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FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

WESTWOOD ONE INC /DE/

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PART I

ITEM 1. BUSINESS

GENERAL

Westwood One, Inc. (the "Company" or "Westwood One") is a leading producer and distributor of nationally sponsored radio programs and believes it is the nation's second largest radio network.

The Company's principal source of revenue is selling radio time to advertisers. The Company generates revenue principally by its radio networks entering into radio station affiliation agreements to obtain audience and commercial spots and then selling the audience and spots to national advertisers. The Company is strategically positioned to provide a broad range of programming and services which both deliver audience to advertisers and news, talk, sports, and entertainment programs to radio stations.

The Company produces and distributes regularly scheduled news, talk, sports, and entertainment programs through its various operating radio networks: Mutual Broadcasting System, NBC Radio Networks (National Radio Network, The Source and Talknet) and Westwood One Radio. The Company's programs encompass exclusive live concerts, music and interview shows, national music countdowns, lifestyle short features, live talk shows, and sports events (principally covering the NFL, Notre Dame football and other college football and basketball games). The Company also produces and distributes special event programs, including exclusive satellite simulcasts with HBO and other cable networks. Mutual Broadcasting System, National Radio Network and Talknet are primarily adult-oriented networks, in the News, Sports, Talk and Country formats. Westwood One Radio and The Source are primarily youth-oriented networks, in the Contemporary Hit Radio ("CHR"), Album Oriented Rock ("AOR"), Country and Black formats. The Company's programs are broadcast in every radio market in the United States measured by Arbitron, the leading rating service, and are carried by Armed Forces Radio, VOA Europe and other foreign broadcast services.

Westwood One, through its networks and programming, enables national advertisers to purchase advertising time and to have their commercial messages broadcast on radio stations throughout the United States, reaching demographically defined listening audiences. The Company delivers both of the major demographic groups targeted by national advertisers: the 25 to 54-year old adult market and the 12 to 34-year-old youth market. The Company currently sells advertising time to over 300 national advertisers, including each of the 25 largest network radio advertisers. Radio stations are able to obtain quality programming from Westwood One to meet their objective of attracting larger listening audiences and increasing local advertising revenue. Westwood One, through the development of internal programming as well as through acquisitions, has developed an extensive tape library of previously aired programs, interviews, live concert performances, news and special events. The Company uses its library as a major source of new programming. The tape library enhances Westwood One's future programming and revenue generating capabilities.

INDUSTRY BACKGROUND

RADIO BROADCASTING

On January 1, 1993, there were approximately 9,750 commercial radio stations in the United States. The radio broadcast industry, however, remains highly fragmented with no broadcaster owning more than 36 radio stations. This fragmentation is due primarily to FCC limitations on multiple station ownership.

A radio station selects a style of programming ("format") to attract a target listening audience and thereby attract commercial advertising directed at that audience. There are many formats from which a station may select, including news, talk, sports and various types of music and entertainment programming. The number of formats has become further segmented over recent years. For example, what once was the Rock & Roll format has now been divided into several narrower formats, including Album Oriented Rock, Adult Contemporary Music ("AC") and Contemporary Hit Radio, each with a more demographically specific audience.

The increase in the number of program formats has intensified competition among stations for local advertising revenue. A radio station has two principal ways of effectively competing for these revenues. First, it can differentiate itself in its local market by selecting and successfully executing a format targeted at a particular audience thus enabling advertisers to place their commercial messages on stations aimed at audiences with certain demographic characteristics. Second, a station can broadcast special programming, sporting events or national news product, such as supplied by Westwood One, not available to its competitors within its format. National programming broadcast on an exclusive geographic basis can help differentiate a station within its market, and thereby enable a station to increase its audience and local advertising revenue.

RADIO ADVERTISING

Radio advertising time can be purchased on a local, regional or national basis. Local purchases allow an advertiser to select specific radio stations in chosen geographic markets for the broadcast of commercial messages. However, this process can be expensive and time-consuming, and may not permit the advertiser to select the specific program in which its advertisements will be broadcast. Local and regional purchases are typically best suited for an advertiser whose business or ad campaign is in a specific geographic area. Advertising purchased from a radio network is one method by which an advertiser targets its commercial messages to a specific demographic audience. A national advertising purchase can enable an advertiser to achieve its objective with one purchase, at a lower cost per listener, and to select a particular program environment in which its advertisements will be broadcast.

In recent years the increase in the number of program formats has led to more demographically specific listening audiences, making radio an attractive, alternative medium for national advertisers. In addition, nationally broadcast news, concerts and special event programming have made radio an effective medium of reach (size of listening audiences) as well as frequency (number of exposures to the target audience).

To verify audience delivery and demographic composition, specific measurement information is available to national advertisers. In the top 175 markets, the number of listeners per station is

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measured and published by independent rating services such as The Arbitron Ratings Co. and Statistical Research, Inc.'s RADAR. These rating services provide demographic information such as the age and sex composition of the listening audiences. Consequently, national advertisers can verify that their advertisements are being heard by their target listening audience.

BUSINESS STRATEGY

Westwood One's principal business is providing targeted radio audiences and commercial spots to national advertisers through its recognized programming and other network products. The Company, through its various radio networks, produces and distributes quality programming to radio stations seeking to increase their listening audience and improve local and national advertising revenue. The Company sells advertising time within its programs to national advertisers desiring to reach large listening audiences nationwide with specific demographic characteristics.

In fiscal 1993 the Company developed and implemented a strategy to focus on its core radio network business and to reduce debt by divesting of all other businesses. During the year other businesses such as radio stations (WYNY-FM and KQLZ-FM) and Radio & Records were disposed. Consequently, the financial results for these businesses are reported as discontinued operations in the Company's financial statements. Additionally, in fiscal 1993 the Company completed the sale of an unconsolidated subsidiary, WNEW-AM, (reported in 1992) and sold a parcel of real estate that had been held for sale for two years. The net proceeds from all these transactions enabled the Company to reduce its debt to \$60,149,000 at November 30, 1993 from \$178,579,000 at November 30, 1992. Lastly, in the fourth quarter of 1993 the Company repaid its Revolving Facility and term loan with a bank by entering into a new senior debt agreement with a maximum borrowing capacity of \$20,000,000.

In refocusing on its core network and radio syndication business, the Company has concentrated on across-the-board cost reductions in order to improve profitability. In late fiscal 1993 the Company took a major step to enhance its future and ability to compete by entering into a definitive agreement to acquire Unistar Radio Networks, Inc. ("Unistar") for \$101,300,000 along with the

following additional matters in connection with the acquisition:

- (a) the sale by the Company to Infinity Network, Inc. ("INI"), a wholly-owned subsidiary of Infinity Broadcasting Corporation ("Infinity"), of 5,000,000 shares of the Company's Common Stock and a warrant to purchase up to an additional 3,000,000 shares of Common Stock at an exercise price of \$3.00 per share, for a total purchase price of \$15,000,000;
- (b) a Management Agreement between the Company and Infinity pursuant to which (a) the Chief Executive Officer of Infinity, currently Mel Karmazin, will become Chief Executive Officer of the Company, (b) the Chief Financial Officer of Infinity, currently Farid Suleman, will become Chief Financial Officer of the Company and (c) Infinity will manage the business and operation for an annual base fee of \$2,000,000 (adjusted for inflation), an annual cash bonus payable in the event of meeting certain financial targets and additional warrants to acquire up to 1,500,000 shares of common stock exercisable at certain market prices per share.
- (c) a Voting Agreement providing for the reconstitution of the Board of Directors into a nine-member Board and the voting of Norman Pattiz's shares of the Company's Common

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Stock and Class B Stock and the shares of the Common Stock held by the Infinity subsidiary.

Unistar is a producer and distributor of radio programs and 24-hour continuous play formats to radio stations nationwide. Unistar serves approximately 2,000 affiliated radio stations, and similar to Westwood One, produces and distributes regularly scheduled news, business, sports and entertainment programs through its various operating radio networks: Unistar Power Radio Network, CNN+Radio Network, Unistar Super Radio Network, CNBC Business Radio Network and Unistar Programming Network.

Generally, Unistar pays the cost of producing or acquiring the broadcasting rights for its programming and pays compensation to its affiliated stations for broadcasting the programs and commercial announcements included therein. Like the Company, Unistar derives substantially all of its revenue from the sale of commercial time to national advertisers.

The Company anticipates financing the acquisition (\$101,300,000), repaying its current senior debt agreement (\$13,648,000 at November 30, 1993) and improving its working capital with a new senior loan from a syndicate of banks in the amount of \$125,000,000 and the sale of \$15,000,000 of Common Stock to INI.

RADIO PROGRAMMING

The depth of Westwood One's programming has grown through internal expansion and through acquisition. The Company produces and distributes regularly scheduled and special syndicated programs, including exclusive live concerts, music and interview shows, national music countdowns, lifestyle short features, news broadcasts, talk programs, sporting events, and sports features.

The Company controls most aspects of production of its programs, therefore being able to tailor its programs to respond to current and changing listening preferences. The Company produces both regularly scheduled short-form programs (typically 5 minutes or less) and long-form programs (typically 60 minutes or longer). Typically, the short-form programs are produced at the Company's in-house facilities located in Culver City, California, New York, New York and Arlington, Virginia. The long-form programs include shows produced entirely at the Company's in-house production facilities and recordings of live concert performances and sports events made on location.

Westwood One also produces and distributes special event syndicated programs. In fiscal 1993 the Company produced and distributed numerous special event programs, including the multi-venue Country music extravaganza, Country Takes Manhattan, worldwide broadcasts of Paul McCartney Live In The New World, Zooropa 93: U2 Live From Dublin, Aerosmith Live From Brussels, the HBO simulcast of Madonna: Live Down Under "The Girlie Show", and exclusive live concert broadcasts of Tom Petty and The Heartbreakers, and Rod Stewart. Westwood One believes these broadcasts have contributed to its reputation and are an integral part of its business strategy to increase its share of the national radio network advertising market.

Westwood One obtains most of the programming for its concert series by recording live concert performances of prominent recording artists. The agreements with these artists often provide the exclusive right to broadcast the concerts worldwide over the radio (whether live or pre-recorded) for a specific period of time. The Company may also obtain interviews with the recording artist and

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retain a copy of the recording of the concert and the interview for use in its radio programs and as additions to its extensive tape library. The agreements provide the artist with master recordings of their concerts and nationwide exposure on affiliated radio stations. In certain cases the artists may receive compensation.

Westwood One's other programs are produced at its in-house production facilities. The Company determines the content and style of a program based on the target audience it wishes to reach. The Company assigns a producer, writer, narrator or host, interviewer and other personnel to record and produce the programs. Because Westwood One controls the production process, it can refine the programs' content to respond to the needs of its affiliated stations and national advertisers. In addition, the Company can alter program content in response to current and anticipated audience demand.

The Company believes that its tape library is a valuable asset and significantly enhances its future programming and revenue generating capabilities. The library contains previously broadcast programs, live concert performances, interviews, daily news programs, sports and entertainment features, Capitol Hill hearings and other special events. New programs can be created and developed at a low cost by excerpting material from the library. For example, in 1993 Westwood One delved into its vast archives to bring back the sounds of the 70's and 80's for its new series The Retro Show. The Company also utilized its extensive music and interview resources for one time only specials and ongoing series such as Off The Record with Mary Turner, Classic Tracks and On The Edge.

AFFILIATED RADIO STATIONS

Westwood One's radio network business strategy addresses the programming needs and financial limitations of radio stations. The Company offers radio stations a wide selection of regularly scheduled and special event syndicated programming. These programs are completely produced by the Company and, therefore, the stations have no production costs. Typically, each program is offered for broadcast by the Company exclusively to one station in its geographic market, which assists the station in competing for audience share in its local marketplace. In addition, except for news programming, Westwood One's programs contain available commercial air time that the stations may sell to local advertisers. Westwood One typically distributes promotional announcements to the stations and places advertisements in trade and consumer publications to further promote the upcoming broadcast of its programs.

Westwood One's networks enter into affiliation agreements with radio stations. In the case of news and current events programming, the agreements commit the station to broadcast only the advertisements associated with these programs and allows the station flexibility to have the news headlined by their newscasters. The other affiliation agreements require a station to broadcast the Company's programs and to use a portion of the program's commercial slots to air national advertisements and any related promotional spots. Radio stations in the top 200 national markets may also receive compensation for airing national advertising associated with the Company's news and current events programming.

Affiliation agreements specify the number of times and the approximate time of day each program and advertisement may be broadcast. Westwood One requires that each station complete and promptly return to the Company an affidavit (proof-of-performance) that verifies the time of each

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broadcast. Affiliation agreements for Westwood One's entertainment programming are non-cancelable for 26 weeks and are automatically renewed for subsequent 26-week periods, if not canceled 30 days prior to the end of the existing contract term. Affiliation agreements for Westwood One's news and current events programming generally run for a period of at least one year, are automatically renewable for subsequent periods and are cancelable by either the Company or the

station upon 90 days' notice.

The Company has 34 people responsible for station relations and marketing its programs to radio stations. Station relationships are managed geographically to allow the marketing staff to concentrate on specific geographical regions. This enables the Company's staff to develop and maintain close, professional relationships with radio station personnel and to provide them with quick programming assistance.

NATIONAL ADVERTISERS

Westwood One provides national advertisers with a cost-effective way to communicate their commercial messages to large listening audiences nationwide that have specific demographic characteristics. An advertiser can obtain both frequency (number of exposures to the target audience) and reach (size of listening audience) by purchasing advertising time in the Company's programs. By purchasing time in programs directed to different formats, advertisers can be assured of obtaining high market penetration and visibility as their commercial messages will be broadcast on several stations in the same market at the same time.

Westwood One generally guarantees an advertiser delivery of an audience of a specified size and demographic composition, which can be verified through independent surveys. Furthermore, advertisers receive affidavits that indicate the number of times and the time of day the advertisers' commercial messages were broadcast. The Company supports its national sponsors with promotional announcements and advertisements in trade and consumer publications. This support promotes the upcoming broadcasts of Company programs and is designed to increase the advertisers' target listening audience.

The Company sells its commercial time to advertisers either as "bulk" or "flighted" purchases. Bulk purchases are long-term contracts (26 to 52 weeks) that are sold "up-front" (early advertiser commitments for national broadcast time) at discounts below prevailing market prices. Flighted purchases are contracts for a specific, short-term period of time (one to six weeks) that are sold at or above prevailing market prices. The Company's strategy for growth in advertising revenue is to increase the amount of advertising time sold on the usually more profitable flighted basis, to increase revenue of the non-RADAR rated programs, and to increase audience size for news, talk and current events programming.

COMPETITION

The Company operates in a very competitive environment. In marketing its programs to national advertisers, the Company directly competes with other radio networks, some of which may have greater financial resources than the Company, as well as with smaller independent radio syndication producers and distributors. In addition, Westwood One competes for advertising revenue with network television, cable television, print and other forms of communications media. The Company believes that the high quality of its programming and the strength of its station relations and

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advertising sales forces enable it to compete effectively with other forms of communication media. Westwood One markets its programs to radio stations, including affiliates of other radio networks, that it believes will have the largest and most desirable listening audience for each of its programs. The Company often has different programs airing on a number of stations in the same geographic market at the same time. The Company believes that in comparison with any other independent radio syndication producer and distributor or radio network it has a larger and more diversified selection of programming from which national advertisers and radio stations may choose. In addition, the Company both produces and distributes programs, thereby enabling it to respond more effectively to the demands of advertisers and radio stations.

The increase in the number of program formats has led to increased competition among local radio stations for audience. As stations attempt to differentiate themselves in an increasingly competitive environment, their demand for quality programming available from outside programming sources has increased. This demand has been intensified by high operating and production costs at local radio stations and increased competition for local advertising revenue.

GOVERNMENT REGULATION

Radio broadcasting and station ownership are regulated by the FCC. Westwood

One, as a producer and distributor of radio programs, is not subject to regulations by the FCC.

EMPLOYEES

On January 15, 1994, Westwood One, had 269 full-time employees, including a domestic advertising sales force of 48 people. In addition, the Company maintains continuing relationships with approximately 50 independent writers, program hosts, technical personnel and producers. Certain employees at the Mutual Broadcasting System and NBC Radio Networks are covered by collective bargaining agreements. The Company believes relations with its employees and independent contractors are good.

ITEM 2. PROPERTIES

The Company owns a 7,600 square-foot building in Culver City, California in which its production facilities are located; a 14,000 square-foot building and an adjacent 10,000 square-foot building in Culver City, California which contains administrative, sales and marketing offices, and storage space; and a 7,700 square-foot unoccupied building in Culver City which contained production facilities and offices for KQLZ -FM until shortly after the station was sold. In addition, the Company leases offices in New York, Chicago, Detroit, Dallas, and Arlington, Virginia.

The Company believes that its facilities are more than adequate for its current level of operations and contemplates reducing its available square footage in the Culver City area.

ITEM 3. LEGAL PROCEEDINGS

The Company submitted to the Securities and Exchange Commission ("Commission") an offer of settlement arising out of a formal investigation by the Commission which has been pending since 1989. The settlement offer, which was accepted by the Commission on January 7, 1994 and an order entered on January 19, 1994, involved the Company's consent, without admitting or denying

any of the findings of the Commission, to an administrative cease and desist order based upon findings that in 1987 and 1988 the Company violated antifraud and accounting provisions of the federal securities laws and the rules thereunder in its revenue recognition and accounting practices during that period.

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

No matters were submitted to a vote of the Company's shareholders during the fourth quarter of the fiscal year ended November 30, 1993.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS

On January 15, 1994 there were approximately 475 holders of record of the Company's Common Stock, several of which represent "street accounts" of securities brokers. Based upon the number of proxies requested by brokers in conjunction with its special shareholders' meeting on January 28, 1994, the Company estimates that the total number of beneficial holders of the Company's Common Stock exceeds 5,000.

The Company's Common Stock has been traded in the over-the-counter market under the NASDAQ symbol WONE since the Company's initial public offering on April 24, 1984. The following table sets forth the range of high and low last sales prices on the NASDAQ/National Market System, as reported by NASDAQ, for the Common Stock for the fiscal quarters indicated.

<TABLE>
<CAPTION>

FISCAL 1993 -----	HIGH ----	LOW ---
<S>	<C>	<C>
First Quarter.....	2 5/8	1 9/16
Second Quarter.....	3	1 13/16

Third Quarter.....	3 1/8	2 5/8
Fourth Quarter.....	9 1/4	2 3/8

FISCAL 1992

First Quarter.....	3 1/2	1 5/16
Second Quarter.....	3 3/8	2 1/16
Third Quarter.....	3	2
Fourth Quarter.....	2 1/2	1 9/16

</TABLE>

No cash dividend was paid on the Company's stock during fiscal 1993 or 1992.

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ITEM 6. SELECTED FINANCIAL DATA

(IN THOUSANDS EXCEPT PER SHARE DATA)

The table below summarizes selected consolidated financial data of the Company for each of the last five fiscal years:

OPERATING RESULTS FOR FISCAL YEAR ENDED:

<TABLE>

<CAPTION>

	NOVEMBER 30,				
	1993	1992	1991	1990	1989
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
REVENUE.....	\$ 99,579	\$101,290	\$108,586	\$107,629	\$105,420
OPERATING COSTS AND EXPENSES.....	101,770	119,990	114,517	116,938	115,541
	-----	-----	-----	-----	-----
OPERATING (LOSS).....	(2,191)	(18,700)	(5,931)	(9,309)	(10,121)
	-----	-----	-----	-----	-----
Interest Expense.....	6,551	5,562	5,610	8,031	8,155
Other Expense (Income).....	(60)	301	1,081	(366)	(612)
Equity in Net Loss of Unconsolidated Subsidiary.....	--	789	1,901	1,608	996
Loss on Sale of Unconsolidated Subsidiary.....	--	6,536	--	--	--
Effect of Litigation Settlement.....	--	--	--	--	6,129
	6,491	13,188	8,592	9,273	14,668
	-----	-----	-----	-----	-----
(LOSS) BEFORE TAXES, DISCONTINUED OPERATIONS AND EXTRAORDINARY GAIN.....	(8,682)	(31,888)	(14,523)	(18,582)	(24,789)
(BENEFIT) FOR INCOME TAXES.....	--	(10,491)	(4,519)	(5,667)	(8,044)
	-----	-----	-----	-----	-----
(LOSS) FROM CONTINUING OPERATIONS.....	(8,682)	(21,397)	(10,004)	(12,915)	(16,745)
(LOSS) ON DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT.....	(3,140)	(2,721)	(6,778)	(5,260)	(5,993)
PROVISION FOR (LOSS) ON DISPOSAL OF DISCONTINUED OPERATIONS.....	(12,087)	--	--	--	--
	-----	-----	-----	-----	-----
(LOSS) BEFORE EXTRAORDINARY GAIN.....	(23,909)	(24,118)	(16,782)	(18,175)	(22,738)
EXTRAORDINARY GAIN.....	--	--	25,618	--	--
	-----	-----	-----	-----	-----
NET INCOME (LOSS).....	\$ (23,909)	\$ (24,118)	\$ 8,836	\$ (18,175)	\$ (22,738)
	-----	-----	-----	-----	-----
EARNINGS (LOSS) PER SHARE:					
Primary:					
Continuing Operations.....	\$ (.57)	\$ (1.44)	\$ (.67)	\$ (.89)	\$ (1.16)
Discontinued Operations.....	(1.01)	(.18)	(.46)	(.36)	(.42)
	-----	-----	-----	-----	-----
(Loss) Before Extraordinary Gain.....	(1.58)	(1.62)	(1.13)	(1.25)	(1.58)
Extraordinary Gain.....	--	--	1.73	--	--
	-----	-----	-----	-----	-----
Net Income (Loss).....	\$ (1.58)	\$ (1.62)	\$.60	\$ (1.25)	\$ (1.58)
	-----	-----	-----	-----	-----
Fully diluted:					
Continuing Operations.....	\$ (.57)	\$ (1.44)	\$ (.30)	\$ (.89)	\$ (1.16)
Discontinued Operations.....	(1.01)	(.18)	(.28)	(.36)	(.42)
	-----	-----	-----	-----	-----
(Loss) Before Extraordinary Gain.....	(1.58)	(1.62)	(.58)	(1.25)	(1.58)
Extraordinary Gain.....	--	--	1.06	--	--
	-----	-----	-----	-----	-----

Net Income (Loss).....	\$ (1.58)	\$ (1.62)	\$.48	\$ (1.25)	\$ (1.58)
	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

</TABLE>

BALANCE SHEET DATA AT PERIOD ENDED:

<TABLE>
<CAPTION>

	NOVEMBER 30,				
	1993	1992	1991	1990	1989
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
CURRENT ASSETS.....	\$ 32,987	\$ 51,091	\$ 46,126	\$ 54,312	\$ 54,613
WORKING CAPITAL.....	(1,503)	(11,942)	10,200	28,676	27,112
TOTAL ASSETS.....	152,067	295,740	322,561	343,783	353,065
LONG-TERM DEBT.....	51,943	146,622	169,083	214,342	195,750
TOTAL SHAREHOLDERS' EQUITY.....	55,151	75,204	98,765	89,496	106,713

</TABLE>

No cash dividend was paid on the Company's common stock during the five years ended November 30, 1993.

Operating results for all prior periods have been reclassified to conform to the fiscal 1993 presentation for discontinued operations.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(IN THOUSANDS EXCEPT FOR SHARE AND PER SHARE AMOUNTS)

In June 1993, the Company completed the sales of its two owned-and-operated radio stations, WYNY-FM and KQLZ-FM (collectively, the "Stations"), and in November 1993 Westinghouse Electric Corporation ("WEC") acquired Radio & Records and the remaining net assets of Westwood One Stations Group, Inc. ("The Group") (a subsidiary initially set up by the Company as the owner of the Stations and Radio & Records in order to collateralize loans from WEC) in complete satisfaction of The Group's remaining obligations for the principal amount of loans and accrued interest thereon owed to WEC. Accordingly, the results of the Stations and Radio & Records are classified as discontinued operations for all periods presented.

The following table sets forth the consolidated statements of operations in dollars and as a percent of revenue for the three years ended November 30, 1993, 1992, and 1991, accompanied by dollar and percent comparisons covering 1993 vs 1992 and 1992 vs 1991:

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED NOVEMBER 30,									
	1993		1992		1991		1993 VS 1992		1992 VS 1991	
	DOLLARS	%	DOLLARS	%	DOLLARS	%	DOLLARS	%	DOLLARS	%
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUE.....	\$ 99,579	100%	\$101,290	100%	\$108,586	100%	\$ (1,711)	-2%	\$ (7,296)	-7%
Operating Costs and Expenses										
Excluding Depreciation and Amortization.....	80,918	81%	92,249	91%	86,287	79%	(11,331)	-12%	5,962	7%
Depreciation and Amortization.....	16,384	16%	19,661	19%	22,055	20%	(3,277)	-17%	(2,394)	-11%
Corporate General and Administrative Expenses.....	4,468	4%	6,017	6%	6,175	6%	(1,549)	-26%	(158)	-3%
Severance and Termination Expenses.....	--	--	2,063	--	--	--	(2,063)	-100%	2,063	NM
	101,770	102%	119,990	118%	114,517	105%	(18,220)	-15%	5,473	5%
OPERATING (LOSS).....	(2,191)	-2%	(18,700)	-18%	(5,931)	-5%	16,509	88%	(12,769)	-215%

Interest Expense.....	6,551	7%	5,562	5%	5,610	5%	989	18%	(48)	-1%
Other Expense (Income).....	(60)	--	301	--	1,081	1%	(361)	NM	(780)	-72%
Equity in Net Loss of Unconsolidated Subsidiary....	--	--	789	1%	1,901	2%	(789)	-100%	(1,112)	-58%
Loss on Sale of Unconsolidated Subsidiary.....	--	--	6,536	6%	--	--	(6,536)	-100%	6,536	NM
	6,491	7%	13,188	13%	8,592	8%	(6,697)	-51%	4,596	53%
(LOSS) BEFORE TAXES, DISCONTINUED OPERATIONS AND EXTRAORDINARY GAIN.....	(8,682)	-9%	(31,888)	-31%	(14,523)	-13%	23,206	73%	(17,365)	-120%
(BENEFIT) FOR INCOME TAXES.....	--	--	(10,491)	-10%	(4,519)	-4%	10,491	100%	(5,972)	-132%
(LOSS) FROM CONTINUING OPERATIONS.....	(8,682)	-9%	(21,397)	-21%	(10,004)	-9%	12,715	59%	(11,393)	-114%
(LOSS) ON DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT.....	(3,140)	-3%	(2,721)	-3%	(6,778)	-6%	(419)	-15%	4,057	60%
PROVISION FOR (LOSS) ON DISPOSAL OF DISCONTINUED OPERATIONS.....	(12,087)	-12%	--	--	--	--	(12,087)	NM	--	--
(LOSS) BEFORE EXTRAORDINARY GAIN.....	(23,909)	-24%	(24,118)	-24%	(16,782)	-15%	209	1%	(7,336)	-44%
EXTRAORDINARY GAIN.....	--	--	--	--	25,618	24%	--	--	(25,618)	100%
NET INCOME (LOSS).....	(\$23,909)	-24%	(\$24,118)	-24%	\$ 8,836	8%	\$ 209	1%	\$(32,954)	NM

</TABLE>

- - - - -

NM -- not meaningful

Westwood One derives substantially all of its revenue from the sale of advertising time to advertisers. Revenue decreased 2% to \$99,579 in fiscal 1993 from \$101,290 in fiscal 1992 and decreased 7% in fiscal 1992 from \$108,586 in fiscal 1991. The decrease in revenue in fiscal 1993 was attributed to the non-recurrence of the Company's exclusive radio coverage of the 1992 Summer Olympics, partially offset by revenue growth associated with an overall increase in the market. The decrease in revenue in fiscal 1992 was primarily attributable to a 13% erosion of the national network radio revenue marketplace (according to the Radio Network Association). The decline in revenue in 1992 would have been slightly greater had the Company not had the exclusive radio coverage for the 1992 Summer Olympics. The Company's market share, based on advertising revenue reported to the Radio Network Association, was 24% in fiscal 1993 as compared to approximately 25% in fiscal 1992 and 24% in 1991.

Operating costs and expenses (excluding depreciation and amortization) primarily include affiliate compensation (to radio stations in exchange for commercial spots, which the Company sells to advertisers), current period production costs of syndicated radio programs (excluding the amortization of production costs) and network administration, which typically do not vary directly with revenue, and selling expenses (including agency commissions related to advertising revenue) which often vary closely with revenue. Operating costs and expenses excluding depreciation and amortization decreased 12% to \$80,918 in fiscal 1993 from \$92,249 in fiscal 1992 and increased 7% in fiscal 1992 from \$86,287 in fiscal 1991. The 1993 decrease is primarily due to cost reduction programs associated with affiliate compensation, programming, news and related staff expenses, the non-recurrence of the 1992 Summer Olympics, and lower agency commissions. The fiscal 1992 increase is primarily attributable to costs associated with broadcasting the 1992 Summer Olympics, a provision for contract losses and higher affiliate compensation expense, partially offset by lower syndicated music programming expense, reduced agency commissions, lower write-offs of doubtful accounts and lower transmission expense.

