignments, general warranty deeds and other good and reasonably sufficient instruments of sale, conveyance, transfer and assignment, in form and substance reasonably satisfactory to Buyer, sufficient to sell, convey, transfer and assign the Station Assets to Buyer free and clear of Liens (other than Permitted Encumbrances) and to quiet Buyer's title thereto;

(b) the Required Consents and any other consents obtained by Seller under Section 4.4;

(c) certified copies of Seller's articles of incorporation, bylaws and resolutions authorizing the execution, delivery and performance by Seller of this Agreement, which shall be in full force and effect;

(d) the certificate referred to in Section 7.1;

(e) the Estoppel Certificates, Title Commitments and Surveys;

(f) the Subscription in the form of Exhibit B hereto; and

(g) a tower site lease in form and substance reasonably satisfactory to Buyer for the antenna, STL and related transmission equipment at the tower site identified in the Construction Permit issued with respect to Station W53AV/W65DW (FCC File No. BPTTL-19981014JB).

8.2 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller:

(a) the Purchase Price, which shall be paid in the manner specified in Section 1.4;

(b) an instrument or instruments of assumption of the Assumed Obligations in form and substance reasonably satisfactory to Buyer;

(c) certified copies of Buyer's articles of incorporation, bylaws and resolutions authorizing the execution, delivery and performance by Buyer of this Agreement, including without limitation, the due authorization and issuance of the Stock Consideration, which shall be in full force and effect at the time of the Closing;

(d) the certificate referred to in Section 6.1; and

(e) the Registration Rights Agreement in the form of Exhibit C hereto.

ARTICLE 9: SURVIVAL; INDEMNIFICATION

9.1 Survival. All representations, warranties, covenants and agreements

contained in this Agreement, or in any certificate, agreement, or other document or instrument, delivered pursuant hereto, shall survive (and not be affected in any respect by) the Closing, any investigation conducted by any party hereto and any information which any party may receive, for a period of twelve (12) months from the Closing Date and neither party shall have the right to assert a claim against the other with respect thereto after the expiration of such twelve month period, provided that: (a) any claim for which written notice has been given during such twelve month period shall survive until resolved, (b) the following provisions, and any indemnification obligations relating thereto, shall survive until the expiration of the applicable statute of limitations: Sections 1.3 (Assumed Obligations and Retained Liabilities), 1.6 (Allocation), 1.7 (Adjustments), 2.1 (Organization), 2.2 (Authority), 2.4 (Financial Statements), 2.8 (Real Property, but only with respect to Seller's title to owned Real Property and rights in leased Real Property), 3.1 (Organization), 3.2 (Authority), 10.3 (Expenses), and any obligation or liability arising from the post-Closing operation of the Stations by Buyer (collectively, the "Fundamental Provisions"), and (c) the Guaranty shall survive as provided in Section 11.9 hereof.

9.2 Indemnification.

(a) From and after Closing, Seller (an "Indemnifying Party") hereby agrees to indemnify and hold harmless Buyer, the shareholders, directors, officers and employees of Buyer and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Buyer, and their respective successors and assigns (collectively, the "Buyer Indemnitees") from, against and in respect of, and to reimburse the Buyer Indemnitees for, the amount of any and all Deficiencies (as defined in Section 9.3(a)); provided that, (i) except for the Fundamental Provisions (which shall not be subject to such limitation), Seller shall have no liability to Buyer hereunder until Buyer's aggregate Deficiencies exceed \$250,000, provided that, once such amount is exceeded, all such Deficiencies shall be paid, (ii) the maximum liability of Seller to Buyer for breaches of the representations and warranties set forth in Section 2.15 shall be \$1,000,000, and (iii) the maximum aggregate liability of Seller hereunder for Deficiencies shall be \$3,000,000.

(b) From and after Closing, Buyer (an "Indemnifying Party") hereby agrees to indemnify and hold harmless Seller, the shareholders, directors, officers and employees of Seller and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with Seller, and their respective successors and assigns (collectively, the "Seller Indemnitees") from, against and in respect of, and to reimburse the Seller Indemnitees for, the amount of any and all Deficiencies (as defined in Section 9.3(b)); provided that, (i) except for the Fundamental Provisions (which shall not be subject to such limitation), Buyer shall have no liability to Seller hereunder until Seller's aggregate Deficiencies exceed \$250,000, provided that, once such amount is exceeded, all such Deficiencies shall be paid, and (ii) the maximum aggregate liability of Buyer hereunder for Deficiencies shall be \$3,000,000 (provided that such aggregate liability limitation shall be increased to \$10,000,000 for Deficiencies arising solely from a breach of Section 3.2(b) hereof).