Depreciation and amortization dropped 17% to \$16,384 in 1993 from \$19,661 in 1992 and dropped 11% in 1992 from \$22,055 in 1991. The reductions are primarily due to lower amortization of production costs and lower write-offs resulting from fewer terminated station affiliation agreements.

Corporate general and administrative expenses decreased 26% to \$4,468 in fiscal 1993 from \$6,017 in fiscal 1992 and decreased 3% in fiscal 1992 from

\$6,175 in fiscal 1991. The decrease in 1993 was attributable to across-the-board expense cuts and the non-recurrence of one-time charges from 1992. In 1992, reduced legal and consulting fees were almost offset by a one-time charge for a vested benefit related to a new executive officer's employment contract, an executive search fee and expenses associated with restructuring loan agreements.

Severance and termination expenses of \$2,063 in 1992 were principally due to management changes implemented to achieve future efficiencies.

Operating loss decreased 88% to \$2,191 in 1993 from \$18,700 in 1992 after a 215% increase in 1992 from a loss of \$5,931 in 1991. The 1993 significant improvement was primarily due to extensive cost reduction programs and the non-recurrence of prior year severance and termination expenses, partially offset by the non-recurrence of profit from the 1992 Summer Olympics. The increase in the 1992 operating loss occurred principally due to the profit impact of lower revenue resulting from the overall decline in the marketplace (somewhat offset by profit from the 1992 Olympics), increased operating costs and expenses excluding depreciation and amortization and

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significant severance and termination expenses, partially offset by lower depreciation and amortization.

Interest expense was \$6,551, \$5,562 and \$5,610 in fiscal 1993, 1992 and 1991, respectively. The 18% increase in fiscal 1993 was primarily due to restructuring expenses accompanied by an increased interest rate associated with amending the terms of the Company's bank revolving credit facility and term loan.

In fiscal 1993, other income of \$60 was principally comprised of investment income. In fiscal 1992 and 1991, other expense of \$301 and \$1,081, respectively, was due principally to provisions in 1992 and 1991 of \$250 and \$1,428, respectively, to write-down a parcel of real estate that was held for sale to its net realizable value, partially offset by investment income.

Equity in net loss of an unconsolidated subsidiary represents the Company's share of the operating performance of WNEW-AM, which was sold in August 1992.

Loss on the sale of an unconsolidated subsidiary of \$6,536 in 1992 represents the provision for the sale of WNEW-AM, which closed on December 15, 1992.

Loss before taxes, discontinued operations, and extraordinary gain decreased 73% to \$8,682 in 1993 from \$31,888 in 1992 and increased 120% in 1992 from \$14,523 in 1991. The 1993 dramatic improvement was attributable to the decreased operating loss and the elimination of both the equity in net loss and loss on sale of an unconsolidated subsidiary resulting from its sale in the third quarter of fiscal 1992. The increased loss in 1992 was principally due to the increased operating loss, the loss on the sale of an unconsolidated subsidiary, and the provision for the write-down to net realizable value of a parcel of real estate.

Starting in fiscal 1993 the Company no longer has deferred tax liabilities available to offset its loss from continuing operations resulting in a reduced benefit for income taxes of \$10,491 in 1993. The benefit for income taxes increased 132% to \$10,491 in 1992 from \$4,519 in 1991, principally as a result of the change in pre-tax loss. The Company's effective tax rates in fiscal 1992 and 1991 were 33% and 31%, respectively.

Loss from continuing operations decreased \$12,715 to \$8,682 in 1993 from \$21,397 in 1992 and increased \$11,393 in 1992 from \$10,004 in 1991 due to changes in the pre-tax loss, partially offset by the benefit for income taxes.

Loss on discontinued operations, net of income tax benefit, was \$3,140 in 1993, \$2,721 in 1992 and \$6,778 in 1991. The 1993 loss represents the operating performance of discontinued operations through March 1, 1993. The decrease in the loss in 1992 was due to improved operating performance of WYNY-FM and Radio & Records, lower interest expense and the non-occurrence of costs associated with a 1991 format change at QQLZ-FM.

The \$12,087 provision for loss on disposal of discontinued operations includes estimated future costs and operating results of the discontinued assets from March 1, 1993 until the date of disposition.

The Company had an extraordinary gain on the debt exchange offer in fiscal 1991, net of taxes, amounting to \$25,618.

In 1992, the Financial Accounting Standards Board issued FAS No. 109 "Accounting for Income Taxes". The Company will adopt the standard on December 1, 1993, and currently estimates that its deferred tax liability will be increased by approximately \$2,000. The resulting expense will be recorded in the statement of operations and reported as a cumulative effect of a change in an accounting principle.

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 1993, the Company's cash and cash equivalents were \$3,868, a decrease of \$2,587 from November 30, 1992. The decrease in cash of \$2,587 combined with the cash provided before financing activities of \$92,544 and the proceeds from the issuance of common stock of \$1,507 were used to reduce outstanding borrowings by \$96,638. Additionally, WEC acquired the outstanding stock of Radio & Records and the net assets of Westwood One Stations Group in complete satisfaction of the Group's remaining debt and a conversion to common stock of \$2,068 face value of Senior Debentures occurred. Consequently, total debt was reduced to \$60,149 at November 30, 1993, a decrease of \$118,430 from \$178,579 at November 30, 1992.

For fiscal 1993, net cash from operating activities was \$2,045, a decrease of \$7,207 from fiscal 1992. The decrease was primarily attributable to higher prior year network collections associated with fourth quarter 1991 revenue and a large reduction in accounts payable and accrued liabilities primarily related to reduced interest, partially offset by improved broadcast cash flow (based on the consolidated statement of operations, calculated by subtracting from revenue, operating costs and expenses excluding depreciation and amortization) and receipt of a multi-year license fee (deferred revenue). Net cash provided by investing activities was \$90,499, an increase of \$101,841 over the prior year, principally due to net proceeds from the sales of two radio stations, an unconsolidated subsidiary and a parcel of real estate. Consequently, cash provided before financing activities increased by \$94,634 from 1992.

The Company used the assets of The Group as collateral for a revolving credit facility and for the 16% Senior Subordinated Debentures with WEC, both non-recourse to the Company, which amounted to \$104,960 at November 30, 1992. In June 1993 the Company completed the sale of both radio stations and used the net proceeds to retire the 16% Debentures (\$43,733) and reduce the outstanding balance of the revolving credit facility. Effective November 1, 1993, WEC acquired Radio & Records and the remaining net assets of The Group in complete satisfaction of The Group's remaining obligations for the principal amount of loans and accrued interest thereon owed to WEC.

On November 22, 1993 the Company repaid its Revolving Facility and term loan by entering into a new senior debt agreement involving a revolving facility and two term loans with a maximum borrowing capacity of \$20,000. At November 30, 1993, the Company had outstanding borrowings under the revolving facility of \$6,648 and available borrowings of \$6,352.

From December 1, 1993 through January 15, 1994, holders of the Company's Senior Debentures converted \$12,542 face amount of the Senior Debentures into 3,584,000 shares of the Company's common stock, reducing the outstanding amount of the Senior Debentures to \$18,516.

In order to finance the acquisition of Unistar (which will be accounted for as a purchase) the Company anticipates obtaining a new senior loan with a syndicate of banks in the amount of \$125,000. Additionally, the Company will sell 5 million shares of Common Stock and a warrant to purchase up to an additional 3 million shares of Common Stock at an exercise price of \$3.00 per share (subject to certain vesting conditions) to INI for \$15,000. The proceeds will be used to acquire

Unistar and repay its indebtedness (\$101,300), repay the Company's current senior debt agreement, and improve working capital. Immediately following the acquisition, and as a condition to obtaining a new senior loan, the Company will also redeem its Senior Debentures.

Management believes that the Company's cash, anticipated cash flow from operations and available borrowings will be sufficient to finance current and forecasted operations and debt obligations over the next 12 months. Furthermore,

management believes the acquisition of Unistar will strengthen the Company's liquidity.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements and the related notes and schedules of the Company are indexed on page F-1 of this Report, and attached hereto as pages F-1 through F-17 and by this reference incorporated herein.

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

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

This information is incorporated by reference to the Company's definitive proxy statement to be filed pursuant to Regulation 14A not later than 120 days after the end of the Company's fiscal year.

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PART IV

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

(A) DOCUMENTS FILED AS PART OF THIS REPORT ON FORM 10-K

1. Financial statements and schedules to be filed thereunder are indexed on page F-1 hereof.
2. Exhibits

<TABLE>

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EXHIBIT
NUMBER

DESCRIPTION

EXHIBIT NUMBER	DESCRIPTION
3.1	Certificate of Incorporation of Registrant.(1)
3.2	Agreement of Merger.(1)
3.3	Certificate of Amendment of Certificate of Incorporation, as filed on October 10, 1986.(2)
3.4	Certificate of Amendment of Certificate of Incorporation, as filed on October 9, 1986.(3)
3.5	Certificate of Amendment of Certificate of Incorporation, as filed on March 23, 1987.(3)
3.6	Certificate of Correction of Certificate of Amendment, as filed on March 31, 1987 at 10:00 a.m.(3)
3.7	Certificate of Correction of Certificate of Amendment, as filed on March 31, 1987 at 10:01 a.m.(3)
3.8	Bylaws of Registrant as currently in effect.(7)
4	Form of Indenture for 6 3/4% Convertible Subordinated Debentures (including the

- form of the Debenture).(2)
- 4.1 Warrant Agreement dated August 27, 1990 between Registrant and Security Pacific National Bank, as Warrant Agent.(9)
- 4.2 Form of Indenture for 9% Convertible Senior Subordinated Debentures (including the form of the Debenture).(10)
- 10.1 Employment Agreement and Registration Rights Agreement, dated October 18, 1993, between Registrant and Norman J. Pattiz
- 10.2 First Amendment to Employment Agreement between Registrant and Norman J. Pattiz, dated January 26, 1994.
- 10.3 Employment Agreement, dated December 5, 1991, between Registrant and Bruce E. Kanter.(12)
- 10.4 Employment Agreement dated June 1, 1992, between Registrant and Gregory P. Batusic.(14)
- 10.5 Employment Agreement dated August 30, 1993 between Registrant and Eric R. Weiss.
- 10.6 Form of Indemnification Agreement Between Registrant and its Directors and Executive Officers.(5)
- 10.7 Executive Stock Bonus Plan for Bruce E. Kanter dated December 16, 1992.(15)
- 10.8 Lease dated November 1, 1981 between 1700 Broadway Co. and National Broadcasting Company, Inc., relating to New York, New York offices.(4)
- 10.9 Lease dated May 24, 1983 between 1700 Broadway Co. and National Broadcasting Company, Inc., relating to New York, New York offices.(4)
- 10.10 Lease dated July 19, 1989, between First Ball Associates Limited Partnership and Westwood

</TABLE>

<TABLE>

- | | |
|-------|--|
| <S> | <C> |
| | One, Inc., relating to Arlington, Virginia offices.(8) |
| 10.11 | Loan and Security Agreement between Registrant and Foothill Capital Corporation dated November 15, 1993. |
| 10.12 | Purchase Agreement Between Registrant and National Broadcasting Company, Inc. dated as of August 24, 1987.(6) |
| 10.13 | Westwood One, Inc. 1989 Stock Incentive Plan.(13) |
| 10.14 | Agreement for Cancellation of Loan Documents, Guarantees and Securities Purchase Documents dated as of November 19, 1993 between Registrant, Westwood One Stations Group, Inc., Westwood One Stations-LA, Inc., Radio & Records, Inc. and Westinghouse Electric Corporation. |
| 10.15 | Stock Purchase Agreement between Registrant and Unistar Communications Group, Inc., Unistar Radio Network, Inc., and Infinity Broadcasting Corporation, dated November 4, 1993.(16) |
| 10.16 | Stipulation of Settlement of Class Action Law Suit.(8) |
| 10.17 | Digital Audio Transmission Service Agreement dated June 5, 1990 between Registrant and GE American Communications, Inc.(11) |
| 11 | Computation of Earnings (Loss) Per Share |
| 22 | List of Subsidiaries |
| 24 | Consent of Independent Accountants |

</TABLE>

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- (1) Filed as an exhibit to Registrant's registration statement on Form S-1 (File Number 2-98695) and incorporated herein by reference.
- (2) Filed as an exhibit to Registrant's registration statement on Form S-1 (Registration Number 33-9006) and incorporated herein by reference.
- (3) Filed as an exhibit to Registrant's Form 8 dated March 1, 1988 (File Number 0-13020), and incorporated herein by reference.
- (4) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1987 (File Number 0-13020) and incorporated herein by reference.
- (5) Filed as part of Registrant's September 25, 1986 proxy statement (File Number 0-13020) and incorporated herein by reference.
- (6) Filed as an exhibit to Registrant's current report on Form 8-K dated September 4, 1987 (File Number 0-13020) and incorporated herein by reference.
- (7) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1988 (File Number 0-13020) and incorporated herein by reference.
- (8) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the

fiscal year ended November 30, 1989 (File Number 0-13020) and incorporated herein by reference.

- (9) Filed as an exhibit to Registrant's Quarterly Report on Form 10-Q for the quarter ended August 31, 1990 (File Number 0-13020) and incorporated herein by reference.
- (10) Filed as an exhibit to Registrant's application for qualification of indentures on Form T-3 which became effective and qualified on January 11, 1991 (File Number 22-20701) and incorporated herein by reference.
- (11) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1990 (File Number 0-13020) and incorporated herein by reference.
- (12) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1991 (File Number 0-13020) and incorporated herein by reference.

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- (13) Filed as part of Registrant's March 27, 1992 proxy statement (File Number 0-13020) and incorporated herein by reference.
- (14) Filed as an exhibit to Registrant's Annual Report on Form 10-K for the fiscal year ended November 30, 1992 (File Number 0-13020) and incorporated herein by reference.
- (15) Filed as an exhibit to Registrant's June 18, 1993 Registration Statement on Form S-8.
- (16) Filed as part of Registrant's January 7, 1994 proxy statement (File Number 0-13020) and incorporated herein by reference.

(B) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the fourth quarter of fiscal 1993.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WESTWOOD ONE, INC.

February 1, 1994

By NORMAN J. PATTIZ

 Norman J. Pattiz
 Chairman of the Board of Directors
 and Chief Executive Officer

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

<TABLE>
<CAPTION>

<S>	SIGNATURE -----	TITLE -----	DATE ----
	PRINCIPAL EXECUTIVE OFFICER:		
	NORMAN J. PATTIZ ----- Norman J. Pattiz	Chairman of the Board of Directors and Chief Executive Officer	February 1, 1994
	PRINCIPAL FINANCIAL OFFICER AND CHIEF ACCOUNTING OFFICER:		
	BRUCE E. KANTER ----- Bruce E. Kanter	Director, Executive Vice President and Chief Financial Officer	February 1, 1994

ADDITIONAL DIRECTORS:

----- JOSEPH B. SMITH -----	Director	February 1, 1994
Joseph B. Smith		
----- ARTHUR E. LEVINE -----	Director	February 1, 1994
Arthur E. Levine		
----- PAUL G. KRASNOW -----	Director	February 1, 1994
Paul G. Krasnow		

</TABLE>

WESTWOOD ONE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

<TABLE>
<CAPTION>

	PAGE

<S>	<C>
1. CONSOLIDATED FINANCIAL STATEMENTS	
--Report of Independent Accountants.....	F-2
--Consolidated Balance Sheets at November 30, 1993 and 1992.....	F-3
--Consolidated Statements of Operations for the fiscal years ended November 30, 1993, 1992 and 1991.....	F-4
--Consolidated Statements of Shareholders' Equity for the fiscal years ended November 30, 1993, 1992 and 1991.....	F-5
--Consolidated Statements of Cash Flows for the fiscal years ended November 30, 1993, 1992 and 1991.....	F-6
--Notes to Consolidated Financial Statements.....	F-7 - F-16
2. FINANCIAL STATEMENT SCHEDULES:	
IX. --Short-term Borrowings.....	F-17

</TABLE>

All other schedules have been omitted because they are not applicable, the required information is immaterial, or the required information is included in the consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS
OF WESTWOOD ONE, INC.

In our opinion, the consolidated financial statements listed in the index to consolidated financial statements and financial statement schedules on page F-1 present fairly, in all material respects, the financial position of Westwood One, Inc. and its subsidiaries at November 30, 1993 and 1992, and the results of their operations and their cash flows for each of the three fiscal years in the period ended November 30, 1993, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the

accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE

Century City, California
February 1, 1994

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WESTWOOD ONE, INC.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

<TABLE>
<CAPTION>

	NOVEMBER 30,	
	1993	1992
	-----	-----
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents.....	\$ 3,868	\$ 6,455
Accounts receivable, net of allowance for doubtful accounts of \$959 (1993) and \$1,104 (1992).....	19,480	22,306
Production costs.....	6,849	9,546
Receivable from sale of unconsolidated subsidiary.....	--	9,830
Prepaid expenses and other.....	2,790	2,954
	-----	-----
Total Current Assets.....	32,987	51,091
PROPERTY AND EQUIPMENT, NET (Note 3).....	15,984	23,032
DEFERRED PRODUCTION COSTS.....	6,185	8,870
INTANGIBLE ASSETS, NET (Note 4).....	90,745	205,196
OTHER.....	6,166	7,551
	-----	-----
TOTAL ASSETS.....	\$152,067	\$295,740
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable.....	\$ 13,446	\$ 15,776
Accrued expenses and other liabilities.....	12,838	15,300
Current maturities of long-term debt (Note 5).....	1,558	25,157
Short-term borrowings (Note 5).....	6,648	6,800
	-----	-----
Total Current Liabilities.....	34,490	63,033
LONG-TERM DEBT (Notes 5 and 12).....	51,943	146,622
OTHER LIABILITIES.....	10,483	10,881
	-----	-----
TOTAL LIABILITIES.....	96,916	220,536
	-----	-----
COMMITMENTS AND CONTINGENCIES (Notes 9 and 12).....	--	--
SHAREHOLDERS' EQUITY (Notes 6 and 12):		
Preferred stock: authorized 10,000,000 shares, none outstanding.....	--	--
Common stock, \$.01 par value: authorized, 117,000,000 shares; issued and outstanding, 15,978,758 (1993) and 14,621,695 (1992).....	160	147
Class B stock, \$.01 par value: authorized, 3,000,000 shares: issued and outstanding, 351,733 (1993 and 1992).....	4	4
Additional paid-in capital.....	110,547	106,704
Accumulated deficit.....	(55,560)	(31,651)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY.....	55,151	75,204
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$152,067	\$295,740
	-----	-----

</TABLE>

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED NOVEMBER 30,		
	1993	1992	1991
<S>	<C>	<C>	<C>
REVENUE.....	\$ 99,579	\$101,290	\$108,586
Operating Costs and Expenses Excluding Depreciation and Amortization.....	80,918	92,249	86,287
Depreciation and Amortization.....	16,384	19,661	22,055
Corporate General and Administrative Expenses.....	4,468	6,017	6,175
Severance and Termination Expenses.....	--	2,063	--
	101,770	119,990	114,517
OPERATING (LOSS).....	(2,191)	(18,700)	(5,931)
Interest Expense.....	6,551	5,562	5,610
Other Expense (Income).....	(60)	301	1,081
Equity in Net Loss of Unconsolidated Subsidiary.....	--	789	1,901
Loss on Sale of Unconsolidated Subsidiary.....	--	6,536	--
	6,491	13,188	8,592
(LOSS) BEFORE TAXES, DISCONTINUED OPERATIONS AND EXTRAORDINARY GAIN.....	(8,682)	(31,888)	(14,523)
(BENEFIT) FOR INCOME TAXES (Note 8).....	--	(10,491)	(4,519)
(LOSS) FROM CONTINUING OPERATIONS.....	(8,682)	(21,397)	(10,004)
(LOSS) ON DISCONTINUED OPERATIONS, NET OF INCOME TAX BENEFIT (Note 2).....	(3,140)	(2,721)	(6,778)
PROVISION FOR (LOSS) ON DISPOSAL OF DISCONTINUED OPERATIONS (Note 2).....	(12,087)	--	--
(LOSS) BEFORE EXTRAORDINARY GAIN.....	(23,909)	(24,118)	(16,782)
EXTRAORDINARY GAIN.....	--	--	25,618
NET INCOME (LOSS).....	\$ (23,909)	\$ (24,118)	\$ 8,836
EARNINGS (LOSS) PER SHARE:			
Primary:			
Continuing Operations.....	\$ (.57)	\$ (1.44)	\$ (.67)
Discontinued Operations.....	(1.01)	(.18)	(.46)
(Loss) Before Extraordinary Gain.....	(1.58)	(1.62)	(1.13)
Extraordinary Gain.....	--	--	1.73
Net Income (Loss).....	\$ (1.58)	\$ (1.62)	\$.60
Fully diluted:			
Continuing Operations.....	\$ (.57)	\$ (1.44)	\$ (.30)
Discontinued Operations.....	(1.01)	(.18)	(.28)
(Loss) Before Extraordinary Gain.....	(1.58)	(1.62)	(.58)
Extraordinary Gain.....	--	--	1.06
Net Income (Loss).....	\$ (1.58)	\$ (1.62)	\$.48

</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

	COMMON STOCK		CLASS B STOCK		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED (DEFICIT)	TREASURY STOCK	
	SHARES	AMOUNT	SHARES	AMOUNT			SHARES	AMOUNT
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT NOVEMBER 30, 1990.....	14,593	\$146	352	\$4	\$107,321	\$ (16,369)	121	\$1,606
Net income for 1991.....	--	--	--	--	--	8,836	--	--
Amortization of deferred compensation (Note 6).....	--	--	--	--	281	--	--	--
Issuance of treasury stock to 401-K plan.....	--	--	--	--	(768)	--	(68)	(900)
Issuance of common stock.....	1	--	--	--	20	--	--	--
BALANCE AT NOVEMBER 30, 1991.....	14,594	146	352	4	106,854	(7,533)	53	706
Net loss for 1992.....	--	--	--	--	--	(24,118)	--	--
Amortization of deferred compensation (Note 6).....	--	--	--	--	281	--	--	--
Issuance of treasury stock to 401-K plan.....	--	--	--	--	(591)	--	(53)	(706)
Issuance of common stock under stock option plans (Note 7).....	3	--	--	--	5	--	--	--
Conversion of Senior Debentures to common stock.....	25	--	--	--	89	--	--	--
Common stock issued as compensation to an officer (Note 6).....	42	1	--	--	67	--	--	--
BALANCE AT NOVEMBER 30, 1992.....	14,663	147	352	4	106,704	(31,651)	--	--
Net loss for 1993.....	--	--	--	--	--	(23,909)	--	--
Amortization of deferred compensation (Note 6).....	--	--	--	--	281	--	--	--
Issuance of common stock under stock option plans (Note 7).....	680	7	--	--	1,381	--	--	--
Conversion of Senior Debentures to common stock (Note 5).....	591	6	--	--	2,062	--	--	--
Issuance of common stock to 401-K plan.....	46	--	--	--	119	--	--	--
BALANCE AT NOVEMBER 30, 1993.....	15,980	\$160	352	\$4	\$110,547	\$ (55,560)	--	--

See accompanying notes to consolidated financial statements.

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WESTWOOD ONE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FISCAL YEAR ENDED NOVEMBER 30,		
	1993	1992	1991
<S>	<C>	<C>	<C>
CASH FLOW FROM OPERATING ACTIVITIES:			
Net income (loss).....	\$ (23,909)	\$ (24,118)	\$ 8,836
Adjustments to reconcile net income (loss) to net cash provided by operating activities before cash payments related to extraordinary gain:			
Extraordinary gain on debt exchange offer, net of taxes.....	--	--	(25,618)
Depreciation and amortization.....	17,372	23,606	26,026
Loss on disposal of discontinued operations.....	12,087	--	--
Equity in loss of unconsolidated subsidiary.....	--	789	1,901
Loss on sale of unconsolidated subsidiary.....	--	6,536	--
Deferred income taxes.....	--	(11,622)	(7,707)
Write-down and provision for loss on assets.....	--	1,000	1,428
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable.....	(2,239)	6,965	(672)
Decrease in prepaid assets.....	209	1,124	1,097

Increase (decrease) in accounts payable and accrued liabilities.....	(2,189)	4,041	3,854
Other.....	714	931	719
	-----	-----	-----
Net cash from operating activities before cash payments related to extraordinary gain.....	2,045	9,252	9,864
Cash payments related to extraordinary gain.....	--	--	(1,869)
	-----	-----	-----
Net Cash From Operating Activities.....	2,045	9,252	7,995
	-----	-----	-----
CASH FLOW FROM INVESTING ACTIVITIES:			
Capitalized production costs.....	(4,339)	(5,650)	(8,238)
Property and equipment capital expenditures.....	(2,270)	(1,192)	(4,634)
Post-acquisition obligations.....	(1,217)	(1,878)	(1,969)
Capitalized station affiliation agreements.....	(694)	(545)	(1,766)
Proceeds related to sales of discontinued operations.....	88,062	--	--
Proceeds (cash payments) related to sale of unconsolidated subsidiary.....	10,372	(1,680)	--
Proceeds related to sale of property and equipment.....	853	--	--
Other.....	(268)	(397)	(2,571)
	-----	-----	-----
Net Cash Provided (Used) By Investing Activities.....	90,499	(11,342)	(19,178)
	-----	-----	-----
CASH PROVIDED (REQUIRED) BEFORE FINANCING ACTIVITIES.....	92,544	(2,090)	(11,183)
	-----	-----	-----
CASH FLOW FROM FINANCING ACTIVITIES:			
Debt repayments.....	(104,071)	(2,306)	(500)
Borrowings under debt arrangements.....	7,000	9,288	278
Issuance of common stock.....	1,507	--	--
Issuance of subordinated debentures.....	433	853	6,055
	-----	-----	-----
NET CASH FROM (USED IN) FINANCING ACTIVITIES.....	(95,131)	7,835	5,833
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(2,587)	5,745	(5,350)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD.....	6,455	710	6,060
	-----	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD.....	\$ 3,868	\$ 6,455	\$ 710
	-----	-----	-----

</TABLE>

See accompanying notes to consolidated financial statements.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Consolidation

The consolidated financial statements include the accounts of all wholly-owned subsidiaries. Investments in 20 to 50 percent-owned companies are accounted for under the equity method.

Revenue Recognition

Revenue is recognized when commercial advertisements are broadcast.

Cash Equivalents

The Company considers all highly liquid instruments purchased with a maturity of less than three months to be cash equivalents.

Depreciation

Depreciation is computed using the straight line method over the estimated useful lives of the assets.

Production Costs

The Company defers a portion of its costs for recorded library material and produced radio entertainment programs with a life of longer than a year. Recorded library material includes previously broadcast programs, live concert

performances, interviews, news and special events. Production costs are amortized using the straight line method over the period of expected benefit, not to exceed five years. Approximately 79% of current and deferred production costs at November 30, 1993 will be amortized by November 30, 1995. The current portion of deferred production costs represents the portion to be amortized over the next twelve months.

Capitalized Station Affiliation Agreements

Expenditures associated with major new affiliate agreements are capitalized and amortized starting once the affiliate's audience is included in rating service publications for use in generating advertising revenue. Capitalized station affiliation agreements exclude station affiliation agreements acquired as part of a purchase of an existing network. These expenditures, which are included in other assets, are amortized over 10 years or the period of known benefit, whichever is less.

Measurement of Intangible Asset Impairment

The Company periodically evaluates the carrying value of Intangible Assets. The Company considers the ability to generate positive broadcast cash flow (based on the consolidated statement of operations, calculated by subtracting from revenue, operating costs and expenses excluding depreciation and amortization) as the key factor in determining whether the assets have been impaired. To date, the Company has not experienced an impairment in any of its intangible assets.

Income Taxes

Deferred income taxes are provided for timing differences, resulting principally from deferred production costs.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Earnings (Loss) per Share

Net income (loss) per share is based on the weighted average number of common shares outstanding during the year. Average shares outstanding, used to compute per share figures, were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED NOVEMBER 30,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Primary.....	15,153,000	14,906,000	14,810,000
Fully diluted.....	15,153,000	14,906,000	24,242,000

</TABLE>

Reclassification

Financial statements for all prior periods have been reclassified to conform to the fiscal 1993 presentation. The principal adjustments were to include the amortization of intangible assets acquired through acquisition in arriving at an operating loss and to segregate discontinued operations.

NOTE 2 -- DISCONTINUED OPERATIONS

At the end of the Company's first fiscal quarter of 1993, the Company classified the results of operations from Radio & Records and its Los Angeles (KQLZ-FM) and New York (WYNY-FM) radio stations as discontinued operations. These three businesses collateralized the Company's 16% Debentures and Revolving Credit Facility with Westinghouse Electric Corporation ("WEC"). In June 1993 the Company completed the sales of its Los Angeles and New York radio stations, and used the net proceeds from the sales to retire the Company's 16% Debentures and reduce the outstanding balance of its Revolving Credit Facility. On November 1, 1993, WEC acquired the outstanding stock of Radio & Records and the net assets of Westwood One Stations Group for the outstanding balance of the Revolving Credit Facility, accrued interest and any other potential claims. Accordingly, the historical net loss of the Company's owned-and-operated radio

stations and Radio & Records have been reported separately from continuing operations, and the prior periods have been restated (including an allocation of interest of \$7,043, \$12,273, and \$13,058 for fiscal 1993, 1992 and 1991, respectively).

The Company made a provision for the loss on the disposition of these assets including estimated future costs and operating results from March 1, 1993 until the date of disposition, of \$12,087, which includes a fourth quarter provision of \$3,587 as a result of the net proceeds from the disposal of Radio & Records and the WEC agreement. Revenue from discontinued operations for fiscal 1993, 1992 and 1991 were \$22,282, \$36,443, and \$35,764, respectively.

The consolidated statements of cash flows include both continuing and discontinued operations of the Company.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

NOTE 3 -- PROPERTY AND EQUIPMENT:

Property and equipment is summarized as follows at:

<TABLE>
<CAPTION>

	NOVEMBER 30,	
	1993	1992
<S>	<C>	<C>
Land.....	\$ 3,378	\$ 4,409
Recording and studio equipment.....	15,433	18,033
Buildings and leasehold improvements.....	6,576	9,414
Furniture and equipment.....	4,007	5,214
Transportation equipment.....	721	860
Construction-in-progress.....	180	217
	-----	-----
	30,296	38,147
Less: Accumulated depreciation and amortization.....	14,312	15,115
	-----	-----
Property and equipment, net.....	\$15,984	\$23,032
	-----	-----

</TABLE>

NOTE 4 -- INTANGIBLE ASSETS:

Intangible assets are summarized as follows at:

<TABLE>
<CAPTION>

	NOVEMBER 30,	
	1993	1992
<S>	<C>	<C>
Goodwill, less accumulated amortization of \$12,127 (1993) and \$12,096 (1992).....	\$64,947	\$ 77,878
Acquired station affiliation agreements, less accumulated amortization of \$1,851 (1993) and \$1,727 (1992).....	8,156	8,992
Other intangible assets and radio station broadcast licenses (1992), less accumulated amortization of \$3,958 (1993) and \$14,752 (1992).....	17,642	118,326
	-----	-----
Intangible assets, net.....	\$90,745	\$205,196
	-----	-----

</TABLE>

Station affiliation agreements are comprised of values assigned to agreements acquired as part of the purchase of radio networks and are amortized using an accelerated method over 40 years. The value of station affiliation agreements, whose period of known benefit will expire in the next

twelve months, is \$549 and \$800 at November 30, 1993 and 1992, respectively.

Goodwill represents the excess of the cost of purchased businesses over the fair value of their net assets at the date of acquisition.

Intangible assets, except for acquired station affiliation agreements, are amortized on a straight-line method over 40 years.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

NOTE 5 -- FINANCING ARRANGEMENTS AND LONG-TERM DEBT:

Financing Arrangements

In addition to long-term debt, the Company has a secured Revolving Facility in the maximum amount of \$13,000 (based on a percentage of Eligible Accounts Receivable). The Revolving Facility bears interest, payable monthly, at the rate of prime plus 2.25%. At November 30, 1993, the Company owed \$6,648 under this Revolving Facility and had available borrowings of \$6,352. The Loan and Security Agreement for the Revolving Facility and the term notes (see below) contain provisions which require the Company to maintain minimum levels of Working Capital and Adjusted Tangible Net Worth along with a minimum current ratio. (See Note 12 -- Subsequent Events)

Long-Term Debt

Long-term debt consists of the following at:

<TABLE>
<CAPTION>

	NOVEMBER 30,	
	1993	1992
	-----	-----
<S>	<C>	<C>
Term Notes:		
Maturing December 1, 1995.....	\$ 3,500	\$ --
Maturing December 1, 1996.....	3,500	--
Prime plus 1 1/2% term loan from bank.....	--	18,250
Prime plus 1 1/4% Revolving Credit Facility.....	--	61,660
16% Senior Subordinated Debentures and contingent payment obligations maturing 1999.....	--	43,300
9% Convertible Senior Subordinated Debentures maturing 2002.....	31,058	33,126
6 3/4% Convertible Subordinated Debentures maturing 2011.....	15,443	15,443
	-----	-----
Total long-term debt.....	53,501	171,779
Less current maturities.....	1,558	25,157
	-----	-----
Net long-term debt.....	\$51,943	\$146,622
	-----	-----

</TABLE>

The Company has two Term Notes which mature on December 1, 1995 ("Note A") and December 1, 1996 ("Note B") (collectively the "Notes"). The Notes bear interest at the rate of prime plus 2.25%. Interest is payable monthly. Principal is payable monthly on each note commencing on January 1, 1994 in the amounts of \$83 and \$58 for Note A and Note B, respectively. (See Note 12 -- Subsequent Events).

During fiscal 1993, the Company paid or exchanged the following debt instruments which were outstanding at the beginning of the year: Prime plus 1 1/2% term loan from bank, Prime plus 1 1/4% Revolving Credit Facility and 16% Senior Subordinated Debentures (See Note 2 -- Discontinued Operations).

The 9% Convertible Senior Subordinated Debentures ("Senior Debentures") are unsecured and subordinated in right of payment to senior indebtedness of the Company. Interest on the Senior Debentures is payable semiannually on April 15 and October 15. The Senior Debentures are

WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

convertible at any time prior to maturity, unless previously redeemed, into shares of Common Stock of the Company at the conversion price of \$3.50 per share, subject to adjustment upon the occurrence of certain events. The Senior Debentures are redeemable at the option of the Company at a declining premium to par until 1996 and at par thereafter. In fiscal 1993, \$2,068 of Senior Debentures were converted to Common Stock (See Note 12 -- Subsequent Events).

The 6 3/4% Convertible Subordinated Debentures ("Debentures") are unsecured and subordinated in right of payment to senior indebtedness and Senior Debentures. Interest on the Debentures is payable semiannually on April 15 and October 15. The Debentures are convertible at any time prior to maturity, unless previously redeemed, into shares of Common Stock of the Company at the conversion price of \$24.58 per share, subject to adjustment upon the occurrence of certain events. On January 11, 1991, the Company accepted, and, thereafter, retired \$83,037 principal amount of the Debentures (84% of the then outstanding bonds) tendered pursuant to its offer to exchange its Senior Debentures for any and all of its Debentures. As a result of this transaction, the Company recorded an extraordinary gain, net of taxes, of \$25,618.

The aggregate maturities of long-term debt for the next five fiscal years and thereafter, pursuant to the Company's debt agreements as in effect at November 30, 1993, are as follows:

<TABLE>
<CAPTION>

	FISCAL YEAR -----
<S>	<C>
1994.....	\$ 1,558
1995.....	1,700
1996.....	2,283
1997.....	1,460
1998.....	--
Thereafter.....	46,501

	\$53,501

</TABLE>

NOTE 6 -- SHAREHOLDERS' EQUITY:

The authorized capital stock of the Company consists of Common stock, Class B stock and Preferred stock. Common stock is entitled to one vote per share while Class B stock is entitled to 50 votes per share.

In December 1992, the Company's Board of Directors authorized the issuance of 41,500 shares of common stock to an officer of the Company for services performed in fiscal 1992.

In October 1990 the Company issued 267,740 shares of common stock to a company owned by the Chairman of the Board in full satisfaction of an amount owed that company for transportation services.

WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

As part of a settlement relating to class action lawsuits filed against the Company, it issued warrants to purchase 3,000,000 shares of the Company's common stock at \$17.25 per share. The warrants expire on September 4, 1997. Warrants not exercised may be redeemable under certain circumstances at \$1.00 per warrant.

As part of a seven year employment agreement which commenced December 1, 1986, 112,500 shares of Class B stock were placed in escrow for the Chairman of the Board. As of November 30, 1993, all the shares were vested.

NOTE 7 -- STOCK OPTIONS:

The Company has stock option plans established in 1984 and 1989 which provide for the granting of options to directors, officers and key employees to purchase stock at its market value on the date the options are granted. No additional options can be granted under the 1984 Plans. There are 2,800,000 shares authorized under the 1989 Plan, as amended. Options granted generally become exercisable after one year in 25% increments per year and expire within ten years from the date of grant. The 1989 Plan will remain in existence for 10 years or until otherwise terminated by the Board of Directors.

Information concerning options outstanding under the Plans is as follows:

<TABLE>

<CAPTION>

	FISCAL YEAR ENDED NOVEMBER 30,	
	1993	1992
<S>	<C>	<C>
Shares authorized under option plans at end of period.....	2,800,000	2,800,000
Exercisable at end of period.....	734,750	866,250
-- at exercise prices per share.....	\$1.63-\$9.13	\$1.63-\$22.75
Exercised during the period.....	679,500	2,500
-- at exercise prices per share.....	\$2.00-\$2.75	\$2.00
Granted during the period.....	745,000	810,000
-- at exercise prices per share.....	\$1.63-\$5.38	\$1.63-\$2.75
Canceled during the period.....	141,250	234,500
Expired during the period.....	171,000	218,000
Available for new stock options at end of period.....	170,250	694,000

</TABLE>

On December 1, 1986, the Chairman of the Board was granted options not covered by the Plans to acquire 525,000 shares of common stock, which vested ratably over a seven-year term or immediately upon a change in control of the Company. The options became exercisable at the fair market value of the common stock, as defined, on the date of vesting. At November 30, 1993, all the options granted are exercisable at exercise prices ranging from \$1.67 to \$16.31 per share.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

NOTE 8 -- INCOME TAXES:

Starting in fiscal 1993 the Company no longer has deferred tax liabilities available to offset its losses.

The components of the (benefit) for income taxes related to continuing operations is summarized as follows:

<TABLE>

<CAPTION>

	FISCAL YEAR ENDED NOVEMBER 30,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Currently payable:			
Federal.....	\$ --	\$ --	\$ --
State.....	--	26	125
	--	26	125
Deferred:			
Federal.....	--	(9,520)	(6,217)

State.....	--	(2,102)	(1,490)
		-----	-----
	--	(11,622)	(7,707)
		-----	-----
Total (benefit) for income taxes.....	--	(11,596)	(7,582)
Less amount allocated to discontinued operations.....	--	1,105	3,063
		-----	-----
(Benefit) allocated to continuing operations.....	\$ --	\$ (10,491)	\$ (4,519)
		-----	-----
		-----	-----

</TABLE>

The deferred tax benefits recorded for the two years ended November 30, 1992, are attributable to the reversal of deferred taxes for timing differences, provided for in earlier years. Certain of these deferred taxes were reinstated in fiscal 1991 as a result of a tax expense of \$19,828 on the extraordinary gain.

A reconciliation between the Company's effective income tax rate and the U.S. statutory rate is as follows:

<TABLE>

<CAPTION>

	FISCAL YEAR ENDED NOVEMBER 30,		
	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
Federal statutory income tax rate.....	34.0%	34.0%	34.0%
State taxes, net of federal benefit.....	--	3.9	3.7
Amortization of intangible assets.....	--	(3.0)	(7.0)
Losses for which no benefit given.....	(34.0)	--	--
Other items.....	--	(2.4)	.4
	-----	-----	-----
Effective income tax rate.....	0.0%	32.5%	31.1%
	-----	-----	-----
	-----	-----	-----

</TABLE>

The Company has approximately \$90,000 of available U.S. net operating loss carryforwards for tax purposes. Utilization of the carryforwards is dependent upon future taxable income and they begin to expire in 2003. As a result of the Company's prior and pending debt and equity transactions, some of the Federal net operating losses may be subject to certain limitations.

In 1992, the Financial Accounting Standards Board issued FAS No. 109 "Accounting for Income Taxes". The Company will adopt the standard on December 1, 1993, and currently estimates that its deferred tax liability will be increased by approximately \$2,000. The resulting expense will be recorded in the statement of operations and reported as a cumulative effect of a change in an accounting principle.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

NOTE 9 -- COMMITMENTS AND CONTINGENCIES:

The Company has various non-cancelable, long-term operating leases for office space and equipment. In addition, the Company is committed under various contractual agreements to pay for talent, broadcast rights, research and certain digital audio transmission services. The approximate aggregate future minimum obligations under such operating leases and contractual agreements for the five years after November 30, 1993, are set forth below:

<TABLE>

<CAPTION>

	FISCAL YEAR

<S>	<C>
1994.....	\$13,346
1995.....	11,108

1996.....	10,785
1997.....	8,160
1998.....	6,931

	\$50,330

</TABLE>

NOTE 10 -- SUPPLEMENTAL CASH FLOW INFORMATION:

Supplemental Information on cash flows, including amounts from discontinued operations, and non-cash transactions is summarized as follows:

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED NOVEMBER 30,		
	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
Cash paid (received) for:			
Interest.....	\$16,580	\$17,083	\$12,306
Income taxes.....	31	(176)	1,005
Non-cash investing and financing activities:			
Conversion of Senior Debentures to common stock.....	2,068	89	--
Disposition of discontinued operations:			
Debt exchanged.....	19,724	--	--
Accrued interest exchanged.....	198	--	--
Accounts receivable exchanged.....	(448)	--	--

</TABLE>

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

NOTE 11 -- QUARTERLY RESULTS OF OPERATIONS (UNAUDITED):

The following is a tabulation of the unaudited quarterly results of operations for each of the quarters for the fiscal years ended November 30, 1993 and 1992:

<TABLE>
<CAPTION>

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FISCAL YEAR
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
1993					
REVENUE.....	\$20,352	\$25,132	\$25,782	\$28,313	\$ 99,579
OPERATING INCOME (LOSS).....	(4,291)	319	973	808	(2,191)
(LOSS) FROM CONTINUING OPERATIONS.....	(6,072)	(1,303)	(580)	(727)	(8,682)
NET LOSS.....	(9,212)	(1,303)	(9,080)	(4,314)	(23,909)
(LOSS) PER SHARE:					
PRIMARY AND FULLY DILUTED					
CONTINUING OPERATIONS.....	(.40)	(.09)	(.04)	(.04)	(.57)
DISCONTINUED OPERATIONS.....	(.21)	--	(.56)	(.24)	(1.01)
NET (LOSS).....	\$ (.61)	\$ (.09)	\$ (.60)	\$ (.28)	\$ (1.58)
1992					
REVENUE.....	\$23,444	\$24,279	\$27,810	\$25,757	\$101,290
OPERATING (LOSS).....	(5,857)	(5,428)	(3,516)	(3,899)	(18,700)
(LOSS) FROM CONTINUING OPERATIONS.....	(5,343)	(4,544)	(7,657)	(3,853)	(21,397)
NET (LOSS).....	(7,240)	(4,810)	(7,743)	(4,325)	(24,118)
(LOSS) PER SHARE:					
PRIMARY AND FULLY DILUTED					
CONTINUING OPERATIONS.....	(.36)	(.30)	(.51)	(.26)	(1.44)
DISCONTINUED OPERATIONS.....	(.13)	(.02)	(.01)	(.03)	(.18)
NET (LOSS).....	\$ (.49)	\$ (.32)	\$ (.52)	\$ (.29)	\$ (1.62)

</TABLE>

NOTE 12 -- SUBSEQUENT EVENTS (UNAUDITED):

The Company submitted to the Commission an offer of settlement arising out of a formal investigation by the Commission which has been pending since 1989.

The settlement offer, which was accepted by the Commission on January 7, 1994 and an order entered on January 19, 1994, involved the Company's consent, without admitting or denying any of the findings of the Commission, to an administrative cease and desist order based upon findings that in 1987 and 1988 the Company violated antifraud and accounting provisions of the federal securities laws and the rules thereunder in its revenue recognition and accounting practices during that period.

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WESTWOOD ONE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(DOLLARS IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

From December 1, 1993 through January 15, 1994, holders of the Company's Senior Debentures converted \$12,542 face amount of the Senior Debentures into 3,584,000 shares of the Company's Common Stock.

On January 28, 1994 the shareholders of the Company approved and authorized the acquisition by the Company of all the issued and outstanding capital stock of Unistar Radio Networks, Inc. ("Unistar") and the assumption of \$84,711 of Unistar's indebtedness for an aggregate purchase price of \$101,300. The acquisition will be accounted for as a purchase and, accordingly, Unistar's results of operations will be included in the consolidated statement of operations from the date the acquisition is consummated.

In order to finance the acquisition of Unistar, the Company anticipates obtaining a new senior loan with a syndicate of bank's in the amount of \$125,000. Additionally, the Company will sell 5 million shares of Common Stock and a warrant to purchase up to an additional 3 million shares of Common Stock at an exercise price of \$3.00 per share (subject to certain vesting conditions) to a wholly-owned subsidiary of Infinity Broadcasting Corporation for \$15,000. The net proceeds will be used to acquire Unistar and repay its indebtedness (\$101,300), repay the Company's current senior debt agreement, and improve working capital. Immediately following the acquisition, and as a condition to obtaining a new senior loan, the Company will also redeem its Senior Debentures.

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WESTWOOD ONE, INC.

SCHEDULE IX

CONSOLIDATED SHORT-TERM BORROWINGS
(IN THOUSANDS)

<TABLE>
<CAPTION>

CATEGORY OF AGGREGATE SHORT-TERM BORROWINGS	BALANCE AT END OF PERIOD	WEIGHTED AVERAGE INTEREST RATE	MAXIMUM AMOUNT OUTSTANDING DURING THE PERIOD	AVERAGE AMOUNT OUTSTANDING DURING THE PERIOD	WEIGHTED AVERAGE INTEREST RATE DURING THE PERIOD
<S>	<C>	<C>	<C>	<C>	<C>
YEAR ENDED NOVEMBER 30, 1993:					
Note payable.....	\$6,648	8.3%	\$ 7,448	\$ 4,404	8.2%
YEAR ENDED NOVEMBER 30, 1992:					
Note payable	6,800	8	6,800	3,948	7.5
YEAR ENDED NOVEMBER 30, 1991:					
Note payable.....	250	9	3,000	412	9

</TABLE>

Notes: Short-term borrowings during the years covered by this schedule consist of loans made under various established credit lines. The average amount outstanding during each period was computed by dividing the average outstanding principal balance by 365 days. The weighted average interest rate during each period was computed by dividing the actual interest expense on such borrowings by the average amount outstanding during that period.

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EMPLOYMENT AGREEMENT

This employment agreement (the "Agreement") is made as of October 18, 1993, by and between Westwood One, Inc., a Delaware corporation, having its principal offices at 9540 Washington Boulevard, Culver City, California 90232-2689 (the "Company") and Norman J. Pattiz (the "Employee").

W I T N E S S E T H

WHEREAS, Employee founded the Company and is now and has since its inception been its Chairman of the Board of Directors and Chief Executive Officer;

WHEREAS, Company wishes to assure itself of the continued exclusive services of Employee in such capacities for an additional five (5) years upon the terms and conditions set forth herein; and

WHEREAS, Employee is willing to enter into this Agreement upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, the parties agree as follows:

1. Employment.

Company shall employ Employee, and Employee shall serve, as the sole Chairman of the Board and sole Chief Executive Officer during the term hereof. Employee shall have all powers and authority necessary to enable him to discharge his duties in the offices which he holds as well as all powers and authority which are commonly incident to the offices of Chairman of the Board and Chief Executive Officer of a company which is a major producer and distributor of programs in broadcast and telecast media. All executives and employees of the Company shall report to Employee or his designees. Employee shall have total and final executive, business and creative control over the Company, subject only to the Board of Directors. Employee shall report only and directly to the Board of Directors. Company shall use its best efforts to keep Employee a member of the Board of Directors throughout the term, including placing Employee on management's slate of nominees for election as a director at every shareholders' meeting at which his term as a director would otherwise expire. Employee shall, subject to his election or appointment as such, serve as a member of such committees of the Board of Directors as the Board of Directors deems appropriate. If the Board of Directors shall establish an executive committee (or its equivalent), Employee shall be a member of such committee.

Employee shall render his services at the Company's headquarters in the greater Los Angeles metropolitan area. Employee shall engage in reasonable travel on behalf of the Company but shall not be required to relocate. Employee shall have the office, executive assistant and parking place of his choice, and Employee's office shall be furnished and equipped as Employee chooses generally consistent with the state of Employee's office immediately prior to the execution of this Agreement but upgraded as required. No change shall be made in Employee's duties, functions, responsibilities, powers or authority, all of which shall remain as immediately prior to the execution of this Agreement. Employee shall retain all of the foregoing positions, duties, functions, powers, responsibilities and authority in any successor company by reason of merger, combination, consolidation, acquisition, organization or otherwise.

2. Term of Employment.

Employee shall be employed for a term of five (5) years beginning December 1, 1993.

3. Compensation and Other Benefits.

3.1 Salary and Bonus.

The Company shall pay to Employee during the term hereof a base salary at the annual rates set forth on Schedule 1 attached hereto and incorporated herein by this reference. Such salary shall be payable in equal bi-monthly installments during the term hereof. Employee shall also be entitled to receive cash incentive compensation determined and payable as set forth in Schedule 2 attached hereto and incorporated herein by this reference. In addition, within ninety (90) days after the end of each year of the term of this Agreement, the Board of Directors (excluding Employee) shall meet and discuss whether any other cash bonus based upon Employee's performance would be appropriate and shall award Employee such cash bonuses as it may deem to be appropriate in the exercise of its business judgment. The evaluation of Employee's performance shall include such areas as creativity, leadership, decision-making and overall management.

3.2 Other Benefits.

(a) During the term hereof, Employee (and his dependents where applicable) shall be entitled to participate and shall be included in any employee benefit plans, including but not limited to, any group health and life insurance, disability insurance, pension, profit-sharing, deferred compensation or similar plans of Company now existing or established hereafter. In addition, Company shall pay on behalf of

Employee or reimburse Employee for any medical, health or dental expenses incurred by Employee, his dependents or Bonnie Pattiz, that are not covered by the insurance plans of the Company.

(b) During the term hereof, Employee shall be entitled to the stock option benefits described in Section 4 hereof.

(c) During the term hereof, Employee shall be entitled to six (6) weeks of vacation each contract year during which time his compensation shall be paid in full.

(d) During the term hereof, Company shall provide Employee with an automobile of Employee's choice and shall pay for all expenses in connection therewith, including but not limited to all insurance, repairs, maintenance, gas, oil and mobile telephone. Employee may, at his election, purchase the automobile from Company at the automobile's fair market value, which fair market value shall be deemed to be the value set forth in the Kelly Blue Book. Company, however, shall pay for such automobile expenses whether Employee or Company owns the automobile.

(e) During the term hereof, Company shall pay all expenses incurred in connection with the performance of Employee's duties hereunder or in promoting the business of the Company, including without limitation business-related entertainment expenses. Further, Company shall reimburse Employee for all other out-of-pocket expenses, including air and ground transportation, lodging and other travel expenses, incurred by Employee in connection with the performance of Employee's duties hereunder or to promote the business of the Company on the same basis and to the same extent as provided to Employee immediately prior to the execution of this Agreement.

(f) As soon as reasonably practicable, to the extent available at reasonable cost to the Company, the Company shall purchase, and maintain during the term hereof, indemnity insurance on behalf of Employee in the amount of not less than \$5,000,000 against any liability asserted against or incurred by Employee arising out of or related to his employment with Company.

(g) Company and Employee shall enter into a Registration Rights Agreement, of even date herewith, pursuant to which the Company grants Employee full "piggy back registration rights" and limited demand registration rights with respect to any and all of the Common Stock of the Company ("Common Stock") owned by the Employee, substantially in the form of the Registration Rights Amendment as set forth on Schedule 3 attached hereto and incorporated herein by this reference.

(h) Company shall pay all expenses of Employee (including without limitation all legal, accounting and financial planning fees and expenses) in connection with this Agreement.

(i) During the term hereof, Company shall pay directly or reimburse Employee for up to \$25,000 in personal legal, accounting and financial planning services annually.

(j) During the term hereof, Company shall pay directly or reimburse Employee for one-half of Employee's home security system, maintenance and fees.

(k) During the term hereof, Employee shall receive, at his election, an "Executive Producer" credit (equal in all respects to best producer or similar credit provided any other individual) on each entertainment or talk-oriented programming produced or co-produced by Company consistent with past practices.

Employee is required to pay any amounts required by Federal, state or local tax law with respect to the benefits paid to Employee pursuant to this Section 3.2 and the Company may withhold such amounts from the salary or other cash compensation payable to Employee hereunder; provided, however, that, at the election of Employee, such amounts may be paid in shares of Common Stock which have been registered under the Securities Act of 1933 or, in the opinion of counsel to the Company, may otherwise be freely traded.

3.3 Salary and Benefit Continuation.

The Company will continue Employee's compensation (base salary and cash incentive compensation) at the full rate and in bi-monthly installments for a period of twelve (12) months after Employee is declared permanently and totally disabled (including by reason of Employee's death) and unable to perform the duties of Chairman of the Board and Chief Executive Officer of the Company. Thereafter, the Company will pay to Employee

seventy-five percent (75%) of Employee's annual salary, payable in bi-monthly installments, for the remainder of the term of this Agreement (i.e., through November 30, 1998). Furthermore, in the event of such permanent and total disability (including by reason of Employee's death), only the benefits described in Section 3.2(a), 3.2(b), and 3.2(f) shall continue for the balance of the term of this Agreement; the benefits described in Section 3.2(i) shall continue for twelve (12) months after the event of such permanent and total disability; and the benefits described in Section 3.2(g) shall continue in accordance with the terms of the document described therein.

For purposes of this Section, the determination of whether or not Employee is declared permanently and totally disabled shall be made by Employee's physician, by written notice to the Board of Directors. In the event the Board of Directors disagrees with the determination by Employee's physician, the Board of Directors shall appoint, at Company's expense, another physician to make such determination. If the physician so appointed by the Board of Directors disagrees with the determination made by Employee's physician, then the two physicians shall appoint a mutually acceptable third physician, at Company's expense, to make the final determination of whether Employee is permanently and totally disabled, which determination shall be binding upon all parties hereto.

3.4. Retirement Benefits.

The Company has previously purchased a policy of key-man insurance covering Employee, the cash value of which shall be used to fund annual payments to Employee in the amount of \$475,000 per year for 15 years beginning in the year that Employee reaches age 62. The Company shall pay all premiums required to keep such policy in full force and effect for as long as necessary to enable Employee to receive the payments required by this Section 3.4.

3.5 Limitation on Annual Compensation.

Notwithstanding any provision herein to the contrary, the payment of any remuneration (within the meaning of Internal Revenue Code Section 162(m)) in excess of \$1,000,000 in any taxable year of Employee during the term hereof which would otherwise be payable to Employee pursuant to this Agreement in the absence of this Section 3.5 ("Excess Remuneration") shall be deferred until the first taxable year that the payment of such Excess Remuneration would not result in the payment by Company to Employee in such year of remuneration in excess of \$1,000,000; provided, however, that this Section 3.5 shall not apply to the extent that the material terms of the performance based compensation payable under this Agreement are approved by the

Company's shareholders prior to the payment of any Excess Remuneration. The Company shall submit the material terms of the performance based compensation payable under this Agreement to its shareholders for approval at the 1994 annual meeting of shareholders.

4. Stock Options.

Effective as of the date hereof (the "Date of Grant"), the Company grants to Employee an option to purchase all or any part of 350,000 shares of Common Stock (the "Option Shares") under the Company's 1989 Stock Incentive Plan, as Amended and Restated effective March 3, 1993 (the "Plan"), upon the terms and subject to the conditions set forth below and in the Plan.

4.1 Term of Option.

Such option shall expire 10 years after the Date of Grant, unless such option shall have been terminated earlier in accordance with the provisions hereof.

4.2 Exercisability of Option.

Such option shall become exercisable as to 70,000 of the Option Shares (an "Exercise Increment") on each anniversary of the date hereof through and including November 30, 1998, and shall remain exercisable for the term provided in Section 4.1. Option Shares as to which such option becomes exercisable pursuant to the foregoing provisions may be purchased at any time thereafter prior to the expiration or termination of the option.

If a Partial Event of Change or an Event of Change occurs (as defined in Section 8 hereof), the option shall become exercisable at the election of Employee in accordance with Sections 8.4 or 8.5 hereof.

4.3 Exercise Price.

The exercise price for each Option Share shall be 100% of the Fair Market Value (as defined in the Plan) of a share of Common Stock on the Date of Grant. Employee shall be offered Reload Stock Options (as defined in the Plan) if and to the extent that any holder of options granted pursuant to the Plan is offered Reload Stock Options.

4.4 Manner of Exercise.

All or any portion of each Exercise Increment may be exercised by written notice delivered to the Company stating

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the number of Option Shares with respect to which the option is being exercised, together with cash or a check in the amount of the purchase price of such shares, or, at the election of Employee, shares of Common Stock held at least six months having an aggregate Fair Market Value equal to such purchase price.

4.5 Termination of Employment.

If Employee's employment with the Company terminates for any reason other than death or disability, all Option Shares which are then exercisable may be exercised during the period ending three (3) months after such termination. If Employee's employment is terminated by death or disability of Employee, Option Shares which have become exercisable will expire to the extent not exercised by Employee or his authorized representative (in the event of disability) or the executor or appropriate representative of Employee's estate (in the event of death) within one (1) year from the date of such death or disability. Notwithstanding any provision herein to the contrary, no Option Share shall be exercisable following the expiration of the term of the option. For purposes of this Section 4.5, "disability" shall have the meaning specified in Section 2.6 of the Plan.