9.3 Deficiencies.

(a) As used in this Article 9, the term "Deficiencies" when asserted by Buyer Indemnitees or arising out of a third party claim against Buyer Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Buyer Indemnitees and arising out of, based upon or resulting from: (i) any misrepresentation, breach of warranty, or any failure to comply with any covenant, obligation or agreement on the part of Seller contained in or made pursuant to this Agreement, including without limitation the Seller Ancillary Agreements; (ii) any failure by Seller to pay or perform any of the Retained Liabilities or any other liability or obligation relating to the operation of the Stations by Seller prior to Closing; or (iii) any litigation, proceeding or claim by any third party relating to the business or operation of the Stations prior to Closing. Such Deficiencies include without limitation any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined in Section 9.6 below)).

(b) As used in this Article 9, the term "Deficiencies" when asserted by Seller Indemnitees or arising out of a third party claim against Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees and arising out of, based upon or resulting from: (i) any misrepresentation, breach of warranty, or any failure to comply with any covenant, obligation or agreement on the part of Buyer contained in or made pursuant to this Agreement, including without limitation the Buyer Ancillary Agreements; (ii) any failure by Buyer to pay or perform any of the Assumed Obligations or any other liability or obligation relating to the operation of the Stations by Buyer after Closing; or (iii) any litigation, proceeding, or claim by any third party relating to the business or operation of the Stations after Closing. Such Deficiencies include without limitation any and all acts, suits, proceedings, demands, assessments and judgments, and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined in Section 9.6 below)).

9.4 Procedures.

(a) In the event that any claim shall be asserted by any third party against the Buyer Indemnitees or Seller Indemnitees (Buyer Indemnitees or Seller Indemnitees, as the case may be, hereinafter, the "Indemnitees"), which, if sustained, would result in a Deficiency, then the Indemnitees, as promptly as practicable after learning of such claim, shall notify the Indemnifying Party of such claim, and shall extend to the Indemnifying Party a reasonable opportunity to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection at the expense of the Indemnitees. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party, without the prior written consent of the Indemnitees, unless: (A) prior to such settlement or compromise the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses; (B) the Indemnitees are furnished with a full release from the party or parties asserting the claim; and (C) the Indemnifying Party has the ability (financial or otherwise) to pay or perform such settlement or compromise. Unless the Indemnifying Party has elected not to defend against a claim, no settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnitees without the prior written consent of the Indemnifying Party, which shall not be unreasonably withheld, conditioned or delayed. If the Indemnifying Party has elected to defend against a claim, but the Indemnitee determines in good faith that there is a reasonable probability that such claim may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnitee may, by notice to the Indemnifying Party, assume the exclusive right to defend, compromise, or settle such claim, but the Indemnifying Party will not be bound by any determination of a claim so defended or any compromise or settlement effected without its consent, which shall not be unreasonably withheld, conditioned or delayed.

(b) In the event that the Indemnitees assert the existence of any claim for Deficiency against the Indemnifying Party, they shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. The parties agree that all such claims not disputed by the Indemnifying Party shall be paid in cash by the Indemnifying Party within thirty (30) days after receiving notice of the claim. "Disputed Claims" shall mean claims by an Indemnatee which the Indemnifying Party objects to in good faith in writing within twenty (20) days after receiving notice of the claim. At the option of the Indemnitees, the Indemnitees may offset any established Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation the Indemnitees, or any of them, may have to the Indemnifying Party.

(c) In the event there is a Disputed Claim, the parties shall attempt for a period of at least 20 days to negotiate in good faith a resolution of such Disputed Claim, including at least one meeting in person among an executive officer of Buyer and each Seller. In connection with resolution of such Disputed Claim, each party shall provide to the other such information, documents, records, engineering, schematics, compilations, analyses and reports relating to the Disputed Claim as shall be reasonably requested.