The Company's obligation in Section 4.9 to include any Option Shares in any registration statement then currently used to register the resale of shares of Common Stock received by other employees pursuant to the exercise of options granted under the Plan, shall remain in full force and effect until such time as Employee or his estate has sold the Option Shares pursuant to any such registration statement.

4.6 Assignment or Transfer.

The option granted hereunder is personal to Employee. Except for transfers by will or the laws of descent or distribution, or as otherwise permitted by the Plan, the option may not be transferred, in whole or in part, to any Person, whether by gift or otherwise. If transferred by will or the laws of descent or distribution, the option must be exercised by Employee's executor or other personal representative within the time specified in Section 4.5 hereof.

4.7 No Rights as Shareholder.

Promptly upon receipt of the notice and payment described in Section 4.4 hereof, the Company will instruct its transfer agent to issue forthwith a stock certificate reflecting the number of Option Shares purchased by Employee. Employee shall have no rights as a shareholder with respect to the Option Shares until the date of the issuance of a stock certificate or

stock certificates. No adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued.

4.8 Adjustments Upon Changes in Capitalization.

The option and the Option Shares shall be subject to adjustment in the event of certain corporate transactions, including the merger, consolidation or liquidation of the Company, and certain changes in the Company' capitalization, including changes resulting from any stock dividend, subdivision or consolidation of the Common Stock, pursuant to the terms of Article XI of the Plan; provided, however, that in no event will the option or the Option Shares be cancelled, in whole or in part, pursuant to Section 11.2(a)(iii) of the Plan.

4.9 Securities Act of 1933.

The Option Shares have been registered with the Securities and Exchange Commission pursuant to a registration statement on Form S-8 and the Company will use its best efforts to keep such registration statement current. Further, Company agrees to include any Option Shares received upon exercise of the option in any registration statement then currently used to register the resale of shares of Common Stock received by other employees pursuant to the exercise of options granted under the Plan, and to use its best efforts to keep any such registration statement current.

Employee represents and agrees that if Employee exercises the option in whole or in part at a time when there is not in effect under the Securities Act of 1933 (the "Act") a registration statement relating to the Option Shares and available for delivery to Employee a prospectus meeting the requirements of Section 10(a)(3) of the Act, Employee will acquire the Option Shares upon such exercise not with a view to their resale or distribution and that, upon each such exercise of the option, Employee will furnish to the Company a written statement to such effect on such form as the Company may request.

5. Non-Competition/Unfair Competition.

5.1 Non-Competition.

During the term of this Agreement, Employee shall not knowingly, directly or indirectly, engage or participate in any business that is in competition with the business of the Company. The foregoing obligation of Employee not to compete with the Company shall not prohibit Employee from owning or purchasing any corporate securities of any corporation that are

regularly traded on a recognized stock exchange or over-the-counter market so long as Employee does not own, in the aggregate, five percent (5%) or more of the voting equity securities of any such corporation. Notwithstanding the foregoing, with the consent of the Board of Directors (which consent shall not be unreasonably withheld), Employee may engage or participate in outside business activities which do not significantly interfere with the services required of Employee to the Company hereunder.

5.2 Unfair Competition.

The Company treats certain information, including but not limited to, information about its affiliated radio stations, marketing programs, or radio programs, as confidential information (the "Confidential Information"). Employee acknowledges and agrees that, during the term of this Agreement, the sale or unauthorized use or disclosure of any Confidential Information obtained by Employee during his employment with the Company constitutes unfair competition. Employee promises and agrees not to engage in unfair competition with the Company during the term of this Agreement.

6. Termination Provisions.

6.1 Termination by Company.

If Employee is not elected to the Board of Directors by the stockholders of the Company, such failure shall not constitute grounds for the Company to terminate this Agreement. This Agreement may be terminated by Company only as provided in this Section and for no other cause or reason:

(a) Upon ninety (90) days' advance written notice, Company may terminate this Agreement by a two-thirds vote of the Board of Directors (excluding Employee) for "Cause" defined only as follows: willful commission by Employee of a material act (which action first occurs during the term of this Agreement) of fraud or gross misconduct having a material adverse effect upon the business of the Company, or competition by Employee with the Company in violation of Section 5 hereof, which is not cured or ceased by Employee within such 90-day period.

(b) Except as otherwise provided herein, this Agreement shall terminate upon the death of Employee.

(c) Except as otherwise provided herein, this Agreement shall terminate as of the date Employee is

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declared permanently and totally disabled and unable to perform the duties of Chairman of the Board and Chief Executive Officer of the Company.

6.2 Termination by Employee.

This Agreement may be terminated by Employee as follows:

(a) Upon thirty (30) days' advance written notice, Employee may terminate this Agreement if it is materially breached by the Company.

(b) Except for the foregoing, Employee may terminate this Agreement by ninety (90) days' advance written notice.

(c) Pursuant to Section 11.7 hereof.

7. Indemnity.

Company hereby agrees to indemnify, defend and hold harmless Employee to the maximum extent permitted by Delaware law, on the terms and conditions set forth in numbered paragraphs 3 through 15, inclusive, of the form entitled "Indemnification Agreement" attached hereto as Schedule 4 (with "Indemnified Party" as used therein deemed to refer to Employee), which paragraphs are incorporated by reference herein as though set forth in full. The indemnity provided for herein shall not be deemed exclusive of, or dependent or conditional upon, any other indemnity obligations running to Employee, nor shall any other indemnity obligations running to Employee (including without limitation any indemnity obligations which may arise if Company and Employee enter into a separate Indemnity Agreement in the form attached hereto as Schedule 4 or otherwise) be deemed exclusive of, or dependent or conditional upon, the indemnity obligations contained in this Agreement. The indemnity obligations contained herein shall survive the termination of employment of Employee or expiration of this Agreement for any reason whatsoever, and shall, where appropriate, inure to the benefit of and cover Employee's estate.

8. Change of Control.

8.1 Partial Event of Change Defined.

For the purposes of this Agreement, a Partial Event of Change shall be deemed to have occurred as of the date when there is a reduction in the per share voting power of the Company's Class B Stock held by Employee, which reduction is not caused by Employee, or directly or indirectly

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Employee in his role as Chief Executive Officer or member of the Board of Directors of the Company; provided, that if such reduction occurs as a result of the passage, adoption or amendment of any Federal or State legislation, rules or regulations, or the adoption or amendment of any rules or regulations of the National Association of Securities Dealers, Inc., the Partial Event of Change shall be deemed to occur (or to have occurred) ten (10) business days prior to the effective date of the legislation, rule or regulation.

8.2 Event of Change Defined.

For purposes of this Agreement, an Event of Change shall be deemed to occur upon the happening of any of the following events:

(a) Company becomes a Participant in any transaction or event that contemplates the dissolution or liquidation of the Company or a substantial reduction in the business operations of the Company;

(b) Company becomes a Participant in any merger, consolidation, acquisition or transfer of property or assets other than one in which it will be the acquirer both in form and substance;

(c) Company becomes a Participant in any transaction whereby all or substantially all of the property or assets of the Company are proposed to be sold or transferred to one or more Third Parties;

(d) Assuming the prior or contemporaneous occurrence of a Partial Event of Change and further assuming no direct or indirect encouragement or involvement by the Company or Employee,

(i) Any Third Party acquires, whether in one transaction or more than one transaction, or by conversion of non-voting securities, beneficial ownership (whether voting or investment or both) of a number of the voting securities of Company which, when added to the shares (if any) of voting securities of Company already beneficially owned by said Third Party and/or the affiliates of such Third Party, would comprise twenty-five percent or more of the voting power of Company's outstanding securities;

(ii) Any Third Party commences a tender or

exchange offer (whether for cash, securities or other consideration) for voting securities of Company which, when added to the shares (if any)

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of voting securities of Company beneficially owned by such Third Party and/or the affiliates of such Third Party, would comprise twenty-five percent or more of the voting power of Company's outstanding securities;

(iii) Any Third Party commences a tender or exchange offer (whether for cash securities or other consideration) for non-voting securities of Company which are convertible into voting securities and which, if they were converted and if the voting securities received thereby were added to the shares (if any) of voting securities of Company beneficially owned by such Third Party and/or the affiliates of such Third Party, would result in an amount comprising twenty-five percent or more of the voting power of Company's outstanding securities;

(iv) Any Third Party solicits proxies or consents to remove a majority of the Directors of the Company and/or to elect a majority of the Directors of the Company at any meeting of the Company's stockholders or by written consent.

(e) Any one or more of the events described in Section 8.2(d)(i) through (iv), inclusive, occur without the prior or contemporaneous occurrence of a Partial Event of Change, and subsequently a Partial Event of Change occurs.

8.3 Other Definitions.

(a) "Person" as used herein means a natural person, corporation, unincorporated entity, trust or any other entity capable of holding an equity interest in a business;

(b) "Group of Persons" as used herein means two or more Persons who agree to act together for the purpose of acquiring, holding, voting or disposing of any securities of a company;

(c) "Third Party" as used herein means any Person or Group of Persons other than Employee, his immediate family or the Company;

(d) Company becomes a "Participant" as used herein upon the happening of the earlier of the following events:

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(i) Without the approval of Employee, Company enters into an agreement providing for the liquidation, dissolution, substantial reduction in business operations, merger, consolidation, acquisition, or transfer or sale of property or assets;

(ii) Without the approval of Employee, Company's Board of Directors votes to approve, or to submit to shareholders for approval, any agreement, plan, resolution, article, certificate, bylaw, or motion providing for, or approving any agreement for, liquidation, dissolution, substantial reduction in business operations, merger, consolidation, acquisition, or transfer or sale of property or assets; or

(iii) Without the approval of Employee, Company or any Third Party announces, by press release or any filing pursuant to Federal or State law, rule or regulations, that it intends to enter into an agreement providing for the liquidation, dissolution, substantial reduction in business operations, merger, consolidation, acquisition or transfer or sale of property or assets.

8.4 Rights Upon Partial Event of Change.

If a Partial Event of Change occurs, immediately at the election of Employee, the option granted pursuant to Section 4 shall become exercisable as to one half of the Option Shares as to which such option has not yet become exercisable.

8.5 Rights Upon Event of Change.

(a) Upon the occurrence of an Event of Change, immediately at the election of Employee, the option granted pursuant to Section 4 shall become exercisable as to the Option Shares as to which such option has not yet become exercisable; provided, however, that for the purpose of this Section 8.5 the transaction contemplated by the Letter of Intent dated October 10, 1993 among Employee,

Infinity Broadcasting Corporation and the Company shall not constitute an Event of Change.

If any of the events constituting an Event of Change is not in fact finally consummated or otherwise fails for any reason (including, but not limited to, any affirmative action to counter such event taken personally by Employee), Employee agrees that the exercise schedule for the Option Shares shall automatically revert to the schedule

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described in Section 4.2 hereof, except to the extent that Employee has already exercised his option to purchase some or all of the Option Shares.

(b) If, after the occurrence of any Event of Change, Company terminates this Agreement or terminates the employment of Employee, Employee (or his estate) shall continue to receive, (in addition to the rights described in Section 8.5(a) above and without waiver or prejudice to any other rights or remedies Employee may have by virtue of any improper termination), the salary compensation (base salary and cash incentive compensation) Employee would have been entitled to receive for the remaining term of this Agreement if it had continued in force for the full period set forth in Section 2 of this Agreement and if Employee had rendered services during said period.

9. No Mitigation.

In the event of a breach of this Agreement by Company, Employee shall have no duty or obligation to mitigate damages. Any income and any other employment benefits received by Employee before or after the breach, expiration or termination of this Agreement shall in no way reduce or otherwise affect Company's obligation to make payments and afford benefits hereunder or Company's liability for damages by virtue of any breach hereof.

10. Representations and Warranties.

Company represents and warrants that:

(a) it has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder;

(b) the execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly authorized by the Compensation Committee of the Board of Directors of Company;

(c) the execution and delivery of this Agreement by Company and the consummation of the transactions contemplated hereby, including without limitation the issuance, grant and delivery of the option and the Option Shares hereunder and the conveyance of rights in connection therewith, are not in violation of or in conflict with, and will not result in a breach of, the charter or bylaws of the Company or any material note, bond, mortgage, indenture, deed of trust, license, lease, judgement, order, decree, statute, rule, regulation, agreement or other instrument or

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obligation to which Company or any of its properties or assets are or may be subject.

Company shall indemnify, defend and hold harmless Employee from any and all liabilities, claims, actions, judgments, costs, penalties and expenses (including without limitation legal fees) resulting from or relating to any breach of the foregoing representations and warranties.

11. Miscellaneous Provisions.

11.1 Notices.

All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or sent by prepaid telegram or first class mail, postage prepaid, registered or certified, as follows:

<TABLE>

<S>	<C>
If to Employee:	Norman J. Pattiz Westwood One, Inc. 8966 Washington Blvd. Culver City, California 90232
With Copy to:	Don Parris Gibson, Dunn & Crutcher 2029 Century Park East, Suite 4100 Los Angeles, California 90067
If to Company:	Chief Financial Officer Westwood One, Inc. 8966 Washington Blvd.

</TABLE>

Either party may change the address to which such communications are to be delivered by giving written notice to the other party. Any notice personally given shall be deemed received upon delivery to the address designated; any notice by mail as provided in this Section shall be deemed given on the third business day following such mailing; and any notice given by telegram as provided herein shall be deemed delivered the business day following the delivery of such notice to the telegraph company for transmission.

11.2 Entire Agreement.

This Agreement contains all of the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof and, upon its effectiveness, supersedes

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any and all prior written or verbal employment agreements. This Agreement may not be modified except by a written instrument executed by both parties or their permitted successors in interest, if any.

11.3 Assignment.

Except as expressly provided herein, this Agreement shall not be assignable by any party hereto without the prior written consent of the other party. Subject to the preceding sentence, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns and upon any successor to the Company, whether by merger, combination, consolidation, acquisition, reorganization or otherwise, as fully as if such successor were a signatory hereto and the Company shall cause such successor to, and such successor shall, expressly assume Company's obligations hereunder. The term "Company", as used in this Agreement shall include all such successors. Whenever this Agreement provides for any payment to Employee, such payment may be made instead to Employee's estate (in the event of Employee's death) or to such beneficiary or beneficiaries as Employee may have designated in a writing filed with the Company. Employee shall have the right to revoke any such designation and to redesignate a beneficiary or beneficiaries by written notice to Company (and to any applicable insurance company) to such effect.

11.4 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. This Agreement shall be effective as

of the date first above written despite the fact that various dates of execution by the parties hereto may differ therefrom.

11.5 Waiver.

No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the party taking such action of complete compliance with the representations, warranties, covenants and agrees contained herein. No waiver shall be binding unless in writing and signed by the person making the waiver. A waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. Any party or parties may waive or modify performance of any act which is intended solely for their benefit as long as the party for whom such act is intended to benefit consents to such waiver or modification in writing.

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11.6 Applicable Law and Jurisdiction.

The formation, construction and performance of this Agreement shall be construed in accordance with the laws of the State of California, except to the extent that the indemnification provisions set forth in Exhibit B hereof are governed by the Law of the State of Delaware.

11.7 Severability.

Employee and Company acknowledge that they believe all terms of this Agreement to be valid, binding and enforceable. However, if any term(s) or provision(s) of this Agreement or the application thereof to any person or circumstances shall be held invalid or unenforceable to any extent, the remainder of this Agreement or the application of such term(s) or provision(s) to persons or circumstances, other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each and every term of this Agreement shall be valid and enforced to the fullest extent permitted by law. Notwithstanding the foregoing, if any material right or benefit of Employee, or obligation owing to Employee, under Sections 4 or 8, or Sections 3.1, 3.2(b) or (g) is held to be invalid or unenforceable to any extent, Employee may, at his sole option, by written notice to Company, advise Company that he wishes to renegotiate some or all of the terms of this Agreement. If within fifteen (15) business days after receipt of said notice, Company and Employee have not been able to renegotiate this Agreement to the satisfaction of Employee, Employee may either declare the Agreement at an end as though it had expired in accordance with its terms, or reaffirm the Agreement (except those terms declared to be invalid or unenforceable) in which case Company and Employee shall continue to render performances hereunder.

11.8 Attorney's Fees.

In the event of any legal action or other proceeding or arbitration is brought for enforcement of this Agreement, the prevailing party will be entitled to recover from the other party reasonable attorneys' fees and other costs incurred in connection with that action or proceeding, and in any petitions for appeal or appeals therefrom, in addition to any other relief to which such party may be entitled.

11.9 Arbitration.

Any dispute or claim in connection with the interpretation, performance or breach of this Agreement, including any claim based on contract, tort or statute, shall be settled, at the request of Employee, in his sole and absolute discretion, by arbitration conducted in Los Angeles, California

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in accordance with the then existing Rules for Commercial Arbitration of the American Arbitration Association, and judgment upon any award rendered by the arbitrator may be entered by any State or Federal court having jurisdiction thereof. The sole arbitrator shall be a retired or former judge of the Los Angeles Superior Court. Any controversy concerning whether a dispute is an arbitrable dispute shall be determined by the arbitrator. The provisions of California Code of Civil Procedure Section 1283.05 are incorporated into and made applicable to this Agreement. Depositions may be taken and discovery may be obtained in any arbitration under this Agreement in accordance with Section 1283.05. In any award, the arbitrator shall allocate against the losing parties all costs of arbitration, including without limitation the fees of the arbitrator, and reasonable attorneys' fees, costs and expert witness expenses of the parties and all costs and expenses in connection with enforcing any arbitration award. The parties intend that this agreement to arbitrate be valid, enforceable and irrevocable; provided, however, that if Employee does not elect to proceed by arbitration, then any dispute or claim shall be resolved by judicial proceeding solely and exclusively in Superior Court for the County of Los Angeles, California or the Federal District Court of the Central District of California.

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

<TABLE>

<S>

NORMAN J. PATTIZ

<C>

WESTWOOD ONE, INC.

Norman J. Pattiz
(the "Employee")

By: BRUCE KANTER

Bruce Kanter
Executive Vice President
(the "Company")

</TABLE>

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SCHEDULE 1

BASE SALARY

<TABLE>

<CAPTION>

Contract Year	Amount
-----	-----
<S>	<C>
First	\$750,000
Second	\$750,000
Third	\$750,000
Fourth	\$750,000
Fifth	\$750,000

</TABLE>

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SCHEDULE 2

CASH INCENTIVE COMPENSATION

For each fiscal year of the Company, commencing with the fiscal year ending November 30, 1994, that the Company meets or exceeds its EBITAD target as mutually established by the Board of Directors and Employee, Employee will be entitled to receive cash incentive compensation ("CIC Bonus") as follows:

<TABLE>

<CAPTION>

Fiscal Year -----	CIC Bonus -----
<S>	<C>
1994	\$250,000
1995	\$275,000
1996	\$302,500
1997	\$332,750
1998	\$366,025

</TABLE>

If the termination date of this Agreement is other than the last day of a fiscal year, Employee will be entitled to a pro-rated CIC Bonus for the portion of the year preceding the termination date if the EBITAD target is met through the end of the month ending on or next preceding the termination date.

EBITAD means earnings before interest, taxes, amortization and depreciation as reported in the Company's Form 10-K for the fiscal year, or, if for a portion of the year, as approved by the Board based on the Company's books and records.

The CIC Bonus for any year shall be paid not later than 30 days after the filing by the Company of its Form 10-K with the Securities and Exchange Commission for such year, or if the CIC Bonus is for a part of the year, not later than 60 days after the end of the last month taken into account in determining whether the EBITAD target is met.

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This Agreement is made as of the 18th day of October, 1993, by and among Westwood One, Inc., a California corporation (the "Company"), and Norman Pattiz (the "Shareholder").

WITNESSETH

WHEREAS, Shareholder is the owner of the outstanding capital stock of the Company; and

WHEREAS, in order to induce Mr. Pattiz to enter into an employment agreement with the Company and to act as chief executive officer of the Company, the Company, in such employment agreement, agreed to grant to him the registration rights set forth below;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties do hereby agree as follows:

1. Certain Definitions. For purposes of this Agreement, the following terms shall have the following respective meanings:

"Commission" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act of 1933, as amended.

"Registrable Securities" means (i) any shares of the Company's Common Stock or Class B Stock held in the name of the Shareholder or any nominee of the Shareholder, and (ii) any Common Stock or Class B Stock of the Company issued as a dividend or other distribution with respect to, or in exchange or in replacement of, such Common Stock or Class B Stock; provided, however, that all shares of Class B Stock must be converted into Common Stock before being registered pursuant to this Agreement.

"Registration Expenses" shall mean all expenses incurred by the Company in complying with Section 2.1 hereof including, without limitation, all registration and filing fees, printing expenses, fees and disbursements of counsel for the Company, fees and disbursements of counsel for the Shareholder, blue sky fees and expenses, and the expense of any audits incident to or required by any such registration

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(but excluding the compensation and expenses of employees of the Company which shall be paid in any event by the Company).

"Selling Expenses" shall mean all underwriting discounts and selling commissions applicable to the sale of Common Stock by the Company or the Shareholder.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Shareholder's "Piggyback" Rights.

(a) If at any time or from time to time, the Company shall determine to register any of its Common Stock for its own account or for the account of any shareholder exercising demand registration rights, other than a registration relating solely to employee benefit plans, or a registration relating solely to a Commission Rule 145 transaction or any Rule adopted by the Commission in substitution thereof or in amendment thereto, or a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities, the Company shall:

(i) promptly give to the Shareholder written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under applicable "blue sky" laws); and

(ii) include in such registration (and any related qualification under blue sky laws or other compliance), and in any underwriting involved therein, all Registrable Securities specified in a written request made by the Shareholder within thirty (30) days after receipt of such written notice from the Company.

(b) If the registration of which the Company gives notice is for a registered public offering involving an underwriter, the Company shall so advise the Shareholder as a part of the written notice given pursuant to Section 2.1(a)(i). In such event the Shareholder shall have registration rights pursuant to Section 2.1, and shall be entitled to participate in such underwriting and to include in such underwriting such Registrable Securities as provided herein. If the Shareholder proposes to distribute his securities through such underwriting, the Shareholder shall (together with the Company and any other shareholder distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the

underwriter or underwriters selected for such underwriting by the Company. The underwriter may determine that marketing factors require a limitation on the number of shares to be underwritten in order to permit the Company to sell the full amount of shares desired to be sold by the Company, in which event the underwriter may exclude all or any portion of the Registrable Securities of the Shareholder from such registration and underwriting; provided, however, that the number of such Registrable Securities may only be excluded in proportion to the respective amounts of other securities proposed to be so distributed through such offering by all other shareholders other than the Company. If the Shareholder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter. The Registrable Securities so withdrawn from such underwriting shall also be withdrawn from such registration.

2.2 Shareholder's Demand Registration Rights. Shareholder may (or, if Shareholder no longer holds any Registrable Securities, the holders of 51% or more of the Registrable Securities may) on one or more occasions at any time after the expiration or termination of Shareholder's employment agreement, by written notice to the Company ("Demand Notice"), demand that the Company file, and the Company shall file within (30) days of such demand (or such longer period as may be agreed upon), one or more registration statements covering not less than 25% of the aggregate number of shares of the Registrable Securities held by Shareholder (and any other holders of Registrable Securities) on the date of the first Demand Notice received by the Company from Shareholder (or any other holders of Registrable Securities) pursuant to this Section 2.2. Such registration statements) shall be on such form as shall be appropriate under the Securities Act of 1933, as amended ("Securities Act"), and the rules and regulations thereunder for the sale of such Registrable Securities and for which the Company then qualifies ("Demand Registration Statement"). The Company also shall file all registrations, qualifications and other filings necessary to register or qualify the Registrable Securities in such states as the managing underwriter or underwriters or Shareholder (or, if Shareholder no longer holds any Registrable Securities, the holders of 51% of the Registrable Securities) shall reasonably request (the "Blue Sky Filing"). The Company shall use its best efforts to cause the Demand Registration Statement(s) and Blue Sky Filings to be declared effective on the date requested by the managing underwriter or underwriters (if any) for the offering, and shall keep the Demand Registration Statement(s) and Blue Sky Filings effective until the offering has been completed and thereafter as long as required by the Securities Act and the rules and regulations thereunder.

Shareholder (or transferees of Shareholder holding 51% or more of the Registrable Securities) shall determine whether Registrable Securities covered by the Demand Registration Statement(s) will be sold by the holders thereof in an underwritten offering through a managing underwriter or underwriters. If Registrable Securities are sold in an underwritten offering, Company and Shareholder will enter into a purchase agreement or underwriting agreement with the underwriter(s) selected containing such terms, conditions, warranties, representations and covenants (including holdbacks) as are customary for such transactions. If underwriters are used, the managing underwriter for any offering must be reasonably satisfactory to the Company. If the underwriter determines that marketing factors require a limitation on the number of shares to be underwritten, the securities of the Company held by officers and directors of the Company (other than Registrable Securities) or by other stockholders shall first be excluded from such registration to the extent so required by such limitation and if a limitation to the number of shares is still required, then Shareholder shall so advise all holders of Registrable Securities whose securities would otherwise be underwritten pursuant hereto, and the number of shares of Registrable Securities and other securities that may be included in the registration and underwriting shall be allocated among all such holders of Registrable Securities in proportion to the respective amounts of Registrable Securities and other securities held by them at the time of filing the registration statement.

2.3 Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Section 2.1 and Section 2.2 shall be borne by the Company, and all Selling Expenses shall be borne by the holders of the securities so registered pro-rata on the basis of the number of shares so registered.

2.4 Registration Procedures. In the case of each registration, qualification or compliance effected by the Company pursuant to Section 2.1 and Section 2.2, the Company will keep the Shareholder advised in writing as to the initiation of each registration, qualification and compliance and as to the completion thereof. At its expense the Company will:

(a) Keep such registration, qualification or compliance effective for a period of one hundred twenty (120) days or until the Shareholder has completed the distribution described in the registration statement relating thereto, whichever first occurs; and

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(b) Furnish such number of prospectuses and other

documents incident thereto as the Shareholder may from time to time request.

2.5 Indemnification.

(a) The Company will indemnify the Shareholder, with respect to which any registration, qualification or compliance has been effected pursuant to this Section 2, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular or other similar document (including any related registration statement, notification or the like) incident to any such registration, qualification or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, or (ii) any violation by the Company of any federal, state or common law rule or regulation applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance, and will pay for or reimburse the Shareholder for any legal and any other expenses incurred in connection with investigating or defending any such claim, loss, damage, liability or action provided that the Company will not be liable to the extent that any such claim, loss, damage, liability or expense arises out of any untrue statement or omission based upon written information furnished to the Company by an instrument duly executed by the Shareholder and stated to be specifically for use therein.

(b) The Shareholder will, if Registrable Securities held by the Shareholder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify the Company, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of, or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other similar document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which they were made, and will reimburse the Company for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged

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omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information

furnished to the Company by an instrument duly executed by the Shareholder and stated to be specifically for use therein; provided, however, that the obligations of the Shareholder hereunder shall be limited to an amount equal to the proceeds received by the Shareholder from the sale of Registrable Securities as contemplated herein.

(c) Each party entitled to indemnification under this Section 2.5. (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has acknowledged any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved in writing by the Indemnified Party. The Indemnified Party may participate in such defense at such party's expense. The failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations herein. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the written consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff of a release from all liability in respect to such claim or litigation to such Indemnified Party.

2.6 Information by Shareholder. The Shareholder participating in any registration shall furnish to the Company such information regarding the Shareholder and the distribution proposed by the Shareholder as the Company may request in writing and as shall be required in connection with any registration, qualification or compliance referred to in this Section 2.

2.7 Transfer of Registration Rights. The rights to cause the Company to register securities granted Shareholder under section 2.1 may be assigned or otherwise conveyed by the Shareholder; provided, that the Company is given written notice by such transferee, stating the name and address of said transferee and said transferee's agreement to be bound by the provisions of this agreement, and; provided, further, that such rights may be assigned or otherwise conveyed only to a transferee of at least five percent (5%) of the Registrable Securities now held by the Shareholder effecting such transfer (approximately adjusted to reflect stock splits, stock dividends or similar capital adjustments) in a transaction not involving any public offering.

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3. Miscellaneous.

3.1 Entire Contract. This Agreement constitutes the

entire contract between the parties hereto regarding rights to registration and no party shall be liable or bound to the other in any manner by any warranties, representations or covenants except as specifically set forth herein. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto. Nothing in this Agreement express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

3.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California.

3.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

3.4 Titles and Subtitles. The titles of the Sections and Subsections of this Agreement are not to be considered in construing this Agreement.

3.5 Notices. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given and received upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail, addressed to each party at the address listed below:

<TABLE>

<S>	<C>
If to Company:	Westwood One, Inc. 9540 Washington Blvd. Culver City, CA 90230 Attn: Chief Financial Officer
If to Shareholder:	Westwood One, Inc. 9540 Washington Blvd. Culver City, CA 90230 Attn: Norman Pattiz

</TABLE>

3.6 Amendment. Any provision of this Agreement may be amended, waived or modified upon the written consent of the Company and the Shareholder (or his assignees to whom Shareholder has expressly assigned his rights under this Agreement).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

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<C>

WESTWOOD ONE, INC.

NORMAN PATTIZ

By BRUCE E. KANTER

Norman Pattiz

Bruce E. Kanter
Executive Vice President

</TABLE>

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SCHEDULE 4

INDEMNIFICATION AGREEMENT

THIS AGREEMENT, dated _____, is between WESTWOOD ONE, INC., a Delaware corporation (the "Corporation") and _____ ("Indemnified Party"), and is made with reference to the following facts:

A. Indemnified Party is a member of the Board of Directors or an officer of the Corporation and in that capacity is performing a valuable service for the Corporation.

B. The Corporation and Indemnified Party recognize that the vagaries of public policy and the interpretation of ambiguous statutes, regulations, court opinions and the Corporation's Certificate of Incorporation and By-laws are too uncertain to provide the Corporation's directors and officers with adequate or reliable advance knowledge or guidance with respect to the legal risks and potential liabilities to which they may become personally exposed as a result of performing their duties in good faith for the Corporation;

C. The Corporation and Indemnified Party are aware of the substantial growth in the number of lawsuits filed against corporate directors and officers in connection with their activities in such capacities and by reason of their status as such;

D. The Corporation and Indemnified Party recognize that the cost of defending against such lawsuits, whether or not meritorious, is typically beyond the financial resources of most directors and officers of the Corporation;

E. The Corporation and Indemnified Party recognize that the legal risks and potential liabilities, and the very threat thereof, associated with lawsuits filed against the directors and officers of the Corporation, and the resultant substantial time, expense, harassment, ridicule, abuse and anxiety spent and endured in defending against such lawsuits bears no reasonable or logical relationship to the amount of compensation received by the Corporation's directors and officers, and thus, poses a significant deterrent to and results in an increased reluctance on the part of experienced and capable individuals to serve as directors or officers of the Corporation;

F. The Corporation has investigated the availability and sufficiency of liability insurance to provide its directors and officers with adequate protection against the foregoing legal risks and potential liabilities and has concluded that such insurance currently provides both inadequate and unacceptable protection to its directors and officers, and, thus, it would be in the best interests of the Corporation and its stockholders to contract with its directors and officers, including Indemnified Party, to indemnify them to the fullest extent permitted by law against personal liability for actions taken in the good faith performance of their duties to the Corporation;

G. Section 145(f) of the Delaware General Corporation Law (the "DCL") specifically provides that the indemnification and advancement of expenses provided by Section 145 of the DCL is not exclusive of indemnification arrangements approved by vote of the stockholders, and thereby contemplates that separate, enforceable, stockholder-approved arrangements may be entered into between the Corporation and its directors or officers with respect to indemnification of such persons;

H. In order to induce and encourage highly experienced and capable persons such as Indemnified Party to serve as directors or officers of the Corporation and to otherwise promote the desirable end that such persons will resist what they consider unjustifiable lawsuits and claims made against them in connection with the good faith performance of their duties to the Corporation, secure in the knowledge that certain expenses, costs and liabilities incurred by them in their defense of such litigation will be borne by the Corporation and that they will receive the maximum protection against such risks and liabilities as may be afforded by law, the Board of Directors of the Corporation has determined, after due

consideration and investigation of the terms and provisions of this Agreement and the various other options available to the Corporation and Indemnified Party in lieu hereof, that the following Agreement is not only reasonable and prudent but necessary to promote and ensure the best interests of the Corporation and its stockholders;

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I. The Corporation desires to have Indemnified Party continue to serve as a director or an officer of the Corporation free from undue concern for unpredictable, inappropriate or unreasonable legal risks and personal liabilities by reason of his acting in good faith in the performance of his duty to the Corporation; and Indemnified Party desires to continue to serve as a director or an officer of the Corporation; provided, and on the express condition, that he is furnished with the indemnity set forth hereinafter.

NOW, THEREFORE, in consideration of Indemnified Party's continued service as a director or an officer after the date hereof the Corporation and Indemnified Party agree as follows:

1. Agreement to Serve.

Indemnified Party agrees to serve or continue to serve as a director or an officer of the Corporation at the will of the Corporation or under separate contract, as the case may be, for so long as he is duly elected or appointed or until such time as he tenders his resignation in writing.

2. Maintenance of Insurance.

(a) Subject only to the provisions of Section 2(b) of this Agreement, the Corporation hereby agrees that, so long as Indemnified Party shall continue to serve as a director or an officer of the Corporation (or shall continue at the request of the Corporation to serve as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and thereafter so long as Indemnified Party shall be subject to any possible claim or any threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative, by reason of the fact that Indemnified Party was a director or an officer of the Corporation (or served in any of such other capacities), the Corporation will purchase and maintain in effect for the benefit of Indemnified Party one or more valid, binding and enforceable policies of D&O Insurance providing the broadest coverage generally available to directors and officers of publicly held corporations in an amount of at least \$10,000,000.00.

(b) The Corporation shall not be required to maintain any such policies of D&O Insurance in effect if such insurance is not reasonably available or if, in the reasonable business judgment of the directors of the Corporation, either (i) the premium cost for such insurance is substantially disproportionate to the amount of coverage provided or (ii) the coverage provided by such insurance is so limited by exclusions that there would be insufficient benefit from such insurance.

3. Indemnity.

Subject only to the exclusions set forth in Section 4 of this Agreement, the Corporation hereby agrees to hold harmless and indemnify Indemnified Party:

(a) To the fullest extent provided by (i) Section 145 of the DCL (exclusive of any amendment thereof limiting or restricting the power of a corporation to indemnify directors or officers) or other statutory provision authorizing or permitting such indemnification that is adopted after the date of this Agreement and (ii) Article V of the Corporation's By-Laws; and

(b) Against any and all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnified Party in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Corporation) to which Indemnified Party is, was at the date hereof or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Indemnified Party is, was or at any time becomes a director, officer, employee or agent of the Corporation, or is or was serving or at any time serves at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

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4. Limitations on Additional Indemnity.

No indemnity pursuant to Section 3(b) hereof shall be paid by the Corporation:

(a) with respect to remuneration paid to Indemnified Party, if it shall be determined by a final judgment or other final adjudication by a court of competent jurisdiction that such remuneration was in violation of law;

(b) on account of any suit in which final judgment is tendered by a court of competent jurisdiction against Indemnified Party for an accounting of profits made from the purchase or sale by Indemnified Party of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934;

(c) on account of Indemnified Party's conduct that is finally adjudged by a court of competent jurisdiction to have been knowingly fraudulent or otherwise violative of Section 102(b)(7) of the DCL; or

(d) in the case of third party proceedings unless it is determined pursuant to Section 10 of this Agreement or by a court of competent jurisdiction before which such action was brought, that Indemnified Party acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation and, in the case of a criminal proceeding, in addition, had no reasonable cause to believe that his conduct was unlawful. The termination of any such proceeding by final judgment, final order of court, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that Indemnified Party did not act in good faith in a manner which he reasonably believed to be in the best interests of the Corporation, and with respect to any criminal proceeding, that such person had reasonable cause to believe that his conduct was unlawful.

(e) in the case of proceedings by or in the right of the Corporation, only if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification for expenses shall be made in respect of any claim, issue or matter as to which Indemnified Party shall have been adjudged to be liable to the Corporation, unless and only to the extent that any court in which such proceeding is brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnified Party is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

5. Indemnification of Expenses of Successful Party.

Notwithstanding any other provisions of this Agreement, to the extent that Indemnified Party has been successful on the merits or otherwise, in defense of any proceedings or in defense of any claim, issue or matter therein, including the dismissal of an action without prejudice, Indemnified Party shall be indemnified against all expenses incurred in connection therewith.

6. Advances of Expenses.

The expenses incurred by Indemnified Party pursuant to Section 3 of

this Agreement in any proceeding shall be paid by the Corporation in advance at the written request of Indemnified Party if Indemnified Party shall undertake to repay such amount to the extent that it is ultimately determined that Indemnified Party is not entitled to indemnification.

7. Repayment of Expenses.

Indemnified Party hereby undertakes that Indemnified Party will reimburse the Corporation for all reasonable expenses paid by the Corporation in defending any civil or criminal action, suit or proceeding against Indemnified Party in the event and only to the extent that it shall be ultimately

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determined by a court of competent jurisdiction that Indemnified Party is not entitled to be indemnified by the Corporation for such expenses under the provisions of this Agreement or any other agreement containing indemnity provisions.

8. Continuation of Indemnity.

All agreements and obligations of the Corporation contained in this Agreement shall continue during the period Indemnified Party is a director, officer, employee or agent of the Corporation (or is 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) and shall continue thereafter so long as Indemnified Party (or his estate) shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal or investigative, by reason of the fact that Indemnified Party was a director or an officer of the Corporation or serving in any other capacity referred to herein.

9. Notification and Defense of Claim.

Promptly after receipt by Indemnified Party of notice of the commencement of any action, suit or proceeding. Indemnified Party will, if a claim in respect thereof is to be made against the Corporation under this Agreement, notify the Corporation of the commencement thereof; but the omission to so notify the Corporation will not relieve it from any liability which it may have to Indemnified Party otherwise than under this Agreement. With respect to any such action, suit or proceeding as to which Indemnified Party notifies the Corporation of the commencement thereof:

(a) The Corporation will be entitled to participate therein at its own expense; and,

(b) Except as otherwise provided below, to the extent that it may wish, the Corporation jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel satisfactory to Indemnified Party. After notice from the Corporation to Indemnified Party of its election to so assume the defense thereof, the Corporation will not be liable to Indemnified Party under this Agreement for any legal or other expenses subsequently incurred by Indemnified Party in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnified Party shall have the right to employ its own counsel in such action, suit or proceeding but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnified Party unless (i) the employment of counsel by Indemnified Party has been authorized by the Corporation, (ii) Indemnified Party shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnified Party in the conduct of the defense of such action or (iii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses of counsel shall be at the expense of the Corporation. The Corporation shall not be entitled to assume the defense of any action, suit or proceeding brought by or on behalf of the Corporation or as to which Indemnified Party shall have made the conclusion provided for in (ii) above.

The Corporation shall not be liable to indemnify Indemnified Party under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent. The Corporation shall not settle any action or claim without Indemnified Party's written consent. Neither the Corporation nor Indemnified Party will unreasonably withhold consent to any proposed settlement.

10. Enforcement.

Any indemnification or advance under this Agreement shall be made no later than 30 days after receipt of the written request of Indemnified Party unless a determination is made within said 30 day period by (a) the Board of Directors of the Corporation by a majority vote of a quorum thereof consisting of directors who were not parties to such proceedings, or (b) independent legal counsel in a written opinion (which counsel shall be appointed if such a quorum is not obtainable), that Indemnified Party has not met the relevant standards for indemnification set forth herein.

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The right to indemnification or advances as provided by this Agreement shall be enforceable by Indemnified Party in any court of competent

jurisdiction. The burden of proving that indemnification or advances are not appropriate shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification or advances are proper in the circumstances because Indemnified Party has met the applicable standard of conduct, nor an actual determination by the Corporation (including its Board of Directors or independent legal counsel) that Indemnified Party has not met the applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnified Party has not met the applicable standard of conduct. Indemnified Party's expenses incurred in connection with successfully establishing his right to indemnification or advances, in whole or in part, in any such proceeding shall also be indemnified by the Corporation.

11. Indemnification Hereunder Not Exclusive.

The indemnification provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnified Party may be entitled under the Certificate of Incorporation, the By-Laws, any agreement, any vote of stockholders or disinterested directors, the Delaware DCL, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

12. Partial Indemnification.

If Indemnified Party is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the expenses, judgments, settlement amounts, fines or penalties actually and reasonably incurred by him in the investigation, defense, appeal or settlement of any proceeding but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnified Party for the portion of such expenses, judgments, settlement amounts, fines or penalties to which Indemnified Party is entitled.

13. Term.

This Agreement shall be effective as of 12:01 a.m., Pacific Time, on March 2, 1987. It shall continue in full force and effect until the earlier of (i) the effectiveness of Indemnified Party's voluntary resignation as a director or an officer, (ii) the effective date of Indemnified Party's involuntary removal from office or termination as an officer, (iii) if Indemnified Party is a director, the election and qualification of his duly nominated successor, or (iv) Indemnified Party's death; provided, however, that the term set forth in this Section 13 shall in no way limit the continuation of indemnity provisions set forth in Section 8 hereof.

14. Separability.

Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof

shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

15. Miscellaneous.

(a) This Agreement shall be interpreted and enforced in accordance with the laws of the State of Delaware. If a court of competent jurisdiction shall make a final adjudication that the provisions of the law of any state other than Delaware govern indemnification by the Corporation of its officers and directors, then the indemnification provided under this Agreement shall in all instances be enforceable only to the extent permitted under such law, notwithstanding any provision of this Agreement to the contrary.

(b) This Agreement shall be binding upon Indemnified Party and upon the Corporation, its successors and assigns, and shall inure to the benefit of Indemnified Party, his heirs, estate, personal representatives and assigns and to the benefit of the Corporation, its successors and assigns.

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(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto.

(d) The section headings have been inserted for convenience of reference only, and shall not affect the interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

<TABLE>

<S>
INDEMNIFIED PARTY

<C>
WESTWOOD ONE, INC.

By _____

</TABLE>

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FIRST AMENDMENT

This First Amendment is made this 26th day of January, 1994 with reference to the Employment Agreement dated October 18, 1993, by and between Westwood One, Inc., ("the Company") and Norman J. Pattiz (the "Employee"). The above-referenced Employment Agreement is amended as follows:

1. Other Benefits (Section 3.2)

Section 3.2 (j) shall read as follows:

(j) During the term hereof, Company shall pay directly or reimburse employee for one-half of Employee's home security system, maintenance and fees, not to exceed the amount paid or reimbursed by the Company during calendar year 1993.

2. Retirement Benefits (Section 3.4)

Section 3.4 regarding retirement benefits is hereby deleted in its entirety.

3. Limited Effect of Amendment

Each and every one of the other terms and conditions of the Employment Agreement shall be and remain as they are now, and this First Amendment shall change the Employment Agreement only so far as specifically set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to signify their Agreement.

EMPLOYEE

WESTWOOD ONE, INC.

By: NORMAN J. PATTIZ

By: ERIC R. WEISS

Norman J. Pattiz

Eric R. Weiss

Title: COB & CEO

Title: SR. VP.

Date: 1/26/93

Date 1/26/93

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made effective as of August 30, 1993, by and between WESTWOOD ONE, INC., a Delaware corporation (hereinafter referred to as "Westwood" or "Company") and Eric R. Weiss (hereinafter referred to as "Employee").

1. Employment

Westwood hereby engages and employs Employee to render services to Westwood as Chief Operating Officer of Company's Mutual Broadcasting System, NBC Radio Network, Talknet and The Source in which capacity Employee shall render such services as are customarily rendered by and required by such a position, as determined by the Board of Directors. Westwood, in lieu of the aforementioned position, may require Employee to remain in Los Angeles in his present capacity or in the capacity of a Chief Operating Officer of another Company subsidiary. In either capacity, the Company and Employee shall be bound by all the terms and conditions of this Agreement, and Employee shall be an Executive Vice President and shall be deemed to be an executive officer of Company.

2. Term of Employment

The term of this Employment Agreement shall commence on September 1, 1993, and shall continue through November 30, 1995 (the "Term"); provided that, if Employee's employment with the Company continues beyond November 30, 1995, and this Agreement is not renewed in writing, the terms of this Agreement as in effect on November 30, 1995 will govern the terms of such employment, except that after such date such employment may be terminated by either party at will, subject, however, to the provisions of Section 9.

3. Compensation

3.1 Base Salary

As compensation for his employment under this Agreement, the Company shall pay to Employee base salary at the annual rates and for the periods indicated below:

<CAPTION>

From ----	Through -----	Annual Rate -----
<S>	<C>	<C>
September 1, 1993	November 30, 1994	\$300,000.00
December 1, 1994	November 30, 1995	\$250,000.00

</TABLE>

Such base salary will be payable twice monthly in as equal installments as possible. It is understood that the Company may, at its discretion, increase such base salary.

3.2 Bonus Compensation

- A. The Company will pay Employee a bonus of \$50,000.00 based upon Employee's performance for the period December 1, 1994 through November 30, 1995, subject to approval by the Board of Directors in its sole discretion. Such bonus will be payable no later than January 15, 1996.
- B. Pursuant to his Employment Agreement with the Company dated September 1, 1992, Company shall pay Employee the sum of \$25,000.00 payable on September 1, 1993.

3.3 Stock Options

Company acknowledges that it has previously granted Employee options to purchase shares of the Company's Common Stock, par value \$0.1 per share, ("Stock Options") pursuant to certain Stock Incentive Agreements dated October 17, 1990, March 18, 1992 and February 16, 1993. In addition to the foregoing, Employee shall be entitled to a grant of 50,000 Stock Options pursuant to the Company's 1989 Stock Incentive Plan, as amended and restated effective March 1993. The grant shall occur on the effective date of this Agreement. Such stock options shall become 100% exercisable one (1) year from the date of such grant.

4. Relocation Expenses and Housing Allowance

Company shall pay for all reasonable moving and storage expenses related to the relocation of Employee's home furnishings, possessions and automobile from Los Angeles to Arlington, Virginia. Company shall pay or reimburse Employee's broker's fee and any closing costs related to the sale of Employee's home in Los Angeles. If during the Term Employee purchases a residence in

the Arlington, Virginia vicinity, Company shall pay or reimburse Employee's broker's fees and closing costs in connection with such purchase. Upon full execution of this Agreement, Employee will immediately list his Los Angeles residence for sale, and will attempt to sell his residence prior to permanently relocating to Arlington, Virginia. Upon permanently relocating to Arlington, Virginia, Company shall pay Employee a housing and living allowance of \$5,000.00 per month for seven (7) months or until the closing of the sale of Employee's Los Angeles residence, whichever occurs first.

5. Benefits

5.1 Benefit Plans

Employee shall be entitled to participate and will be included in any and all employee benefit plans of the Company now existing or hereafter established which are generally made available to employees of the Company, including but not limited to sick leave, disability insurance, life insurance, medical and dental insurance and retirement plans. Employee shall be entitled to participate in any bonus plans established by the Company for senior management. In addition, Company shall reimburse Employee for a supplemental disability/life insurance policy up to a maximum cost of the Company not to exceed \$4,000.00 per year. Employee shall have the right to select the underwriter and the policy.

5.2 Car Allowance

Employee shall be provided a company car (a Jaguar, or car of equal value) and Company shall pay for all reasonable expenses in connection therewith including all gas, maintenance, repairs, insurance and cellular telephone bills.

5.3 Vacation

Employee shall be entitled to four (4) weeks vacation each year, during which time his base salary then in effect pursuant to Section 3 will be paid in full.

6. Reimbursement For Expenses

Employee is authorized to incur and will be reimbursed by Company for all reasonable entertainment expenses incurred by Employee to represent or promote the business of the Company. The Company shall

reimburse the Employee for all reasonable customary and necessary business expenses incurred by him, provided that Employee shall promptly submit all necessary expense reports requested by the Company in accordance with Company policies in effect, from time to time. Employee shall be entitled to reimbursement for business class travel on business trips of three (3) hours or greater.

7. Non-Competition/Unfair Competition

7.1 Non Competition

During the term of his employment with the Company, Employee shall not directly or indirectly, engage or participate in any business that is in competition with any business of Westwood or any of its subsidiaries. The foregoing obligation of Employee not to compete with Westwood shall not prohibit Employee from owning or purchasing any corporate securities of any corporation that are regularly traded on a recognized stock exchange or over-the-counter market so long as Employee does not own, in the aggregate, five percent (5%) or more of the voting equity securities of any such corporation.

7.2 Unfair Competition

Westwood treats certain information, including, but not limited to, non-public financial information, information about its affiliated radio stations, pricing information, customer lists, marketing programs, or radio programs, as confidential information and keeps such information secret from its competitors (the "Confidential Information"). Employee acknowledges and agrees that, during or after his employment with the Company, the sale, use or disclosure, without the prior written consent of Westwood, of any Confidential Information obtained by him during his employment with Westwood would constitute unfair competition. Employee promises and agrees not to engage in such unfair competition with Westwood during his employment with the Company or thereafter.

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7.3 Irreparable Harm

Employee acknowledges and agrees that damages would not be an adequate remedy for the breach by Employee of any of the covenants set forth in this Section 7 and further agrees that, in addition to all other remedies available to the Company at law or equity, the Company shall be entitled to seek injunctive relief to restrain the breach or threatened breach of, or otherwise specifically enforce, any of the covenants of Employee set forth in this Section 7.

8. Termination

This Agreement may be terminated by the Company only as provided in this section and for no other cause or reason:

- A. The Company may terminate Employee's employment under this Agreement without cause upon thirty (30) days advance written notice. If Employee is terminated without cause prior to the expiration of the Term, (i) Company will continue to pay to Employee the base salary which Employee would have been entitled to receive under Section 3, through November 30, 1995, in accordance with the Company's normal payroll practices; (ii) concurrent with the date of such termination, Company shall retain Employee as a Consultant, and any applicable Stock Incentive Agreements between Company and Employee shall remain in full force and effect through November 30, 1995, and (iii) Company shall continue to pay for and provide Employee with the benefits set forth in Section 5 through November 30, 1995.
- B. The Company may terminate Employee's employment under this Agreement for "cause" upon thirty (30) days advance written notice. For purposes of this subsection, "cause" means wilful commission by Employee of a material act of fraud or gross misconduct, or competition by Employee with the Company in violation of Section 7 hereof.
- C. In the event of a merger, or sale by Company of all or substantially all of its assets or stock (a "Transaction"), if the surviving corporation or purchaser of the Company's assets or stock in any such Transaction (the "Successor") fails to enter into a written employment agreement with Employee to serve in his present capacity at terms no less favorable than those contained herein, the term of which shall be not less than two (2)

years from the date of the closing of the Transaction, then Company shall pay Employee an amount equal to two (2) years base salary, at the rate in effect on the date of the closing of the Transaction. Payments will be made in accordance with normal payroll practices beginning on the date of the closing of the Transaction and ending two (2) years from such date. During such two (2) year period, Company or Successor, as applicable, shall (i) retain Employee as a Consultant and any

applicable Stock Incentive Agreements between Company and Employee shall remain in full force and effect, and (ii) continue to pay for and provide Employee with benefits comparable to those set forth in Section 5. The Company and the Successor shall be jointly and severally liable for such payments.

- D. The Company may also immediately terminate this Agreement in the event of the death of the Employee or if he becomes disabled, which is defined as the Employee not being able to perform his regular duties hereunder for a period of three (3) months during any consecutive six (6) month period. Notwithstanding the above, in the event of disability the Company will continue to pay Employee the base salary then in effect pursuant to Section 3 hereunder for a period of twelve (12) months after Employee is declared disabled.

9. Severance

In addition to the compensation due Employee pursuant to Section 8.A, if (i) Employee is terminated without cause during the Term or thereafter during the continuation of Employee's employment on an at will basis pursuant to Section 2, or (ii) this Agreement is not renewed for a period of two (2) years on the same or better terms beginning December 1, 1995 and Employee's employment is not continued pursuant to Section 2, then beginning December 1, 1995 or on the date of such termination without cause, as applicable, Company shall pay Employee an amount equal to the base salary then in effect under Section 3 for a period of fifty-two (52) weeks in accordance with the Company's normal payroll practices.

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10. Notices

All notices which any party may be required or may desire to give under or in connection with this Agreement shall be in writing and shall be sent either; (i) by personal delivery or overnight courier, in which case the notice shall be deemed received upon the earlier of actual receipt as evidenced by the records of such delivery service or courier, or one (1) business day after deposit with such delivery service or courier; (ii) by certified United States mail, return receipt requested, postage prepaid, in which case the notice shall be deemed received on the earlier of actual receipt or three (3) business days after deposit in the United States mail; or (iii) by telecopy or facsimile transmission, in which case the notice shall be deemed received upon confirmation of such transmission. All notices shall be

delivered as follows:

<TABLE>

<S>

To Employee:

<C>

Eric R. Weiss
9540 Washington Blvd.
Culver City, CA 90232
(310) 840-4304
FAX: (310) 840-4053

If to Employer:

Norman J. Pattiz
Westwood One, Inc.,
9540 Washington Boulevard
Culver City, CA 90232
FAX: (310) 550-1855

</TABLE>

Any party may change its address for purposes of this Section by giving the other party written notice of the new address in the manner set forth above.

11. Miscellaneous

A. The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by that party. No waiver shall be valid unless in writing, executed by the party or its duly authorized representative.

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B. This Agreement and all rights, obligations and liabilities arising under it shall be construed and enforced in accordance with the laws of the State of California.

C. Any provision in this Agreement which may be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Agreement.

D. The parties mutually acknowledge that this Agreement constitutes the complete and exclusive statement of the agreement between them as regards their employment relationship, including without limitation the Employment Agreement between Employee and Company dated September 1, 1992, and supersedes any prior or contemporaneous proposals, commitments, or representations of any kinds, whether oral or

written, with respect to such relationship.

- E. This Agreement may be amended, modified or supplemented only by an instrument in writing specifically referencing this Agreement and executed by the parties or their duly authorized representatives.
- F. The parties hereby agree that the headings contained in this Agreement are for reference only and are not intended to form part of the Agreement.
- G. Any dispute, controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgement upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.
- H. Should either party hereto retain counsel for the purpose of enforcing, or preventing the breach of, any provision hereof, including but not limited to, the institution of any action or proceeding, whether by arbitration, judicial or quasi-judicial action or otherwise, or for damages for any alleged breach of any provision hereof, or for a declaration of such party's rights or obligations hereunder, then, whether such matter is settled by negotiation or by arbitration or judicial determination, the prevailing party shall be entitled to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys' fees and costs for the services rendered to such party, regardless of whether or not suit is filed.

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- I. This Agreement was the subject of negotiation between the parties hereto.

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

<TABLE>

<S>

WESTWOOD ONE, INC.

"WESTWOOD"

<C>

Eric R. Weiss

"EMPLOYEE"

By: NORMAN J. PATTIZ

By: ERIC R. WEISS

Norman J. Pattiz
Chairman of the Board and
Chief Executive Officer
9540 Washington Boulevard
Culver City, CA 90232-1985

Eric R. Weiss
245 Tranquillo Road
Pacific Palisades, CA 90272

</TABLE>

LOAN AND SECURITY AGREEMENT

by and between

WESTWOOD ONE, INC.
AND VARIOUS OF ITS SUBSIDIARIES

and

FOOTHILL CAPITAL CORPORATION

Dated as of November 15, 1993

EXHIBIT 10.11

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LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT, is entered into as of November 15, 1993, between FOOTHILL CAPITAL CORPORATION, a California corporation ("Foothill"), with a place of business located at 11111 Santa Monica Boulevard, Suite 1500, Los Angeles, California 90025-3333, on the one hand, and, on the other hand, WESTWOOD ONE, INC., a Delaware corporation ("Westwood One"), with its chief executive office located at 8966 Washington Boulevard, Culver City, California 90232, WESTWOOD ONE RADIO, INC., a California corporation ("Westwood Radio"), with its chief executive office located at 8966 Washington Boulevard, Culver City, California 90232, MUTUAL BROADCASTING SYSTEM, INC., a Delaware corporation ("Mutual Broadcasting"), with its chief executive office located at 1755 Jefferson Davis Highway, Arlington, Virginia 22202, WESTWOOD NATIONAL RADIO CORPORATION, INC., a Delaware corporation ("Westwood National Radio"), with its chief executive office located at 1755 Jefferson Davis Highway, Arlington, Virginia 22202, NATIONAL RADIO NETWORK, INC., A Delaware corporation ("National Radio Network"), with its chief executive office located at 1755 Jefferson Davis Highway, Arlington, Virginia 22202, THE SOURCE, INC., A Delaware corporation ("Source"), with its chief executive office located at 1755 Jefferson Davis Highway, Arlington, Virginia 22202, TALKNET, INC., a Delaware corporation ("Talknet"), with its chief executive office located at 1755 Jefferson Davis Highway, Arlington, Virginia 22202, KM RECORDS, INC., a California corporation ("KM Records"), with its chief executive office located at 2980 North Ontario Street, Burbank, California 91504, WESTWOOD ONE SATELLITE SYSTEMS, INC., a Delaware corporation ("Satellite Systems"), with its chief executive office located at 8966 Washington Boulevard, Culver City, California 90232, WESTWOOD ONE STATIONS GROUP, INC., a Delaware corporation ("Stations Group"), with its chief executive office located at 8966 Washington Boulevard, Culver City, California 90232, WESTWOOD ONE STATIONS-LA, INC., A Delaware corporation ("Stations-LA"), with its chief executive office located at 8966 Washington Boulevard, Culver City, California 90232, and WESTWOOD ONE STATIONS-NYC , INC., a Delaware corporation (" Stations-NYC "), with its chief executive office located at 8966 Washington Boulevard, Culver City, California 90232.

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

"Account Debtor" means any Person who is or who may become

obligated under, with respect to, or on account of an Account. For purposes of this Agreement, rights to payment of money arising out of the sale of programming shall be deemed an Account.

"Accounts" means all currently existing and hereafter arising accounts, contract rights, and all other forms of obligations owing to Borrower arising out of the sale or lease of goods or the rendition of services by Borrower, irrespective of whether earned by performance, and any and all credit insurance, guaranties, or security therefor.