9.5 Legal Expenses. As used in this Article 9, the term "Legal Expenses"

shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

ARTICLE 10: MISCELLANEOUS

10.1 Termination. This Agreement may be terminated at any time prior to

Closing: (a) by the mutual consent of Seller and Buyer; (b) by any party hereto if the FCC has denied the approvals contemplated by this Agreement in an order which has become Final; (c) by Buyer as provided in Section 1.4(e) (Audit) or Section 4.6 (Environmental) or Section 10.6 (Broadcast Transmission Interruption); (d) by Buyer as provided in Section 10.7 (Risk of Loss); (e) by Buyer or Seller if the Closing has not taken place by the Final Closing Date; (f) by Buyer, if on the Closing Date Seller has failed to satisfy any of the conditions set forth in Section 7.1, 7.5, 7.6, 7.7 or 7.8; (g) by Buyer if Seller has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after it receives notice from Buyer of such breach; (h) by Seller, if on the Closing Date Buyer has failed to satisfy either of the conditions set forth in Section 6.1 or 6.5; or (i) by Seller if Buyer has failed to cure a material breach of any of its representations, warranties or covenants under this Agreement within thirty (30) calendar days after it receives notice from Seller of such breach. A termination pursuant to this Section 10.1 shall not relieve any party of any liability it would otherwise have for a breach of this Agreement.

10.2 Specific Performance. In the event of a breach or threatened breach

by Seller of

any representation, warranty, covenant or agreement under this Agreement, at Buyer's election, in addition to any other remedy available to it, Buyer shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring Seller to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required. The remedies provided Buyer in this Agreement shall be cumulative and shall not preclude the assertion by Buyer of any other rights or the seeking of any other remedies against Seller.

10.3 Expenses. Each party hereto shall bear all of its expenses incurred

in connection with the transactions contemplated by this Agreement, including without limitation, accounting and legal fees incurred in connection herewith; provided, however, that: (i) Seller and Buyer shall each pay one-half of the FCC filing fees required to be paid in connection with the FCC Application; (ii) Seller shall be exclusively responsible for, and Buyer shall not have any liability or responsibility for, any sales or transfer taxes (including without limitation any real estate transfer taxes), arising from the transfer of the Station Assets to Buyer; and (iii) the HSR Act filing fee will be paid for by Buyer.

10.4 Further Assurances. From time to time prior to and after Closing,

each party hereto will execute all such instruments and take all such actions as any other party shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions contemplated by this Agreement, including without limitation the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered at Closing, and any and all actions which may reasonably be necessary to complete the transactions contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

10.5 Public Announcements. Prior to Closing, neither party shall, without

the approval of the other party hereto, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except as is customary for a public company or as and to the extent that such party shall be so obligated by law, in which case such party shall give advance notice to the other party. Notwithstanding the foregoing, the parties acknowledge that the rules and regulations of the FCC require that public notice of the transactions contemplated by this Agreement be made after the FCC Application has been filed with the FCC, and that such notice may be broadcast on the Stations without the advance consent of Buyer.

10.6 Broadcast Transmission Interruption. If before Closing the regular

broadcast transmission of any of the Stations in the normal and usual manner is interrupted for a period of eight consecutive hours or more, Seller shall give the prompt written notice thereof to Buyer. Buyer shall then have the right, by giving written notice to Seller, to postpone (and if necessary re-postpone) the Closing to a date that is fifteen (15) days after the end of any such

interruption. If regular broadcast transmission in the normal and usual manner is interrupted for a continuous period of eighteen (18) hours or more at any time prior to Closing (other than interruptions resulting from the loss of electrical power due to an act of God including, but not limited to, storms and lightning which do not exceed an aggregate of 48 hours), then (a) Seller immediately shall give written notice thereof to Buyer and (b) Buyer shall have the right, by giving written notice to Seller, to (i) terminate this Agreement, or (ii) postpone the Closing as provided above.

10.7 Risk of Loss. The risk of loss, damage or destruction to any of the

Station Assets shall be borne by Seller at all times up to 12:01 a.m. local time on the Closing Date, and it shall be the responsibility of Seller to repair or cause to be repaired and to restore the property to substantially the operational and functional condition of such property prior to any such loss, damage, or destruction. In the event of any such loss, damage, or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace, or restore any such property to its former condition, subject to the conditions stated below. In the event of any loss or damage to any of the Station Assets, Seller shall notify Buyer thereof in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable), and the insurance coverage. In the event that the property is not completely repaired, replaced or restored on or before the thirtieth day after the occurrence of the loss or damage, Buyer at its option: (a) may elect to postpone Closing (including as needed beyond the Final Closing Date and this Agreement may not be terminated by Seller pursuant to Section 10.1(e) prior to the Final Closing Date, but the Closing shall be delayed during such period) until such time as the property has been completely repaired, replaced or restored (and, if necessary, Seller shall join Buyer in requesting from the FCC any extensions of time in which to consummate the Closing that may be required in order to complete such repairs); or (b) may elect to consummate the Closing and accept the property in its then condition, in which event Seller shall pay to Buyer all proceeds of insurance and assign to Buyer the right to any unpaid proceeds; or (c) terminate this Agreement.

10.8 Cooperation. From the date of Closing and for a period of three (3)

years thereafter, Seller shall preserve its books and records not included in the Station Assets and provide Buyer with such cooperation and access thereto as Buyer shall reasonably request in connection with Buyer's: (i) analysis and review of Financial Statements or information provided or created hereunder, or (ii) preparation of any reports or analyses prepared by Buyer. Seller shall also make its accountants available (at Buyer's expense), including any opinions and financial statements relating to the Seller, to provide explanations of any documents or information provided hereunder and to permit disclosure of such information by Buyer, including disclosure to any governmental authority, including the Securities and Exchange Commission. In the event the Improvement Application has not been granted as of the Closing Date, Seller agrees to cooperate with and assist Buyer at Buyer's expense as reasonably requested in the prosecution thereof.

ARTICLE 11: GENERAL PROVISIONS

11.1 Successors and Assigns. This Agreement shall be binding upon and

inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Seller may not assign any of its rights or delegate any of its duties hereunder without the prior written consent of Buyer, and any such attempted assignment or delegation without such consent shall be void. Buyer may not assign any of its rights or delegate any of its duties hereunder in whole or in part without Seller's prior written consent and any such attempted assignment or delegation without Seller's consent will be null and void; provided, however, that Buyer may assign its rights or delegate its duties hereunder in whole or in part to any wholly owned subsidiary of Buyer, including by filing the FCC Application in the name of Radio One Licenses, Inc. as assignee of the FCC Authorizations, provided, however, that any such assignment or delegation shall not relieve Buyer of any of its liabilities or obligations hereunder.

11.2 Amendments; Waivers. The terms, covenants, representations,

warranties and conditions of this Agreement may be changed, amended, modified, waived, or terminated only by a written instrument executed by the party waiving compliance. The failure of any party at any time or times to require performance of any provision of this Agreement shall in no manner affect the right of such party at a later date to enforce the same. No waiver by any party of any condition or the breach of any provision, term, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

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

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

if to Seller: Shirk, Inc.
IBL, L.L.C.
6264 Lapas Trail
Indianapolis, IN 46268
Attn: Bill Shirk Poorman
Facsimile No.: 317-328-3870

and Mays Chemical Company, Inc.
P.O. Box 50915
Indianapolis, IN 46250-0915
Attn: William G. Mays
Facsimile No.: 317-845-8410

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

Barnes & Thornburg
1313 Merchants Bank Building
11 South Meridian Street
Indianapolis, IN 46204
Attn: Catherine L. Bridge
Facsimile No.: (317) 231-7344

Richard Hayes, Esq.
8404 Lee's Ridge Road
Warrenton, VA 20186
Facsimile: 202-478-0048

Richard Carr, Esq.
5528 Trent Street
Chevy Chase, MD 20815
Facsimile: 301-718-8407

if to Buyer: Radio One, Inc.
5900 Princess Garden Parkway, Suite 800
Lanham, MD 20706
Attn: Alfred C. Liggins, President
Facsimile No.: (301) 306-9638

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

Radio One, Inc.
5900 Princess Garden Parkway, Suite 800
Lanham, MD 20706
Attn: Linda J. Eckard, General Counsel
Facsimile No.: (301) 306-9638

and Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006
Attn: Dominic T. Bodensteiner
Facsimile No.: (202) 719-7049

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section providing for the giving of notice.