"Adjusted Tangible Net Worth" means, as of the date any determination thereof is to be made, the difference of (a) (i) Borrower's total stockholder's equity, plus (ii) the outstanding principal balance of the Existing Subordinated Debt, minus (b) (i) all intangible assets of Borrower, (ii) all of Borrower's prepaid expenses, and (iii) all amounts due to Borrower from Affiliates, calculated on a consolidated basis.

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For purposes of this definition, "control" as applied to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract, or otherwise; provided, however, that, in any event: (a) any Person which owns directly or indirectly five percent (5%) or more of the securities having ordinary voting power for the election of directors or other members of the governing body of a Person or five percent (5%) or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed to control such Person; (b) each director or officer of a Person shall be deemed to be an Affiliate of such Person; and (c) each partnership or joint venture in which a Person is a partner or joint venturer shall be deemed to be an Affiliate of such Person.

"Agreement" means this Loan and Security Agreement and any extensions, riders, supplements, notes, amendments, or modifications to or in connection with this Loan and Security Agreement.

"Asset Disposition" means any direct or indirect sale, conveyance, transfer, lease or other disposition to any Person (other than a Debtor) in one transaction or a series of related transactions, of any capital stock or other interests (including partnership interests) of Westwood One or any of its Subsidiaries (other than directors' qualifying shares) or any other property or asset of Westwood One or any of its Subsidiaries (each referred to for purposes of this definition as a "disposition"), including any disposition by means of a merger, consolidation, or similar transaction.

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"Authorized Officer" means any officer of Borrower.

"Average Unused Portion of Maximum Revolving Credit Amount" means (a) the Maximum Revolving Credit Amount; less (b) the average Daily Balance of advances made by Foothill under Section 2.1 that were outstanding during the immediately preceding month.

"Bailee Agreements" means Bailee Agreements, in form and substance satisfactory to Foothill, between Foothill and First American Record Management and Iron Mountain Records Management (the "Bailees") whereby the Bailees acknowledge that Foothill has a security interest in the Inventory or Equipment of Borrower, as applicable, located on the premises of the Bailees and whereby the Bailees disclaim any lien, security interest, or other interest of any sort whatsoever in and to such Inventory or Equipment of Borrower.

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), as amended, and any successor statute.

"Borrower" means Westwood One, Westwood Radio, Mutual Broadcasting, Westwood National Radio, Source, Talknet, KM Records, Satellite Systems, National Radio Network, Stations Group, Stations-LA, and Stations-NYC, individually and collectively, and jointly and severally.

"Borrower's Books" means all of Borrower's financial books and records including: ledgers; records indicating, summarizing, or evidencing Borrower's assets (including the Collateral) or liabilities; all information relating to Borrower's business operations or financial condition; and all computer programs, disc or tape files, printouts, runs, or other computer prepared information, and the equipment containing such information.

"Borrowing Base" has the meaning set forth in Section 2.1.

"Business Day" means any day which is not a Saturday, Sunday, or other day on which national banks are authorized or required to close.

"California Real Property" means those parcels of real property, and the related improvements thereto, located at (a) 9540 Washington Boulevard, Culver City, California, (b) 8966 Washington Boulevard, Culver City, California, (c) 8960 Washington Boulevard, Culver City, California, (d) 8944 Lindblade Street, Culver City, California, and (e) the parking lot parcels.

"Change of Control" shall be deemed to have occurred at such time as a "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of more than 25% of the total voting power of all classes of stock then outstanding of Borrower normally entitled to vote in the election of directors.

"Closing Date" means the date of the making of the initial advance, Term Loan A, or Term Loan B hereunder.

"Code" means the California Uniform Commercial Code.

"Collateral" means each of the following: the Accounts; Borrower's Books; the Equipment; the General Intangibles; the Inventory; the Negotiable Collateral; any money, or other assets of Borrower which hereafter come into the possession, custody, or control of Foothill; and the proceeds and products, whether tangible or intangible, of any of the foregoing including proceeds of insurance covering any or all of the Collateral, and any and all Accounts, Borrower's Books, Equipment, General Intangibles, Inventory., Negotiable Collateral, money, deposit accounts, or other tangible or intangible property resulting from the sale, exchange, collection, or other disposition of any of the foregoing, or any portion thereof or interest therein, and the proceeds thereof.

"Consolidated Current Assets" means, as of any date of determination, the aggregate amount of all current assets of Westwood One and the other Debtors calculated on a consolidated basis that would, in accordance with GAAP, be classified on a balance sheet as current assets.

"Consolidated Current Liabilities" means as of any date of determination the aggregate amount of all current liabilities of Westwood One and the other Debtors, calculated on a consolidated basis that would, in accordance with GAAP, be classified on a balance sheet as current liabilities. For purposes of this definition, all advances outstanding under this Agreement shall be deemed to be current liabilities without regard to whether they would be deemed to be so under GAAP.

"Copyright Security Agreement" means a Copyright Security Agreement, substantially in the form of Exhibit C-1 attached hereto, dated as of the Closing Date, between Borrower and Foothill pursuant to which Borrower grants to Foothill a first priority security interest in all of its copyrights and related property interests, whether now owned or hereafter acquired, to secure the Obligations.

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"Daily Balance" means the amount of an Obligation owed at the end of a given day.

"Debtor" means any one of Westwood One, Westwood Radio, Mutual Broadcasting, Westwood National Radio, Source, Talknet, KM Records, Satellite Systems, National Radio Network, Stations Group, Stations-LA, and Stations-NYC.

"Early Termination Premium" has the meaning set forth in Section 3.5.

"Eligible Accounts" means those Accounts created by Borrower in the ordinary course of business that arise out of Borrower's sale of goods or rendition of services, that strictly comply with all of Borrower's representations and warranties to Foothill, and that are and at all times shall continue to be acceptable to Foothill in all respects; provided, however, that standards of eligibility may be fixed and revised from time to time by Foothill in Foothill's reasonable credit judgment. Eligible Accounts shall not include the following:

- (a) Accounts as to which the Account Debtor has failed to pay within ninety (90) days of invoice date;
- (b) Accounts with selling terms of more than thirty (30) days;
- (c) Accounts with respect to which the Account Debtor is an officer, employee, Affiliate, or agent of Borrower;
- (d) Accounts with respect to which goods are placed on consignment, guaranteed sale, sale or return, sale on approval, bill and hold, or other terms by reason of which the payment by the Account Debtor may be conditional;
- (e) Accounts with respect to which the Account Debtor is not a resident of the United States, and which are not either (1) covered by credit insurance in form and amount, and by an insurer, satisfactory to Foothill, or (2) supported by one or more letters of credit that are assignable by their terms and have been delivered to Foothill in an amount, of a tenor, and issued by a financial institution, acceptable to Foothill;
- (f) Accounts with respect to which the Account Debtor is the United States or any department, agency, or instrumentality of the United States;
- (g) Accounts with respect to which Borrower is or may become liable to the Account Debtor for goods sold or services rendered by the Account Debtor to Borrower;

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- (h) Accounts with respect to an Account Debtor whose total obligations owing to Borrower exceed fifteen percent (15%) of all Eligible Accounts, to the extent of the obligations owing by such Account Debtor in excess of such percentage;
- (i) Accounts with respect to which the Account Debtor disputes liability or makes any claim with respect thereto, or is subject to any Insolvency Proceeding, or becomes insolvent, or goes out of business;

(j) Accounts the collection of which Foothill, in its reasonable credit judgment, believes to be doubtful by reason of the Account Debtor's financial condition;

(k) Accounts owed by an Account Debtor that has failed to pay fifty percent (50%) or more of its Accounts owed to Borrower within ninety (90) days of the date of the applicable invoices;

(l) Accounts that result from sales by KM Records, Satellite Systems, Stations Group, Station-LA, or Stations- NYC;

(m) Accounts that are payable in other than United States Dollars; and

(n) Accounts that represent progress payments or other advance billings that are due prior to the completion of performance by Borrower of the subject contract for goods or services.

"Equipment" means all of Borrower's present and hereafter acquired machinery, machine tools, motors, equipment, furniture, furnishings, fixtures, vehicles (including motor vehicles and trailers), tools, parts, dies, jigs, goods (exclusive of consumer goods, farm products, or Inventory), wherever located, and any interest of Borrower in any of the foregoing, and all attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing, wherever located.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any predecessor, successor, or superseding laws of the United States of America, together with all regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) which, within the meaning of Section 414 of the IRC, is: (i) under common control with Borrower; (ii) treated, together with Borrower, as a single employer; (iii) treated as a

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member of an affiliated service group of which Borrower is also treated as a member; or (iv) is otherwise aggregated with the Borrower for purposes of the employee benefits requirements listed in IRC Section 414(m)(4).

"ERISA Event" shall mean any one or more of the following: (i) a Reportable Event with respect to a Qualified Plan or a Multiemployer Plan; (ii) a Prohibited Transaction with respect to any Plan; (iii) a complete or partial withdrawal by Borrower or any ERISA Affiliate from a Multiemployer Plan; (iv) the complete or partial withdrawal of Borrower or an ERISA Affiliate from a Qualified Plan during a plan year in which it was, or was treated as, a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (v) a failure to make full payment when due of all amounts which, under the provisions of any Plan or applicable law, Borrower or any ERISA Affiliate is required to make;

(vi) the filing of a notice of intent to terminate, or the treatment of a plan amendment as a termination, under Sections 4041 or 4041A of ERISA; (vii) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Qualified Plan or Multiemployer Plan; (viii) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any ERISA Affiliate; and (ix) a violation of the applicable requirements of Sections 404 or 405 of ERISA, or the exclusive benefit rule under Section 403(c) of ERISA, by any fiduciary or disqualified person with respect to any Plan for which Borrower or any ERISA Affiliate may be directly or indirectly liable.

"Event of Default" has the meaning set forth in Section 8.

"Existing Subordinated Debt" means (a) the Debt of Borrower evidenced by the 9% Convertible Senior Subordinated Debentures, and (b) the Debt of Borrower evidenced by the 6.75% Convertible Subordinated Debentures.

"FEIN" means Federal Employer Identification Number.

"Foothill" has the meaning set forth in the preamble to this Agreement.

"Foothill Expenses" means all: costs or expenses (including taxes, photocopying, notarization, telecommunication and insurance premiums) required to be paid by Borrower under any of the Loan Documents that are paid or advanced by Foothill; documentation filing, recording, publication, appraisal (including periodic Collateral appraisals), real estate survey, environmental audit, and search fees assessed, paid, or incurred by Foothill in connection with Foothill's transactions with Borrower; costs and expenses incurred by Foothill in the disbursement of funds to Borrower (by wire transfer or otherwise); charges paid or incurred by Foothill resulting from the dishonor of checks;

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costs and expenses paid or incurred by Foothill to correct any default or enforce any provision of the Loan Documents, or in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated; costs and expenses paid or incurred by Foothill in examining Borrower's Books; costs and expenses of third party claims or any other suit paid or incurred by Foothill in enforcing or defending the Loan Documents; and Foothill's reasonable attorneys fees and expenses incurred in advising, structuring, drafting, reviewing, administering, amending, terminating, enforcing (including attorneys fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning Borrower or any guarantor of the Obligations), defending, or concerning the Loan Documents, irrespective of whether suit is brought.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"General Intangibles" means all of Borrower's present and future general intangibles and other personal property (including contract rights, rights arising under common law, statutes, or regulations, choses or things in action, goodwill, patents, trade names, tape or other recorded libraries, performer contracts, affiliation agreements, trademarks, servicemarks, copyrights, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, monies due or other rights under any royalty or licensing agreements, infringements, claims, computer programs, computer discs, computer tapes, literature, reports, catalogs, deposit accounts, insurance premium rebates, tax refunds, and tax refund claims), other than goods and Accounts.

"Hazardous Materials" means all or any of the following: (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity"; (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources; (c) any flammable substances or explosives or any radioactive materials; and (d) asbestos in any form or electrical equipment which contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty parts per million.

"Indebtedness" shall mean: (a) all obligations of Borrower for borrowed money; (b) all obligations of Borrower evidenced by bonds, debentures, notes, or other

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similar instruments and all reimbursement or other obligations of Borrower in respect of letters of credit, letter of credit guaranties, bankers acceptances, interest rate swaps, controlled disbursement accounts, or other financial products; (c) all obligations under capitalized leases; (d) all obligations or liabilities of others secured by a lien or security interest on any property or asset of Borrower, irrespective of whether such obligation or liability is assumed; and (e) any obligation of Borrower guaranteeing or intended to guarantee (whether guaranteed, endorsed, co-made, discounted, or sold with recourse to Borrower) any indebtedness, lease, dividend, letter of credit, or other obligation of any other Person.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other bankruptcy or insolvency law, including assignments for the benefit of

creditors, formal or informal moratoria, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Inventory" means all present and future inventory in which Borrower has any interest, including goods held for sale or lease or to be furnished under a contract of service and all of Borrower's present and future raw materials, work in process, finished goods, and packing and shipping materials, wherever located, and any documents of title representing any of the above.

"IRC" means the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

"IRS" means the United States Internal Revenue Service.

"KM Records" has the meaning set forth in the preamble to this Agreement.

"Loan Documents" means this Agreement, the Bailee Agreements, the Copyright Security Agreement, the Trademark Security Agreement, the Lock Box Agreements, the Mortgages, the Stock Pledge Agreement, the Term Note A, the Term Note B, any other note or notes executed by Borrower and payable to Foothill, and any other agreement entered into in connection with this Agreement.

"Lock Box" shall have the meaning provided in the respective Lock Box Agreement.

"Lock Box Agreements" means that certain Lockbox Operating Procedural Agreement and that certain Depository Account Agreement, in form and substance

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satisfactory to Foothill, each of which is among Borrower, Foothill, and the Lock Box Bank.

"Lock Box Bank" means Signet Bank.

"Material Contract" means an agreement, contract, or instrument to which one or more of the Debtors is a party, the breach or termination of which reasonably could be expected have a material adverse effect on the properties, assets, business, prospects, or condition (financial or otherwise) of Borrower.

"Maximum Revolving Credit Amount" has the meaning set forth in Section 2.1.

"Mobile Goods" means goods that are mobile and that are of a

type normally used in more than one jurisdiction.

"Mortgages" means one or more deeds of trust and assignments of rents executed by Borrower, the form and substance of which shall be satisfactory to Foothill, that encumbers the Real Property and the related improvements thereto.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Sections 3(37) or 4001(a)(3) of ERISA or Section 414 of the IRC in which employees of Borrower or an ERISA Affiliate participate or to which Borrower or any ERISA Affiliate contribute or are required to contribute.

"Mutual Broadcasting" has the meaning set forth in the preamble to this Agreement.

"Negotiable Collateral" means all of Borrower's present and future letters of credit, notes, drafts, instruments, certificated and uncertificated securities (including the shares of stock of Subsidiaries of Borrower), documents, personal property leases (wherein Borrower is the lessor), chattel paper, and Borrower's Books relating to any of the foregoing.

"Net Cash Proceeds" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to, or in liquidation of, any note or installment receivable or otherwise, but only as and when received, except that, with respect to any cash equivalents received from an Asset Disposition, the Company shall be deemed to have received on the date of such Asset Disposition a cash payment equal to the fair value of such cash equivalents on such date) therefrom, in each case net of all legal, title and recording tax expenses, commissions, and

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other fees and expenses incurred, in each case net of all payments required to be made on any indebtedness which is secured by a Permitted Lien on any assets subject to such Asset Disposition which Permitted Lien has priority over the security interest or lien in and to such asset that is held by Foothill, and in each case net of all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition.

"9% Convertible Senior Subordinated Debentures" means Westwood One's 9% Convertible Senior Subordinated Debentures, due October 15, 2002, issued under that certain Indenture, dated December 15, 1990, between Westwood One and The Bank of New York, as trustee, for the benefit of the holders of such Debentures, of which Thirty-One Million Fifty-Eight Thousand Dollars (\$31,058,000) were outstanding on the Closing Date.

"Obligations" means all loans, advances, debts, principal, interest (including any interest that, but for the provisions of the Bankruptcy

Code, would have accrued), contingent reimbursement obligations owing to Foothill under any outstanding letters of credit or guaranties of letters of credit, premiums, liabilities (including all amounts charged to Borrower's loan account pursuant to any agreement authorizing Foothill to charge Borrower's loan account), obligations, fees (including the Term Loan A Premium and the Early Termination Premium), lease payments, guaranties, covenants, and duties owing by Borrower to Foothill of any kind and description (whether pursuant to or evidenced by the Loan Documents, by any note or other instrument (including the Term Note A and the Term Note B), or by any other agreement between Foothill and Borrower, and irrespective of whether for the payment of money), whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including any debt, liability, or obligation owing from Borrower to others that Foothill may have obtained by assignment or otherwise, and further including all interest not paid when due and all Foothill Expenses that Borrower is required to pay or reimburse by the Loan Documents, by law, or otherwise.

"Old Lender" means Barclays Bank PLC.

"National Radio Network" has the meaning set forth in the preamble to this Agreement.

"Overadvance" has the meaning set forth in Section 2.5.

"Pay-Off Letter" means a letter from Old Lender with respect to the amount necessary to repay in full all of the obligations of Borrower owing to Old Lender and obtain a termination or release of all of the security interests or liens existing in favor of

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Old Lender in and to the properties or assets of Borrower, the form and substance of which shall be satisfactory to Foothill.

"PBGC " means the Pension Benefit Guaranty Corporation as defined in Title IV of ERISA, or any successor thereto.

"Permitted Asset Disposition" means (a) any Permitted Asset Disposition (Non-Applied), and (b) isolated dispositions of tangible personal property of Borrower (i.e., not including trademarks, copyrights, programming, or other intangible personal property) that do not exceed \$25,000 individually or that do not aggregate in excess of \$100,000 per annum.

"Permitted Asset Disposition (Non-Applied)" means (a) dispositions of Inventory in the ordinary course of business as currently conducted, (b) subject to the security interest of Foothill therein, licenses by Borrower or a Subsidiary of intellectual property in the ordinary course of business as currently conducted, and (c) the sale of common stock by Westwood One pursuant to the terms and conditions of employee stock options in effect as of the Closing Date.

"Permitted Liens" means: (a) liens and security interests held by Foothill; (b) liens for unpaid taxes that are not yet due and payable; (c) liens and security interests set forth on Schedule P-1 attached hereto; (d) purchase money security interests and liens of lessors under capitalized leases to the extent that the acquisition or lease of the underlying asset was permitted under Section 7.10, and so long as the security interest or lien only secures the purchase price of the asset; (e) easements, rights of way, reservations, covenants, conditions, restrictions, zoning variances, and other similar encumbrances that do not materially interfere with the use or value of the property subject thereto; (f) obligations and duties as lessee under any lease existing on the date of this Agreement; (g) mechanics', materialmen's, warehousemen's, or similar liens; and (h) exceptions listed in the title insurance or commitment therefor to be delivered by Borrower hereunder in respect of the Real Property.

Permitted Protest: the right of Borrower to protest any tax or other charge, other than any such charge which secures the Obligations, provided (i) a reserve with respect to such obligation is established on the books of Borrower in an amount that is reasonably satisfactory to Foothill, (ii) any such protest is instituted and diligently prosecuted by Borrower in good faith, and (iii) Foothill is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of the liens or security interests of Foothill in and to the property or assets of Borrower.

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"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which Borrower or any ERISA Affiliate sponsors or maintains or to which Borrower or any ERISA Affiliate makes, is making, or is obligated to make contributions, including any Multiemployer Plan or Qualified Plan.

"Prohibited Transaction" means any transaction described in Section 406 of ERISA which is not exempt by reason of Section 408 of ERISA, and any transaction described in Section 4975(c) of the IRC which is not exempt by reason of Section 4975(c)(2) of the IRC.

"Proposed Transaction" means (a) the acquisition by Westwood One of all of the capital stock of Unistar Radio Networks, Inc., and (b) the sale by Westwood One of 5,000,000 shares of its common stock to Infinity Broadcasting Corp.

"Qualified Plan" means a pension plan (as defined in Section

3(2) of ERISA) intended to be tax-qualified under Section 401(a) of the IRC which Borrower or any ERISA Affiliate sponsors, maintains, or to which any such person makes, is making, or is obligated to make, contributions, or, in the case of a multiple-employer plan (as described in Section 4064(a) of ERISA), has made contributions at any time during the immediately preceding period covering at least five (5) plan years, but excluding any Multiemployer Plan.

"Real Property" means (a) the California Real Property, (b) any other parcels of real property now owned in fee by Borrower, and (c) any other parcels or real property, whether held in fee or otherwise, hereafter acquired by Borrower.

"Reference Rate" means the highest of the variable rates of interest, per annum, most recently announced by (a) Bank of America, N. T. & S.A., (b) Mellon Bank, N.A., and (c) Citibank, N.A., or any successor to any of the foregoing institutions, as its "prime rate" or "reference rate," as the case may be, irrespective of whether such announced rate is the best rate available from such financial institution.

"Renewal Date" means November 15, 1996.

"Reportable Event" shall mean any event described in Section 4043 (other than Subsections (b) (7) and (b) (9)) of ERISA.

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"Satellite Systems" has the meaning set forth in the preamble to this Agreement.

"Semi-Annual Payment Date" means each June 1st and December 1st (exclusive of December 1, 1993) during the term of this Agreement.

"6.75% Convertible Subordinated Debentures" means Westwood One's 6.75% Convertible Subordinated Debentures, due October 15, 2011, issued under that certain Indenture, dated October 15, 1986, between Westwood One and Security Pacific National Bank, as trustee, for the benefit of the holders of such Debentures, of which Fifteen Million Four Hundred Forty Three Thousand Dollars (\$15,443,000) were outstanding on the Closing Date.

"Solvent" means, with respect to any Person on a particular date, that on such date (a) at fair valuations, all of the properties and assets of such Person are greater than the sum of the debts, including contingent liabilities, of such Person, (b) the present fair salable value of the properties and assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its properties and assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts beyond such Person's ability to pay as such debts mature, and

(e) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's properties and assets would constitute unreasonably small capital after giving due consideration to the prevailing practices in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount that, in light of all the facts and circumstances existing at such time, represents the amount that reasonably can be expected to become an actual or matured liability.

"Source" has the meaning set forth in the preamble to this Agreement.

"Stations Group" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Stations-LA" shall have the meaning ascribed thereto in the preamble to this Agreement.

"Stations-NYC" shall have the meaning ascribed thereto in the preamble to this Agreement.

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"Stock Pledge Agreement" shall mean a Stock Pledge Agreement, substantially in the form of Exhibit S-2 attached hereto, dated as of the Closing Date, between Westwood One and certain of its Subsidiaries that are Debtors, on the one hand (collectively, the "Pledgors"), and, on the other hand, Foothill pursuant to which the Pledgors grant Foothill a first priority perfected security interest in all of the issued and outstanding shares of stock of all of Westwood One's direct and indirect Subsidiaries and WHS International in order to secure the obligations of Borrower owing to Foothill.

"Subsidiary" means any corporation, association, partnership, joint venture, or other business entity of which Borrower, directly or indirectly, either (i) with respect to a corporation, owns or controls 50% or more of the voting power and has the ability to elect at least a majority of the board of directors or similar managing body, irrespective of whether a class or classes shall or might have voting power by reason of the happening of any contingency, or (ii) with respect to an association, partnership, joint venture or other business entity, is entitled to share in 50% or more of the profits and losses, however determined, and has voting control with respect thereto.

"Talknet" has the meaning set forth in the preamble to this Agreement.

"Term Loan A" means the term loan made, or to be made, by Foothill to Borrower pursuant to Section 2.2 hereof.

"Term Loan A Premium" shall have the meaning ascribed thereto in Section 3.5 hereof.

"Term Loan B" means the term loan made, or to be made, by Foothill to Borrower pursuant to Section 2.3 hereof.

"Term Loan B Amount" shall mean, as of the date of determination, the outstanding principal balance of the Term Loan B.

"Term Note A" has the meaning set forth in Section 2.2 hereof.

"Term Note B" has the meaning set forth in Section 2.3 hereof.

"Trademark Security Agreement" means a Trademark Security Agreement, substantially in the form of Exhibit T-1 attached hereto, dated as of the Closing Date, between Borrower and Foothill pursuant to which Borrower grants to Foothill a first priority security interest all of its trademarks and related property interests, whether now owned or hereafter acquired, to secure the Obligations.

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"Unbilled Accounts" means Accounts that are fully earned by performance but have not yet been billed to the Account Debtor and that, as of the date of determination, arise from the sale of advertising or programming within the prior thirty-five (35) days.

"Unfunded Benefit Liability" means the excess of a Plan's benefit liabilities (as defined in Section 4001(a)(16) of ERISA) over the current value of such Plan's assets, determined in accordance with the assumptions used by the Plan's actuaries for funding the Plan pursuant to Section 412 of the IRC for the applicable plan year.

"Voidable Transfer" has the meaning set forth in Section 15.8.

"Westwood One" has the meaning set forth in the preamble to this Agreement.

"Westwood National Radio" has the meaning set forth in the preamble to this Agreement.

"Westwood Radio" has the meaning set forth in the preamble to this Agreement.

"WHS International" means WHS International, Inc., a Delaware corporation.

"Working Capital" means the result of subtracting Consolidated Current Liabilities from Consolidated Current Assets.

1.2 ACCOUNTING TERMS. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Borrower" is used in respect of a financial covenant or a related definition, it shall be understood to mean Borrower on a consolidated basis unless the context clearly requires otherwise.

1.3 CODE. Any terms used in this Agreement which are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein.

1.4 CONSTRUCTION. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting, and the term "or" has, except where

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otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Section, subsection, clause, schedule, and exhibit references are to this Agreement unless otherwise specified. Any reference in this Agreement or in the Loan Documents to this Agreement or any of the Loan Documents shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, and supplements, thereto and thereof, as applicable.

1.5 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. LOAN AND TERMS OF PAYMENT.

2.1 Revolving Advances. Subject to the terms and conditions of this Agreement, and so long as no Event of Default has occurred and is continuing, Foothill agrees to make revolving advances to Borrower in an amount not to exceed the Borrowing Base. For purposes of this Agreement, "Borrowing Base" shall mean an amount equal to the following:

(a) the lesser of: (i) eighty-five percent (85%) of the amount of Eligible Accounts, and (ii) an amount equal to Borrower's cash collections for the immediately preceding sixty (60) day period; provided, however, that during the second fiscal quarter of each of Borrower's fiscal years, the foregoing limitation shall be relaxed so as to include cash collections for the immediately preceding ninety (90) day period;

(b) Anything to the contrary in subsection (a) above notwithstanding, Foothill may reduce its advance rates based upon Eligible Accounts without declaring an Event of Default if it determines, in its reasonable discretion, that there is a material impairment of the prospect of

repayment of all or any portion of the Obligations or a material impairment of the value or priority of Foothill's security interests in the Collateral.

(c) Foothill shall have no obligation to make advances under this Section 2.1 to the extent they would cause the outstanding Obligations under this Section 2.1 to exceed Thirteen Million Dollars (\$13,000,000) (the "Maximum Revolving Credit Amount").

(d) Foothill is authorized to make advances under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Officer of Borrower or, without instructions, if pursuant to Section 2.6(d).

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Borrower agrees to establish and maintain a single designated deposit account for the purpose of receiving the proceeds of the advances requested by Borrower and made by Foothill hereunder. Unless otherwise agreed by Foothill and Borrower, any advance requested by Borrower shall be requested before 11:00am, California time, and advances made by Foothill hereunder shall be made to Borrower's designated deposit account. Amounts borrowed pursuant to this Section 2.1 may be repaid and, so long as no Event of Default has occurred and is continuing, reborrowed at any time during the term of this Agreement.

2.2 Term Loan A. Foothill has agreed to make a term loan to Borrower in the original principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000), to be evidenced by and repayable in accordance with the terms and conditions of a promissory note (the "Term Note A"), of even date herewith, executed by Borrower in favor of Foothill. All amounts evidenced by the Term Note A shall constitute Obligations.

2.3 Term Loan B. Foothill has agreed to make a term loan to Borrower in the original principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000), to be evidenced by and repayable in accordance with the terms and conditions of a promissory note (the "Term Note B"), of even date herewith, executed by Borrower in favor of Foothill. All amounts evidenced by the Term Note B shall constitute Obligations.

2.4 Mandatory Prepayments. Immediately upon receipt by Borrower or any of its Subsidiaries of Net Cash Proceeds of any Asset Disposition (other than a Permitted Asset Disposition (Non-Applied)), which proceeds exceed \$25,000 (it being understood that if the proceeds exceed \$25,000, the entire proceeds and not just the portion in excess of the foregoing amount shall be subject to this section) for any single transaction or series of related transactions or which proceeds when aggregated with all other Net Cash Proceeds from Asset Dispositions (other than a Permitted Asset Disposition (Non-Applied)) received during the same fiscal year exceed \$100,000 (it being understood that if the proceeds exceed \$100,000, the entire proceeds and not just the portion in excess of the foregoing amount shall be subject to this section), Borrower shall (a) prepay the Term Note B in an amount equal to the Net Cash Proceeds of such Asset Disposition, such amounts

to be applied to the installments due thereunder in the inverse order of their maturity, (b) if the Term Note B has been repaid or prepaid in full, prepay the Term Note A in an amount equal to the Net Cash Proceeds of such Asset Disposition (or the balance remaining after the prepayment of the Term Note B), such amounts to be applied to the installments due thereunder in the inverse order of their maturity, and (c) if the Term Note A has been repaid or prepaid in full, prepay the advances made by Foothill to Borrower under Section 2.1.

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2.5 Overadvances. If, at any time or for any reason, the amount of Obligations owed by Borrower to Foothill pursuant to Section 2.1 is greater than either the dollar or percentage limitations set forth in Section 2.1 (an "Overadvance"), Borrower immediately shall pay to Foothill, in cash, the amount of such excess to be used by Foothill to repay the Obligations.

2.6 Interest: Rates, Payments, and Calculations.

(a) Interest Rate. All Obligations shall bear interest, on the average Daily Balance, at a rate of two and one quarter (2.25) percentage points above the Reference Rate.

(b) Default Rate. All Obligations shall bear interest, from and after the occurrence and during the continuance of an Event of Default, at a rate equal to five and one quarter (5.25) percentage points above the Reference Rate.

(c) Minimum Interest. In no event shall the rate of interest chargeable hereunder be less than seven percent (7.0%) per annum, nor shall the amount of interest accrued and payable to Foothill be less than Ten Thousand Dollars (\$10,000) per month. To the extent that interest accrued hereunder at the rate set forth herein (including the minimum interest rate) would yield less than the foregoing minimum amount, the interest rate chargeable hereunder for the period in question automatically shall be deemed increased to that rate that would result in the minimum amount of interest being accrued and payable hereunder.

(d) Payments. Interest hereunder shall be due and payable on the first day of each month during the term hereof. Borrower hereby authorizes Foothill, at its option, without prior notice to Borrower, to charge such interest, all Foothill Expenses (as and when incurred), and all installments or other payments due under the Term Note A, the Term Note B, or any other note or other Loan Document to Borrower's loan account, which amounts shall thereafter accrue interest at the rate then applicable hereunder. Any interest not paid when due shall be compounded by becoming a part of the Obligations, and such interest shall thereafter accrue interest at the rate then applicable hereunder.

(e) Computation. The Reference Rate as of this date is six percent (6.00%) per annum. In the event the Reference Rate is changed from

time to time hereafter, the applicable rate of interest hereunder automatically and immediately shall be increased or decreased by an amount equal to the Reference Rate change. The rates of interest charged hereunder shall be based upon the average Reference Rate in effect during

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the month. All interest and fees chargeable under the Loan Documents shall be computed on the basis of a three hundred sixty (360) day year for the actual number of days elapsed.

(f) Intent to Limit Charges to Maximum Lawful Rate. In no event shall the interest rate or rates payable under this Agreement or the Term Note A or the Term Note B, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrower and Foothill, in executing this Agreement, Term Note A, and Term Note B, intend to expressly and legally agree upon the rates of interest and manner of payment stated within it; provided, however, that, anything contained herein, in Term Note A, or in Term Note B to the contrary notwithstanding, if said rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, ipso facto as of the date of this Agreement, Term Note A, and Term Note B, Borrower is and shall be liable only for the payment of such maximum as allowed by law, and payment received from Borrower in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.7 Crediting Payments; Application of Collections. The receipt of any wire transfer of funds, check, or other item of payment by Foothill (whether from transfers to Foothill by the Lock Box Bank pursuant to the Lock Box Agreements or otherwise) immediately shall be applied to provisionally reduce the Obligations, but shall not be considered a payment on account unless such wire transfer is of immediately available federal funds and is made to the appropriate deposit account of Foothill or unless and until such check or other item of payment is honored when presented for payment. From and after the Closing Date, Foothill shall be entitled to charge Borrower for three (3) Business Days of 'float' at the rate set forth in Section 2.6(a) or Section 2.6(b), as applicable, on all collections, checks, wire transfers, or other items of payment that are received by Borrower or processed through the Lock Boxes (regardless of whether forwarded by the Lock Box Bank to Foothill, whether provisionally applied to reduce the Obligations, or otherwise). This across-the-board three (3) Business Day float charge on all Borrower receipts is acknowledged by the parties to constitute an integral aspect of the pricing of Foothill's facility to Borrower, and shall apply irrespective of the characterization of whether receipts are owned by Borrower or Foothill, and irrespective of the level of Borrower's Obligations to Foothill. Should any check or item of payment not be honored when presented for payment, then Borrower shall be deemed not to have made such payment, and interest shall be

recalculated accordingly. Anything to the contrary contained herein notwithstanding, any wire transfer, check, or other item of payment shall be deemed received by Foothill only if it is received into Foothill's Operating Account (as such account is identified in the Lock Box Agreements) on or before 11:00 a.m. Los Angeles time. If any wire transfer, check, or other item of payment is received into Foothill's

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Operating Account (as such account is identified in the Lock Box Agreements) after 11:00 a.m. Los Angeles time it shall be deemed to have been received by Foothill as of the opening of business on the immediately following Business Day.

2.8 Statements of Obligations. On a monthly basis, Foothill shall render statements to Borrower of the Obligations, including principal, interest, fees, and including an itemization of all charges and expenses constituting Foothill Expenses owing, and such statements shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrower and Foothill unless, within thirty (30) days after receipt thereof by Borrower, Borrower shall deliver to Foothill by registered or certified mail at its address specified in Section 12, written objection thereto describing the error or errors contained in any such statements.

2.9 Fees. Borrower shall pay to Foothill the following fees:

(a) Closing Fee. A one time closing fee of Two Hundred Thousand Dollars (\$200,000) that is earned, in full, on the Closing Date and is due and payable by Borrower to Foothill in connection with this Agreement on the Closing Date;

(b) Unused Line Fee. On the first day of each month following the Closing Date, a fee in an amount equal to one-half of one percent (0.50 %) per annum times the Average Unused Portion of the Maximum Revolving Credit Amount;

(c) Annual Facility Fee. On each anniversary of the Closing Date, a fee (commencing in November, 1994) in an amount equal to One Hundred Thousand Dollars (\$100,000), such fee to be fully earned on each such anniversary;

(d) Term Loan B Continuation Fee. On each Semi-Annual Payment Date following the Closing Date, a fee in an amount equal to one-half of one percent (0.50%) per annum times the then outstanding Term Loan B Amount;

(e) Financial Examination, Documentation, and Appraisal Fees. Foothill's customary fee of Six Hundred Dollars (\$600) per day per examiner, plus out-of-pocket expenses for each financial analysis and examination of Borrower performed by Foothill or its agents; Foothill's customary appraisal fee of Seven Hundred Fifty Dollars (\$750) per day per

appraiser, plus out-of-pocket expenses for each appraisal of the Collateral performed by Foothill or its agents; and, on each anniversary of the Closing Date, Foothill's customary fee of One Thousand Dollars (\$1,000) per year for its loan documentation review; and

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(f) Servicing Fee. On the first day of each month following the Closing Date, a servicing fee in an amount equal to One Thousand Dollars (\$1,000) per month.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 Conditions Precedent to Initial Advance, Term Loan A, and Term Loan B. The obligation of Foothill to make the initial advance under Section 2.1 hereof, the Term Loan A, and the Term Loan B is subject to the fulfillment, to the satisfaction of Foothill and its counsel, of each of the following conditions on or before the Closing Date:

(a) the execution and delivery of this Agreement shall have occurred on or before November 29, 1993 and the Closing Date shall have occurred on or before December 1, 1993;

(b) Old Lender shall have executed and delivered UCC termination statements and other documentation evidencing the termination of its liens and security interests in the assets of Borrower;

(c) Foothill shall have received searches reflecting the filing of its financing statements and fixture filings respecting each Debtor;

(d) Foothill shall have received each of the following documents, duly executed, and each such document shall be in full force and effect:

- i) the Lock Box Agreements;
- ii) the Pay-Off Letter;
- iii) the Bailee Agreements;
- iv) the Term Note A;
- v) the Term Note B;
- vi) the Copyright Security Agreement;
- vii) the Trademark Security Agreement;

viii) the Stock Pledge Agreement; and

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ix) the Mortgages;

(e) Foothill shall have received a certificate from the Secretary of Borrower attesting to the resolutions of Borrower's Board of Directors authorizing its execution and delivery of this Agreement and the other Loan Documents to which Borrower is a party and authorizing specific officers of Borrower to execute same;

(f) Foothill shall have received copies of Borrower's By-laws and Articles or Certificate of Incorporation, as amended, modified, or supplemented to the Closing Date, certified by the Secretary of Borrower;

(g) Foothill shall have received a certificate of corporate status with respect to Borrower, dated within twenty (20) days of the Closing Date, by the Secretary of State of the state of incorporation of Borrower, which certificate shall indicate that Borrower is in good standing in such state;

(h) Foothill shall have received certificates of corporate status with respect to Borrower, each dated within twenty (20) days of the Closing Date, such certificates to be issued by the Secretary of State of the states in which its failure to be duly qualified or licensed would have a material adverse effect on the financial condition or assets of Borrower, which certificates shall indicate that Borrower is in good standing;

(i) Foothill shall have received the certified copies of the policies of insurance, together with the endorsements thereto, as are required by Section 6.12 hereof, the form and substance of which shall be satisfactory to Foothill and its counsel;

(j) the Mortgages shall have been recorded in the appropriate jurisdiction;

(k) Foothill shall have received ALTA Lender's Policy of Title Insurance, or a commitment therefor, from a title company reasonably satisfactory to Foothill, in an amount reasonably satisfactory to Foothill, insuring its first priority lien upon the Real Property, such policy to contain such endorsements as may be required by Foothill and only those exceptions acceptable to Foothill, and otherwise in form satisfactory to Foothill;

(l) A Phase-I environmental report and real estate survey shall have been completed with respect to the Real Property as Foothill shall require, and copies thereof delivered to Foothill; the environmental consultants retained for such environmental report, the scope of the report, and the results of the report shall be acceptable to Foothill, in its sole

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(m) Foothill shall have received the results of a field audit performed by its auditors within sixty (60) days of the proposed Closing Date;

(n) Foothill shall have received cash flow projections for Borrower for a period of not less than three (3) years, set forth on a monthly basis for a period of not less than one (1) year;

(o) Foothill shall have received a landlord waiver with respect to Borrower's location in Arlington, Virginia and shall either have received, or be satisfied that Borrower has used its best efforts to obtain, a landlord waiver with respect to Borrower's location in New York, New York;

(p) Foothill shall have received an opinion of Borrower's counsel in form and substance satisfactory to Foothill in its sole discretion; and

(q) all other documents and legal matters in connection with the transactions contemplated by this Agreement shall have been delivered or executed or recorded and shall be in form and substance satisfactory to Foothill and its counsel.

3.2 Conditions Precedent to All Advances. The following shall be conditions precedent to all advances hereunder and to the making of Term Loan A and Term Loan B:

(a) the representations and warranties contained in this Agreement or the other Loan Documents shall be true and correct in all respects on and as of the date of such advance, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date);

(b) no Event of Default or event which with the giving of notice or passage of time would constitute an Event of Default shall have occurred and be continuing on the date of such advance, nor shall either result from the making of the advance; and

(c) no injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the making of such advance shall have been issued and remain in force by any governmental authority against Borrower, Foothill, or any of their Affiliates.

3.3 Term; Automatic Renewal. This Agreement shall become effective upon the execution and delivery hereof by Borrower and Foothill and shall continue in full force and effect for a term ending on the Renewal Date and automatically shall be renewed

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for successive two (2) year periods thereafter, unless sooner terminated pursuant to the terms hereof. Either party may terminate this Agreement effective on the Renewal Date or on any two (2) year anniversary of the Renewal Date by giving the other party at least ninety (90) days prior written notice by registered or certified mail, return receipt requested. The foregoing notwithstanding, Foothill shall have the right to terminate its obligations under this Agreement immediately and without notice upon the occurrence and during the continuation of an Event of Default.

3.4 Effect of Termination. On the date of termination, all Obligations immediately shall become due and payable without notice or demand. No termination of this Agreement, however, shall relieve or discharge Borrower of Borrower's duties, Obligations, or covenants hereunder, and Foothill's continuing security interest in the Collateral shall remain in effect until all Obligations have been fully discharged and Foothill's obligation to provide advances hereunder is terminated. If Borrower has sent a notice of termination pursuant to the provisions of Section 3.3, but fails to pay all Obligations on the date set forth in said notice, then Foothill may, but shall not be required to, renew this Agreement for an additional term of two (2) years.

3.5 Prepayment of Term Loan A; Prepayment of Term Loan B; Early Termination by Borrower. The provisions of Section 3.3 that allow termination of this Agreement by Borrower only on the Renewal Date and certain anniversaries thereof notwithstanding, Borrower has the option, at any time (a) upon fifteen (15) days prior written notice, to prepay all or any portion of Term Loan A so long as, concurrent with such prepayment, Borrower pays the interest accrued and unpaid on the amount being prepaid and pays a prepayment premium (the "Term Loan A Premium") equal to two percent (2%) of the principal amount prepaid, (b) upon five (5) days prior written notice, to prepay all or any portion of Term Loan B so long as, concurrent with such prepayment, Borrower pays the interest accrued and unpaid on the amount being prepaid, and (c) upon ninety (90) days prior written notice, to Foothill, to terminate this Agreement by paying to Foothill, in cash, the Obligations, together with a premium (the "Early Termination Premium") equal to (i) Twenty Thousand Dollars (\$20,000) times the number of months that, but for such early termination, would remain in the term of this Agreement, plus (ii) the Term Loan A Premium. Anything to the contrary set forth herein notwithstanding, if, within nine (9) months of the Closing Date, Westwood One consummates the Proposed Transaction and if, in conjunction therewith, the Obligations are to be repaid in full and the commitment of Foothill under this Agreement is terminated, then upon prior written notice of not less than seven (7) days, and not more than thirty (30) days, of the date of such prepayment, Borrower shall be entitled to prepay all of its Obligations owing under this Agreement, the Term Note A, and the Term Note B, and the Early Termination Premium and Term Loan A Premium shall not be applicable and, in place thereof,

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Borrower shall pay to Foothill a prepayment premium equal to Two Hundred Thousand Dollars (\$200,000).

3.6 Termination Upon Event of Default. If Foothill terminates this Agreement upon the occurrence of an Event of Default, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of Foothill's lost profits as a result thereof, Borrower shall pay to Foothill upon the effective date of such termination, a premium in an amount equal to the Early Termination Premium plus the Term Loan A Premium. Such amount shall be presumed to be the amount of damages sustained by Foothill as the result of the early termination and Borrower agrees that it is reasonable under the circumstances currently existing. The amount payable pursuant to this Section 3.6 shall be deemed included in the Obligations.

4. CREATION OF SECURITY INTEREST.

4.1 Grant of Security Interest. Borrower hereby grants to Foothill a continuing security interest in all currently existing and hereafter acquired or arising Collateral in order to secure prompt repayment of any and all Obligations and in order to secure prompt performance by Borrower of each of its covenants and duties under the Loan Documents. Foothill's security interest in the Collateral shall attach to all Collateral without further act on the part of Foothill or Borrower. Anything contained in this Agreement or any other Loan Document to the contrary notwithstanding, and other than sales of Inventory to buyers in the ordinary course of business and other than Permitted Asset Dispositions, Borrower has no authority, express or implied, to dispose of any item or portion of the Collateral.

4.2 Negotiable Collateral. In the event that any Collateral, including proceeds, is evidenced by or consists of Negotiable Collateral, Borrower shall, immediately upon the request of Foothill, endorse and assign such Negotiable Collateral to Foothill and deliver physical possession of such Negotiable Collateral to Foothill.

4.3 Collection of Accounts, General Intangibles, Negotiable Collateral. Foothill, Borrower, and the Lock Box Bank shall enter into the Lock Box Agreements, in form and substance satisfactory to Foothill in its sole discretion, pursuant to which all of Borrower's cash receipts, checks, and other items of payment (including, insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds) will be forwarded to Foothill on a daily basis. Foothill or Foothill's designee may: (a) at any time that an Event of Default has occurred and is continuing or Foothill deems itself insecure (in accordance with Section 1208 of the Code), notify customers or Account Debtors of Borrower that the Accounts, General Intangibles, or Negotiable Collateral have been assigned to Foothill or

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that Foothill has a security interest therein; and (b) at any time that an Event of Default has occurred and is continuing or Foothill deems itself insecure (in accordance with Section 1208 of the Code), collect the Accounts, General Intangibles, and Negotiable Collateral directly and charge the collection costs and expenses to Borrower's loan account. Borrower agrees that it will hold in trust for Foothill, as Foothill's trustee, any cash receipts, checks, and other items of payment (including, insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds) that it receives on account of the Accounts, General Intangibles, or Negotiable Collateral and immediately will deliver said cash receipts, checks, and other items of payment to Foothill in their original form as received by Borrower.

4.4 Delivery of Additional Documentation Required.

Borrower shall deliver to Foothill on a quarterly basis a report of all of Borrower's registered copyrights or registered trademarks as to which Borrower received confirmation of registration during the prior quarter, including a description thereof and the federal registration number and filing information concerning each such newly created registered copyright or registered trademark, as applicable. At any time upon the request of Foothill, Borrower shall execute and deliver to Foothill all financing statements, continuation financing statements, fixture filings, security agreements, chattel mortgages, additional copyright or trademark assignments (or supplements to the Copyright Security Agreement or Trademark Security Agreement), pledges, assignments, endorsements of certificates of title, applications for title, affidavits, reports, notices, schedules of accounts, letters of authority, and all other documents that Foothill may reasonably request, in form satisfactory to Foothill, to perfect and continue perfected Foothill's security interests in the Collateral and Real Property and in order to fully consummate all of the transactions contemplated hereby and under the other the Loan Documents.

4.5 Power of Attorney. Borrower hereby irrevocably

makes, constitutes, and appoints Foothill (and any of Foothill's officers, employees, or agents designated by Foothill) as Borrower's true and lawful attorney, with power to: (a) if Borrower refuses to, or fails timely to execute and deliver any of the documents described in Section 4.4, sign the name of Borrower on any of the documents described in Section 4.4; (b) at any time that an Event of Default has occurred and is continuing or Foothill deems itself insecure (in accordance with Section 1208 of the Code), sign Borrower's name on any invoice or bill of lading relating to any Account, drafts against Account Debtors, schedules and assignments of Accounts, verifications of Accounts, and notices to Account Debtors; (c) send requests for verification of Accounts; (d) endorse Borrower's name on any checks, notices, acceptances, money orders, drafts, or other item of payment or security that may come into Foothill's possession; (e) at any time that an Event of Default has occurred and is continuing or Foothill deems itself insecure (in accordance with Section 1208 of the Code), notify the post office authorities to change the address for delivery of Borrower's

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mail to an address designated by Foothill, to receive and open all mail addressed to Borrower, and to retain all mail relating to the Collateral and forward all other mail to Borrower; (f) at any time that an Event of Default has occurred and is continuing or Foothill deems itself insecure (in accordance with Section 1208 of the Code), make, settle, and adjust all claims under Borrower's policies of insurance and make all determinations and decisions with respect to such policies of insurance; and (g) at any time that an Event of Default has occurred and is continuing or Foothill deems itself insecure (in accordance with Section 1208 of the Code), settle and adjust disputes and claims respecting the Accounts directly with Account Debtors, for amounts and upon terms which Foothill determines to be reasonable, and Foothill may cause to be executed and delivered any documents and releases which Foothill determines to be necessary. The appointment of Foothill as Borrower's attorney, and each and every one of Foothill's rights and powers, being coupled with an interest, is irrevocable until all of the Obligations have been fully repaid and performed and Foothill's obligation to extend credit hereunder is terminated.

4.6 Right to Inspect. Foothill (through any of its officers, employees, or agents), and any participant of Foothill's, shall have the right, from time to time hereafter to inspect Borrower's Books at Borrower's (or any third Person having custody thereof) premises and to check, test, and appraise the Collateral in order to verify Borrower's financial condition or the amount, quality, value, condition of, or any other matter relating to, the Collateral.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Foothill as follows:

5.1 No Prior Encumbrances. Borrower has good and indefeasible title to the Collateral, free and clear of liens, claims, security interests, or encumbrances, except for Permitted Liens.

5.2 Eligible Accounts. The Eligible Accounts are, at the time of the creation thereof and as of each date on which Borrower includes them in a Borrowing Base calculation or certification, bona fide existing obligations created by either (a) the sale (or license) and delivery of Inventory to Account Debtors in the ordinary course of Borrower's business, unconditionally owed to Borrower without defenses, disputes, offsets, counterclaims, or rights of return or cancellation, or (b) the sale or rendition of services to Account Debtors in the ordinary course of Borrower's business, unconditionally owed to Borrower without defenses, disputes, offsets, counterclaims, or rights of return or cancellation; provided, however, that, solely in the case of Unbilled Accounts, at the time that such Accounts are first included within a Borrowing Base calculation or certification by Borrower, but not thereafter, the obligation of the Account Debtor need not be

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unconditionally owed by the Account Debtor to Borrower so long as the only act remaining for such obligation to become unconditional is the sending of an appropriate invoice to the Account Debtor. In the case of the sale (or license) of Inventory, the property giving rise to such Eligible Accounts has been delivered to the Account Debtor, or to the Account Debtor's agent for immediate shipment to and unconditional acceptance by the Account Debtor. In the case of the sale or rendition of services, the services have been fully performed by Borrower and unconditionally accepted by the Account Debtor; provided, however, that, solely in the case of Unbilled Accounts, at the time that such Accounts are first included within a Borrowing Base calculation or certification by Borrower, but not thereafter, the services need not have been fully performed and the acceptance thereof by the Account Debtor need not be unconditionally so long as the only act remaining for such performance to be completed or such acceptance to become unconditional is the sending of an appropriate invoice to the Account Debtor. At the time of the creation of an Eligible Account and as of each date on which Borrower includes an Eligible Account in a Borrowing Base calculation or certification, Borrower has not received notice of actual or imminent bankruptcy, insolvency, or material impairment of the financial condition of any applicable Account Debtor regarding such Eligible Account.

5.3 [Intentionally Omitted].

5.4 Location of Inventory and Equipment. The Inventory and Equipment are not stored with a bailee, warehouseman, or similar party (without Foothill's prior written consent) and are located only at the locations identified on Schedule 6.15 or otherwise permitted by Section 6.15.

5.5 [Intentionally Omitted].

5.6 Location of Chief Executive Office; Feins. The chief executive office each Debtor is located at the respective address indicated in the first paragraph of this Agreement. The FEIN of each Debtor is set forth on Schedule 5.6 attached hereto.

5.7 Due Organization and Qualification. Each Debtor is duly organized and existing and in good standing under the laws of the state of its incorporation and qualified and licensed to do business in, and in good standing in, any state where the failure to be so licensed or qualified could reasonably be expected to have a material adverse effect on the business, operations, condition (financial or otherwise), finances, or prospects of Borrower or on the value of the Collateral to Foothill.

5.8 DUE AUTHORIZATION; NO CONFLICT. The execution, delivery, and performance of the Loan Documents are within each Debtor's corporate powers, have been duly authorized, and are not in conflict with nor constitute a breach of any provision

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contained in such Debtor's Articles or Certificate of Incorporation, or By-laws, nor will they constitute an event of default under any material agreement to which such Debtor is a party.

5.9 Litigation. There are no actions or proceedings pending by or against Borrower before any court or administrative agency and Borrower does not have knowledge or belief of any pending, threatened, or imminent litigation, governmental investigations, or claims, complaints, actions, or prosecutions involving Borrower or any guarantor of the Obligations, except for ongoing collection matters in which Borrower is the plaintiff, matters disclosed on Schedule 5.9, and matters arising after the date hereof that, if decided adversely to Borrower, would not materially impair the prospect of repayment of the Obligations or materially impair the value or priority of Foothill's security interest in the Collateral.

5.10 No Material Adverse Change in Financial Condition. All financial statements relating to Borrower that have been or may hereafter be delivered by Borrower to Foothill have been prepared in accordance with GAAP and fairly present Borrower's financial condition as of the date thereof and Borrower's results of operations for the period then ended. There has not been a material adverse change in the financial condition of Borrower since the date of the latest financial statements submitted to Foothill on or before the Closing Date.

5.11 Solvency. Borrower is Solvent. No transfer of property is being made by Borrower and no obligation is being incurred by Borrower in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of Borrower.

5.12 Employee Benefits. Each Plan is in compliance in all material respects with the applicable provisions of ERISA and the IRC. Each Qualified Plan and Multiemployer Plan has been determined by the Internal Revenue Service to qualify under Section 401 of the IRC, and the trusts created thereunder have been determined to be exempt from tax under Section 501 of the IRC, and, to the best knowledge of Borrower, nothing has occurred that would cause the loss of such qualification or tax-exempt status. There are no outstanding liabilities under Title IV of ERISA with respect to any Plan maintained or sponsored by Borrower or any ERISA Affiliate, nor with respect to any Plan to which Borrower or any ERISA Affiliate contributes or is obligated to contribute which could reasonably be expected to have a material adverse effect on the financial condition of Borrower. No Plan subject to Title IV of ERISA has any Unfunded Benefit Liability which could reasonably be expected to have a material adverse effect on the financial condition of Borrower. Neither Borrower nor any ERISA Affiliate has transferred any Unfunded Benefit Liability to a person other than Borrower or an ERISA Affiliate or has

otherwise engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA which could reasonably be expected to have a material adverse effect on the financial condition of Borrower. Neither Borrower nor any ERISA Affiliate has incurred nor reasonably expects to incur (x) any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan, or (y) any liability under Title IV of ERISA (other than premiums due but not delinquent under Section 4007 of ERISA) with respect to a Plan, which could, in either event, reasonably be expected to have a material adverse effect on the financial condition of Borrower. No application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the IRC has been made with respect to any Plan. No ERISA Event has occurred or is reasonably expected to occur with respect to any Plan which could reasonably be expected to have a material adverse effect on the financial condition of Borrower. Borrower and each ERISA Affiliate have complied in all material respects with the notice and continuation coverage requirements of Section 4980B of the IRC.

5.13 Environmental Condition. None of Borrower's properties or assets has ever been used by Borrower or, to the best of Borrower's knowledge, by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, other than in compliance with all applicable laws and regulations and other than as set forth on Schedule 5.13 attached hereto. None of Borrower's properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a Hazardous Materials disposal site, or a candidate for closure pursuant to any environmental protection statute. No lien arising under any environmental protection statute has attached to any revenues or to any real or personal property owned or operated by Borrower. Since November 15, 1992, Borrower has not received a summons, citation, notice, or directive from the Environmental Protection Agency or any other federal or state governmental agency concerning any action or omission by Borrower resulting in the releasing or disposing of Hazardous Materials into the environment.

5.14 Subsidiaries. Westwood One has no direct Subsidiaries other than Westwood Radio, Mutual Broadcasting, Westwood National Radio, Satellite Systems, Stations-NYC, and Stations Group. Westwood Radio has no Subsidiaries. Mutual Broadcasting has no Subsidiaries. Westwood National Radio has no direct Subsidiaries other than KM Records, Talknet, National Radio Network, and Source and they are the only Subsidiaries of National Radio. Stations-NYC has no Subsidiaries. Stations Group has no Subsidiaries other than Stations-LA. Westwood One has no Subsidiaries other than the Debtors.

5.15 Reliance by Foothill; Cumulative. Each warranty and

representation contained in this Agreement and the other Loan Documents automatically shall be deemed repeated with each advance and shall be conclusively presumed to have been relied on by Foothill regardless of any investigation made or information possessed by Foothill. The warranties and representations set forth herein shall be cumulative and in addition to any and all other warranties and representations that Borrower now or hereafter shall give, or cause to be given, to Foothill.

6. AFFIRMATIVE COVENANTS.

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until payment in full of the Obligations, and unless Foothill shall otherwise consent in writing, Borrower shall do all of the following:

6.1 Accounting System. Borrower at all times hereafter shall maintain a standard and modern system of accounting in accordance with GAAP with ledger and account cards or computer tapes, discs, printouts, and records pertaining to the Collateral which contain information as from time to time may be requested by Foothill. Borrower shall also keep proper books of account showing all sales, claims, and allowances on its Inventory.

6.2 Collateral Reports. Borrower shall deliver to Foothill, no later than the tenth (10th) day of each month during the term of this Agreement, a detailed aging, by total, of the Accounts. Borrower shall deliver to Foothill, no later than the twentieth (20th) day of each month during the term of this Agreement, a reconciliation statement regarding Borrower's Accounts, a summary aging, by vendor, of all accounts payable and any book overdraft, and a consolidated trial balance of all Accounts. Upon the request of Foothill, Borrower promptly shall deliver to Foothill sales journals, collection reports, and credit journals so as to enable Foothill to be able to determine Borrower's Borrowing Base. Upon Foothill's request, original sales invoices evidencing daily sales shall be mailed by Borrower to each Account Debtor with, at Foothill's request, a copy to Foothill, and, at Foothill's direction following the occurrence during the continuation of an Event of Default, the invoices shall state on their face that the Account has been assigned to Foothill and that all payments are to be made directly to Foothill. In addition, from time to time, Borrower shall deliver to Foothill such other and additional information and documentation as Foothill may request.