11.4 Captions. The captions of Articles and Sections of this Agreement

are for convenience only and shall not control or affect the meaning or construction of any of the

provisions of this Agreement.

11.5 Governing Law. This Agreement and all questions relating to its

validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the State of Indiana, without giving effect to principles of conflicts of laws.

11.6 Entire Agreement. This Agreement constitutes the full and entire

understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of trade inconsistent with any of the terms hereof. This Agreement has been prepared by all of the parties hereto, and no inference of ambiguity against the drafter of a document therefore applies against any party hereto.

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

counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument.

11.8 Interpretation. References herein to Seller shall be construed case

by case to mean Shirk or IBL or either or both as the context requires to enable Buyer to obtain the fullest benefit of this Agreement, and Shirk and IBL shall be jointly and severally liable for all representations, warranties, agreements, covenants and other obligations arising hereunder.

11.9 Guaranty. William G. Mays and William Shirk Poorman, both

individuals residing in the State of Indiana (collectively the "Guarantors") hereby jointly and severally guarantee to Buyer the timely payment and performance in full of Seller's post-Closing indemnification obligations under this Agreement (the "Guaranteed Obligations"); provided, however that the aggregate liability of Guarantors under this Section shall not exceed \$3,000,000, the Guaranteed Obligations shall not be subject to an additional \$250,000 minimum as in Section 9.2(a)(i), and the Guarantors' liability under this Section shall expire on the first anniversary of the Closing Date, provided that Guarantors' liability with respect to any Guaranteed Obligations for which notice has been given during such one-year period shall survive until resolved. Guarantors' obligations hereunder are primary and direct and not conditioned or contingent upon pursuit of any remedies against Seller, and shall not be limited or affected by any circumstance that might otherwise limit or affect the obligations of a surety or guarantor, all of which are waived to the fullest extent permitted by law. The Guarantors each represent and warrant that they have and will maintain sufficient personal net worth to pay and perform the Guaranteed Obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

857808

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

BUYER: RADIO ONE, INC.

By: _____
Name:
Title:

SELLER: SHIRK, INC.

By: _____
Name:
Title:

IBL, L.L.C.

By: _____
Name:
Title:

GUARANTORS (as to Section 11.9 only):

William G. Mays, an individual

William Shirk Poorman, an individual

Schedules:

- - - - -

1.1(a)	FCC Authorizations
1.1(b)	Tangible Personal Property
1.1(c)	Real Property
1.1(d)	Time Sale Contracts
1.1(e)	Station Contracts
1.1(f)	Intangible Property
1.1(j)	Prepaid Items
1.2	Excluded Assets
2.3	Consents
2.4	Financial Statements
2.6	Exceptions to Title
2.7(a),(d),(e) & (f)	FCC Matters
2.10	Station Contracts with Affiliates
2.12	Employees
2.14	Insurance Policies

Exhibits:

- - - - -

Exhibit A	Cash Flow Addbacks
Exhibit B	Subscription
Exhibit C	Registration Rights Agreement

THE SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

3-MOS	3-MOS	3-MOS	3-MOS
DEC-31-1999	MAR-31-1999	MAR-31-1999	MAR-31-2000
JAN-01-1999	JAN-01-1999	JAN-01-1999	JAN-01-2000
DEC-31-1999	MAR-31-1999	MAR-31-1999	MAR-31-2000
	6,221,000		125,588,000
256,390,000		0	274,154,000
22,262,000		0	18,512,000
(2,429,000)		0	(2,877,000)
	0	0	0
284,463,000		0	417,425,000
	22,497,000		24,583,000
6,985,000		0	7,786,000
527,536,000		0	868,304,000
10,136,000		0	12,373,000
	82,626,000		0
0		0	0
	0		0
	23,000		28,000
420,233,000		0	757,998,000
527,536,000		868,304,000	
	0	13,390,000	25,124,000
	0	(1,573,000)	(2,972,000)
	0	(1,573,000)	(2,972,000)
	0	11,817,000	19,146,000
	0	141,000	57,000
	0	3,737,000	3,582,000
	0	(3,684,000)	3,661,000
	0	251,000	1,600,000
	0	(3,935,000)	2,061,000
	0	0	0
	0	0	0
	0	0	0
	0	(3,935,000)	2,061,000
	0.00	(0.52)	0.08
	0.00	(0.52)	0.08