6.3 Schedules of Accounts. With such regularity as Foothill shall require, Borrower shall provide Foothill with schedules describing all Accounts. Foothill's failure to request such schedules or Borrower's failure to execute and deliver such schedules shall not affect or limit Foothill's security interest or other rights in and to the Accounts.

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6.4 Financial Statements, Reports, Certificates. Borrower agrees to deliver to Foothill: (a) as soon as available, but in any

event within thirty (30) days after the end of each month (other than February, May, August, and November) during each of Borrower's fiscal years, a company prepared consolidated balance sheet, income statement, and cash flow statement covering Borrower's operations during such period; (b) as soon as available, but in any event within forty-five (45) days after the end of each fiscal quarter during each of Borrower's fiscal years, a company prepared consolidated balance sheet, income statement, and cash flow statement covering Borrower's operations during such fiscal quarter; and (c) as soon as available, but in any event within ninety (90) days after the end of each of Borrower's fiscal years, financial statements of Borrower for each such fiscal year, audited by independent certified public accountants reasonably acceptable to Foothill and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP, together with a certificate of such accountants addressed to Foothill stating that such accountants do not have knowledge of the existence of any event or condition constituting an Event of Default as a result of a breach of any one or more of the financial covenants contained in Section 6.13 hereof, or that would, with the passage of time or the giving of notice, constitute an Event of Default due to a breach of one or more of such financial covenants. Such audited financial statements shall be prepared on a consolidated basis and shall include a balance sheet, profit and loss statement, and cash flow statement, and, if prepared, such accountants' letter to management. Borrower shall have issued written instructions to its independent certified public accountants authorizing them to communicate with Foothill and to release to Foothill whatever financial information concerning Borrower that Foothill may request for periods during the term of this Agreement. In addition to the financial statements referred to above, Borrower agrees to deliver to Foothill, concurrent with its delivery of its year end audited financial statements, a balance sheet and income statement prepared by Borrower on a consolidating basis so as to present each Debtor separately.

Together with the above, Borrower also shall deliver to Foothill Borrower's Form 10-Q Quarterly Reports, Form 10-K Annual Reports, and Form 8-K Current Reports, and any other filings made by Borrower with the Securities and Exchange Commission, if any, as soon as the same are filed, or any other information that is provided by Borrower to its shareholders, and any other report reasonably requested by Foothill relating to the Collateral and financial condition of Borrower.

Together with the financial statements provided pursuant to Section 6.4(a) or (b), Westwood One shall deliver to Foothill a certificate signed by its chief financial officer or vice president-finance to the effect that, to the best of such officer's knowledge: (a) all reports, statements, or computer prepared information of any kind or nature delivered or caused to be delivered to Foothill hereunder have been prepared in accordance with GAAP and fairly present the financial condition of Borrower, subject to customary year-end audit

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adjustments; (b) Borrower is in timely compliance with all of its covenants and agreements hereunder; (c) the representations and warranties of Borrower

contained in this Agreement and the other Loan Documents are true and correct in all material respects on and as of the date of such certificate, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date); and (d) on the date of delivery of such certificate to Foothill there does not exist any condition or event that constitutes an Event of Default (or, in each case, to the extent of any non-compliance, describing such non-compliance as to which he or she may have knowledge and what action Borrower has taken, is taking, or proposes to take with respect thereto).

Each year, together with the financial statements provided pursuant to Section 6.4(c), Westwood One shall deliver to Foothill a certificate signed by its chief financial officer or vice president-finance that: (a) lists all Subsidiaries of Westwood One then in existence; and (b) represents and warrants that Westwood One have no Subsidiaries other than those listed.

To the extent that Foothill has requested same of Borrower and Borrower has not promptly provided same to Foothill, Borrower hereby irrevocably authorizes and directs all auditors, accountants, or other third Persons to deliver to Foothill, at Borrower's expense, copies of Borrower's financial statements, papers related thereto, and other accounting records of any nature in their possession, and to disclose to Foothill any information they may have regarding Borrower's business affairs and financial conditions.

6.5 Tax Returns. Borrower agrees to deliver to Foothill copies of each of Borrower's future federal income tax returns, and any amendments thereto, within thirty (30) days of the filing thereof with the IRS.

6.6 [Intentionally Omitted].

6.7 [Intentionally Omitted].

6.8 Returns or Disputes. Returns and allowances, if any, as between Borrower and its Account Debtors shall be on the same basis and in accordance with the usual customary practices of Borrower, as they exist at the time of the execution and delivery of this Agreement. As soon as practicable, Borrower shall notify Foothill of all returns and recoveries and of all disputes and claims.

6.9 Title to Equipment. Borrower immediately shall deliver to Foothill, properly endorsed, any and all evidences of ownership of, certificates of title, or applications for title to any items of Equipment.

6.10 Maintenance OF Equipment. Borrower shall keep and maintain the Equipment in good operating condition and repair (ordinary wear

and tear excepted), and make all necessary replacements thereto so that the value and operating efficiency thereof shall at all times be maintained and preserved. Borrower shall not permit any item of Equipment to become a fixture to real estate or an accession to other property, and the Equipment is now and shall at all times remain personal property.

6.11 Taxes. All assessments and taxes, whether real, personal, or otherwise, due or payable by, or imposed, levied, or assessed against Borrower or any of its property have been paid, and shall hereafter be paid in full, before delinquency or before the expiration of any extension period. Borrower shall make due and timely payment or deposit of all federal, state, and local taxes, assessments, or contributions required of it by law, and will execute and deliver to Foothill, on demand, appropriate certificates attesting to the payment or deposit thereof. Borrower will make timely payment or deposit of all tax payments and withholding taxes required of it by applicable laws, including those laws concerning F.I.C.A., F.U.T.A., state disability, and local, state, and federal income taxes, and will, upon request, furnish Foothill with proof satisfactory to Foothill indicating that Borrower has made such payments or deposits. The foregoing to the contrary notwithstanding, Borrower shall not be required to pay or discharge any such assessment or tax so long as the validity thereof shall be the subject of a Permitted Protest.

6.12 Insurance.

(a) Borrower, at its expense, shall keep the Collateral insured against loss or damage by FIRE, theft, explosion, sprinklers, and all other hazards and risks, and in such amounts, as ordinarily insured against by other owners in similar businesses. Borrower also shall maintain business interruption, public liability, product liability, and property damage insurance relating to Borrower's ownership and use of the Collateral, as well as insurance against larceny, embezzlement, and criminal misappropriation. By making an advance or loan hereunder on the Closing Date, Foothill shall be deemed to have approved, as of that date only, the insurance coverages and insurance carriers that provide insurance protection to Borrower.

(b) All such policies of insurance shall be in such form, with such companies, and in such amounts as may be reasonably satisfactory to Foothill. All such policies of insurance (except those of public liability and property damage) shall contain a 438BFU lender's loss payable endorsement, or an equivalent endorsement in a form satisfactory to Foothill, showing Foothill as sole loss payee thereof as its interests may appear, and shall contain a waiver of warranties, and shall specify that the insurer must give at least ten (10) days prior written notice to Foothill before canceling its policy for any reason. Borrower shall deliver to Foothill certified copies of such policies of insurance and

evidence of the payment of all premiums therefor. All proceeds payable to Foothill under any such policy shall be payable to Foothill to be applied, in

accordance with Section 2.4 hereof, on account of the Obligations as a mandatory prepayment as if Borrower had made a Permitted Asset Disposition of the subject property or asset.

6.13 Financial Covenants. Borrower shall maintain:

(a) Current Ratio. A ratio of Consolidated Current Assets divided by Consolidated Current Liabilities of at least (i) seventy-one one-hundredths to one (.71:1.0) during fiscal year 1994, (ii) seventy-four one-hundredths to one (.74:1.0) during fiscal year 1995, and (iii) seventy-seven one-hundredths to one (.77:1.0) during fiscal year 1996, in each case, measured on a fiscal quarter-end basis;

(b) Adjusted Tangible Net Worth. Adjusted Tangible Net Worth of at least (i) negative Twenty Million Dollars (< \$21,000,000 >) during fiscal year 1994, (ii) negative Fifteen Million Dollars (< \$15,000,000 >) during fiscal year 1995, and (iii) negative Ten Million Dollars (< \$10,000,000 >) during fiscal year 1996, in each case, measured on a fiscal quarter-end basis; and

(c) Working Capital. Working Capital of not less than (i) negative Nine Million Two Hundred Fifty Thousand Dollars (< \$9,250,000 >) during fiscal year 1994, (ii) negative Seven Million Five Hundred Thousand Dollars (< \$7,500,000 >) during fiscal year 1995, and (iii) negative Six Million Five Hundred Thousand Dollars (< \$6,500,000 >) during fiscal year 1996, in each case, measured on a fiscal quarter-end basis.

6.14 No Setoffs or Counterclaims. All payments hereunder and under the other Loan Documents made by or on behalf of Borrower shall be made without setoff or counterclaim and free and clear of, and without deduction or withholding for or on account of, any federal, state, or local taxes.

6.15 Location of Inventory and Equipment. Borrower shall keep the Inventory and Equipment only at the locations identified on Schedule 6.15; provided, however, that the foregoing shall not apply to Mobile Goods; provided further, however, that Borrower may amend Schedule 6.15 so long as such amendment occurs by written notice to Foothill not less than thirty (30) days prior to the date on which the Inventory or Equipment is moved to such new location, so long as such new location is within the continental United States, and so long as, at the time of such written notification, Borrower provides any financing statements or fixture filings necessary to perfect and continue perfected Foothill's security interests in such assets and also provides to Foothill a landlord's waiver in form and substance satisfactory to Foothill.

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6.16 Compliance with Laws. Borrower shall comply with the requirements of all applicable laws, rules, regulations, and orders of any governmental authority, including the Fair Labor Standards Act and the

Americans With Disabilities Act, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, would not have and could not reasonably be expected to have a material adverse effect on the business, operations, condition (financial or otherwise), finances, or prospects of Borrower or on the value of the Collateral to Foothill.

6.17 Employee Benefits.

(a) Borrower shall deliver to Foothill a written statement by the chief financial officer or vice president-finance of Borrower specifying the nature of any of the following events and the actions which Borrower proposes to take with respect thereto promptly, and in any event within ten (10) days of becoming aware of any of them, and when known, any action taken or threatened by the Internal Revenue Service, PBGC, Department of Labor, or other party with respect thereto: (i) an ERISA Event with respect to any Plan; (ii) the incurrence of an obligation to pay additional premium to the PBGC under Section 4006(a)(3)(E) of ERISA with respect to any Plan; and (iii) any lien on the assets of Borrower arising in connection with any Plan.

(b) Borrower shall also promptly furnish to Foothill copies prepared or received by Borrower or an ERISA Affiliate of: (i) at the request of Foothill, each annual report (Internal Revenue Service Form 5500 series) and all accompanying schedules, actuarial reports, financial information concerning the financial status of each Plan, and schedules showing the amounts contributed to each Plan by or on behalf of Borrower or its ERISA Affiliates for the most recent three (3) plan years; (ii) all notices of intent to terminate or to have a trustee appointed to administer any Plan; (iii) all written demands by the PBGC under Subtitle D of Title IV of ERISA; (iv) all notices required to be sent to employees or to the PBGC under Section 302 of ERISA or Section 412 of the IRC; (v) all written notices received with respect to a Multiemployer Plan concerning (x) the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA, (y) a termination described in Section 4041A of ERISA, or (z) a reorganization or insolvency described in Subtitle E of Title IV of ERISA; (vi) the adoption of any new Plan that is subject to Title IV of ERISA or Section 412 of the IRC by Borrower or any ERISA Affiliate; (vii) the adoption of any amendment to any Plan that is subject to Title IV of ERISA or Section 412 of the IRC, if such amendment results in a material increase in benefits or Unfunded Benefit Liability; or (viii) the commencement of contributions by Borrower or any ERISA Affiliate to any Plan that is subject to Title IV of ERISA or Section 412 of the IRC.

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7. NEGATIVE COVENANTS.

Borrower covenants and agrees that, so long as any credit hereunder shall be available and until payment in full of the Obligations, Borrower will not do any of the following without Foothill's prior written

consent:

7.1 Indebtedness. Create, incur, assume, permit, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except:

(a) Indebtedness evidenced by this Agreement, Term Note A, and Term Note B;

(b) Indebtedness set forth in the latest financial statements of Borrower submitted to Foothill on or prior to the Closing Date;

(c) Indebtedness secured by Permitted Liens;

(d) Indebtedness of one of the Debtors owing to another of the Debtors;

(e) the Existing Subordinated Debt; and

(f) refinancings, renewals, or extensions of Indebtedness permitted under clauses (b), (c), (e), and (f) of this Section 7.1 (and continuance or renewal of any Permitted Liens associated therewith) so long as: (i) the terms and conditions of such refinancings, renewals, or extensions do not materially impair the prospects of repayment of the Obligations by Borrower, (ii) the net cash proceeds of such refinancings, renewals, or extensions do not result in an increase in the aggregate principal amount of the Indebtedness so refinanced, renewed, or extended, (iii) such refinancings, renewals, refundings, or extensions do not result in a shortening of the average weighted maturity of the Indebtedness so refinanced, renewed, or extended, and (iv) to the extent that Indebtedness that is refinanced was subordinated in right of payment to the Obligations, then the subordination terms and conditions of the refinancing Indebtedness must be at least as favorable to Foothill as those applicable to the refinanced Indebtedness.

7.2 Liens. Create, incur, assume, or permit to exist, directly or indirectly, any lien on or with respect to any of its property or assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens (including liens that are replacements of Permitted Liens to the extent that the original Indebtedness is refinanced under Section 7.1(f) and so long as the replacement liens secure only those assets or property that secured the original Indebtedness).

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7.3 Restrictions on Fundamental Changes. Except for Permitted Asset Dispositions, and except, with the consent of Foothill which shall not be unreasonably withheld, for transactions between Debtors, enter into any acquisition, merger, consolidation, reorganization, or recapitalization, or reclassify its capital stock, or liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, assign, lease, transfer, or otherwise dispose of, in one transaction or a

series of transactions, all or any substantial part of its business, property, or assets, whether now owned or hereafter acquired, or acquire by purchase or otherwise all or substantially all the assets, stock, or other evidence of beneficial ownership of any Person.

7.4 Extraordinary Transactions and Disposal of Assets. Except for Permitted Asset Dispositions, and except, with the consent of Foothill which shall not be unreasonably withheld, for transactions between Debtors, enter into any transaction not in the ordinary and usual course of Borrower's business, including the sale, lease, or other disposition of, moving, relocation, or transfer, whether by sale or otherwise, of any of Borrower's assets, including any Asset Disposition.

7.5 Change Name. Change any Debtor's name, FEIN, business structure, or identity, or add any new fictitious name; provided, however, that Borrower may change one or more Debtor's names so long as such change only occurs after written notice to Foothill not less than thirty (30) days prior to the date on which the name change is to be effective and so long as, at the time of such written notification, Borrower provides any financing statements or fixture filings necessary to perfect and continue perfected Foothill's security interest in the Collateral of such Debtor.

7.6 Guarantee. Guarantee or otherwise become in any way liable with respect to the obligations of any third Person except by endorsement of instruments or items of payment for deposit to the account of Borrower or which are transmitted or turned over to Foothill; provided, however, that one Debtor may guaranty the obligations of another Debtor so long as the obligation to be guaranteed was permitted to be incurred under the terms of this Agreement.

7.7 Restructure. Make any change in Borrower's financial structure, the principal nature of any Debtor's business operations, or the date of Borrower's fiscal year.

7.8 Prepayments. Prepay any Indebtedness owing to any third Person.

7.9 Change of Control. Cause, permit, or suffer, directly or indirectly, any Change of Control.

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7.10 Capital Expenditures. Make any capital expenditure for property, plant, or equipment, or any commitment therefor, in excess of Two Hundred Thousand Dollars (\$200,000) for any individual transaction or where the aggregate amount of such capital expenditures, made or committed for in any fiscal year, is in excess of One Million Five Hundred Thousand Dollars (\$1,500,000).

7.11 Consignments. Consign any Inventory, sell any Inventory on bill and hold, sale or return, sale on approval, or other conditional terms of sale.

7.12 Distributions. Make any distribution or declare or pay any dividends (in cash or in stock) on, or purchase, acquire, redeem, or retire any of Borrower's capital stock, of any class, whether now or hereafter outstanding; provided, however, that the foregoing shall not prevent wholly-owned Subsidiaries of Westwood One from declaring and paying dividends to their immediate parent corporations.

7.13 Accounting Methods. Modify or change its method of accounting (other than as may be required to conform to GAAP or rules or regulations of the Securities and Exchange Commission) or enter into, modify, or terminate any agreement currently existing, or at any time hereafter entered into with any third party accounting firm or service bureau for the preparation or storage of Borrower's accounting records without said accounting firm or service bureau agreeing to provide Foothill information regarding the Collateral or Borrower's financial condition. Borrower waives the right to assert a confidential relationship, if any, it may have with any accounting firm or service bureau in connection with any information requested by Foothill pursuant to or in accordance with this Agreement, and agrees that Foothill may contact directly any such accounting firm or service bureau in order to obtain such information.

7.14 Investments. Directly or indirectly make or acquire any beneficial interest in (including stock, partnership interest, or other securities of), or make any loan, advance, or capital contribution to, any Person; provided, however that the foregoing shall not prohibit loans or advances to employees of Borrower for travel, moving expenses, or other ordinary and necessary business related purposes in an amount not to exceed \$20,000 per employee up to a maximum amount, in the aggregate, of \$100,000 at any one time outstanding; provided further, however that the foregoing shall not prohibit loans or advances to employees of Borrower to purchase common stock of Borrower.

7.15 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower except for transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms, that are fully disclosed to Foothill, and that are no less favorable to Borrower than would be obtained in arm's length transaction with a non-Affiliate.

7.16 Suspension. Suspend or go out of a substantial

portion of its business.

7.17 Compensation. Increase the annual fee or per-meeting fees paid to directors during any year by more than fifteen percent (15%) over the prior year; pay or accrue total cash compensation, during any year, to officers and senior management employees in an aggregate amount in excess of one hundred fifteen percent (115%) of that paid or accrued in the prior year; provided, however, that there shall be excluded, for all purposes, from the foregoing limitation, the amounts paid by Borrower pursuant to employment contracts with those officers of Borrower who, as of the Closing Date, had entered into such employment contracts with Borrower; provided further, however, that there also shall be excluded, for all purposes, from the foregoing limitation, the amounts paid by Borrower to the members of senior management of Borrower pursuant to the proposed senior management bonus plan.

7.18 Use of Proceeds. Use the proceeds of the advances made hereunder for any purpose other than: (a) on the Closing Date, to repay in full the outstanding principal, accrued interest, and accrued fees and expenses owing to the Old Lender; (b) to pay transactional fees, costs, and expenses incurred in connection with this Agreement; and , (c) thereafter, consistent with the terms and conditions hereof, for its lawful and permitted corporate purposes.

7.19 Change in Location of Chief Executive Office; Inventory and Equipment with Bailees. Each Debtor covenants and agrees that it will not, without thirty (30) days prior written notification to Foothill, relocate its chief executive office to a new location and so long as, at the time of such written notification, Borrower provides any financing statements or fixture filings necessary to perfect and continue perfected Foothill's security interest and also provides to Foothill a landlord's waiver in form and substance satisfactory to Foothill. The Inventory and Equipment shall not at any time now or hereafter be stored with a bailee, warehouseman, or similar party except with Foothill's prior written consent.

7.20 Amendments or Waivers of Certain Documents. Borrower shall not, and shall not permit any of its Subsidiaries to, agree to any amendment to, or waive any of its rights with respect to, (a) the terms and provisions regarding interest rates, principal or interest payment amounts, total principal amounts, subordination provisions, events of default, or similar terms and provisions (including applicable definitions) of the Existing Subordinated Debt, and refinancings or refundings thereof, provided, however, Borrower may agree to an amendment of the Existing Subordinated Debt, and the related indentures or agreements, that extends the maturity date of such Debt, and (b) any of the material terms of any Material Contract.

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7.21 Subordinated Debt. Borrower shall not, and shall not cause or permit any of its Subsidiaries to:

(a) pay, prepay, or set aside funds for the payment or prepayment of the principal of the Existing Subordinated Debt, other than in connection with a permitted refinancing thereof; provided, however, that the foregoing shall not prevent the payment for fractional shares in connection with a conversion of all or a portion of the Existing Subordinated Debt into common stock of Westwood One;

(b) pay any amount with respect to any Existing Subordinated Debt in violation of the terms of the subordination provisions thereof; and

(c) redeem, repurchase, or otherwise retire for value the Existing Subordinated Debt, other than in connection with a permitted refinancing thereof; provided, however, that the foregoing shall not prevent the payment for fractional shares in connection with a conversion of all or a portion of the Existing Subordinated Debt into common stock of Westwood One;

7.22 New Subsidiaries. Create any new Subsidiaries without first obtaining the written consent of Foothill.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1 If Borrower fails to pay when due and payable or when declared due and payable, any portion of the Obligations (whether of principal, interest (including any interest which, but for the provisions of the Bankruptcy Code, would have accrued on such amounts), fees and charges due Foothill, reimbursement of Foothill Expenses, or other amounts constituting Obligations);

8.2 If Borrower (or any Debtor) fails or neglects to perform, keep, or observe any term, provision, condition, covenant, or agreement contained in this Agreement, in any of the Loan Documents, or in any other present or future agreement between Borrower and Foothill;

8.3 If there is a material impairment of the prospect of repayment of any portion of the Obligations owing to Foothill or a material impairment of the value or priority of Foothill's security interests in the Collateral;

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8.4 If any material portion of Borrower's assets (taken as a whole) is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person;

8.5 If an Insolvency Proceeding is commenced by Borrower;

8.6 If an Insolvency Proceeding is commenced against Borrower and any of the following events occur: (a) Borrower consents to the institution of the Insolvency Proceeding against it; (b) the petition commencing the Insolvency Proceeding is not timely controverted; (c) the petition commencing the Insolvency Proceeding is not dismissed within forty-five (45) calendar days of the date of the filing thereof; provided, however, that, during the pendency of such period, Foothill shall be relieved of its obligation to extend additional credit to Borrower; (d) an interim trustee is appointed to take possession of all or a substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, Borrower; or (e) an order for relief shall have been issued or entered therein;

8.7 If Borrower is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs;

8.8 If a notice of lien, levy, or assessment is filed of record with respect to any of Borrower's properties or assets by the United States Government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, or if any taxes or debts owing at any time hereafter to any one or more of such entities becomes a lien, whether choate or otherwise, upon any of Borrower's properties or assets and the same is not paid on the payment date thereof;

8.9 If a judgment or other claim becomes a lien or encumbrance upon any material portion of Borrower's properties or assets (taken as a whole);

8.10 If there is a default in any material agreement to which Borrower is a party with one or more third Persons resulting in a right by such third Persons, irrespective of whether exercised, to accelerate the maturity of Borrower's obligations thereunder;

8.11 If Borrower makes any payment on account of Indebtedness that has been contractually subordinated in right of payment to the payment of the Obligations, except to the extent such payment is permitted by the terms of the subordination provisions applicable to such Indebtedness; provided, however, that the foregoing shall not prevent the payment for fractional shares in connection with a conversion of all or a portion of the Existing Subordinated Debt into common stock of Westwood One;

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8.12 If any misstatement or misrepresentation exists now or hereafter in any warranty, representation, statement, or report made to Foothill by Borrower or any officer, employee, agent, or director of Borrower, or if any such warranty or representation is withdrawn; or

8.13 (a) With respect to any Plan, the occurrence of any of the following which could reasonably be expected to have a material adverse

effect on the financial condition of Borrower: (i) the violation of any of the provisions of ERISA; (ii) the loss by a Plan intended to be a Qualified Plan of its qualification under Section 401(a) of the IRC; (iii) the incurrence of liability under Title IV of ERISA; (iv) a failure to make full payment when due of all amounts which, under the provisions of any Plan or applicable law, Borrower or any ERISA Affiliate is required to make; (v) the filing of a notice of intent to terminate a Plan under Sections 4041 or 4041A of ERISA; (vi) a complete or partial withdrawal of Borrower or an ERISA Affiliate from any Plan; (vii) the receipt of a notice by the plan administrator of a Plan that the PBGC has instituted proceedings to terminate such Plan or appoint a trustee to administer such Plan; (viii) a commencement or increase of contributions to, or the adoption of or the amendment of, a Plan; and (ix) the assessment against Borrower or any ERISA Affiliate of a tax under Section 4980B of the IRC.

8.14 The Unfunded Benefit Liability of all of the Plans of Borrower and its ERISA Affiliates shall, in the aggregate, exceed \$50,000.

9. FOOTHILL'S RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Upon the occurrence and during the continuation of an Event of Default Foothill may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Borrower:

(a) Declare all Obligations, whether evidenced by this Agreement, by any of the other Loan Documents, or otherwise, immediately due and payable;

(b) Cease advancing money or extending credit to or for the benefit of Borrower under this Agreement, under any of the Loan Documents, or under any other agreement between Borrower and Foothill;

(c) Terminate this Agreement and any of the other Loan Documents as to any future liability or obligation of Foothill, but without affecting Foothill's rights and security interest in the Collateral and without affecting the Obligations;

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(d) Settle or adjust disputes and claims directly with Account Debtors for amounts and upon terms which Foothill considers advisable, and in such cases, Foothill will credit Borrower's loan account with only the net amounts received by Foothill in payment of such disputed Accounts after deducting all Foothill Expenses incurred or expended in connection therewith;

(e) Cause Borrower to hold all returned Inventory in trust for Foothill, segregate all returned Inventory from all other property of Borrower or in Borrower's possession and conspicuously label said returned Inventory as the property of Foothill;

(f) Without notice to or demand upon Borrower or any guarantor, make such payments and do such acts as Foothill considers necessary or reasonable to protect its security interest in the Collateral. Borrower agrees to assemble the Collateral if Foothill so requires, and to make the Collateral available to Foothill as Foothill may designate. Borrower authorizes Foothill to enter the premises where the Collateral is located, to take and maintain possession of the Collateral, or any part of it, and to pay, purchase, contest, or compromise any encumbrance, charge, or lien that in Foothill's determination appears to be prior or superior to its security interest and to pay all expenses incurred in connection therewith. With respect to any of Borrower's owned premises, Borrower hereby grants Foothill a license to enter into possession of such premises and to occupy the same, without charge, for up to one hundred twenty (120) days in order to exercise any of Foothill's rights or remedies provided herein, at law, in equity, or otherwise;

(g) Without notice to Borrower (such notice being expressly waived), and without constituting a retention of any collateral in satisfaction of an obligation (within the meaning of Section 9505 of the Code), set off and apply to the Obligations any and all (i) balances and deposits of Borrower held by Foothill (including any amounts received in the Lock Boxes), or (ii) indebtedness at any time owing to or for the credit or the account of Borrower held by Foothill;

(h) Hold, as cash collateral, any and all balances and deposits of Borrower held by Foothill, and any amounts received in the Lock Boxes, to secure the full and final repayment of the Obligations;

(i) Ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell (in the manner provided for herein) the Collateral. Foothill is hereby granted a license or other right to use, without charge, Borrower's labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any property of a similar nature, as

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it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and Borrower's rights under all licenses and all franchise agreements shall inure to Foothill's benefit;

(j) Sell the Collateral at either a public or private sale, or both, by way of one or more contracts or transactions, for cash or on terms, in such manner and at such places (including Borrower's premises) as Foothill determines is commercially reasonable. It is not necessary that the Collateral be present at any such sale;

(k) Foothill shall give notice of the disposition of the Collateral as follows:

(1) Foothill shall give Borrower and each holder of a security interest in the Collateral who has filed with Foothill a written request for notice, a notice in writing of the time and place of public sale, or, if the sale is a private sale or some other disposition other than a public sale is to be made of the Collateral, then the time on or after which the private sale or other disposition is to be made;

(2) The notice shall be personally delivered or mailed, postage prepaid, to Borrower as provided in Section 12, at least five (5) days before the date fixed for the sale, or at least five (5) days before the date on or after which the private sale or other disposition is to be made; no notice needs to be given prior to the disposition of any portion of the Collateral that is perishable or threatens to decline speedily in value or that is of a type customarily sold on a recognized market. Notice to Persons other than Borrower claiming an interest in the Collateral shall be sent to such addresses as they have furnished to Foothill;

(3) If the sale is to be a public sale, Foothill also shall give notice of the time and place by publishing a notice one time at least five (5) days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held;

(l) Foothill may credit bid and purchase at any public sale; and

(m) Any deficiency that exists after disposition of the Collateral as provided above will be paid immediately by Borrower. Any excess will be returned, without interest and subject to the rights of third Persons, by Foothill to Borrower.

9.2 Remedies Cumulative. Foothill's rights and remedies under this Agreement, the Loan Documents, and all other agreements shall be cumulative. Foothill shall have all other rights and remedies not inconsistent herewith as provided under the

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Code, by law, or in equity. No exercise by Foothill of one right or remedy shall be deemed an election, and no waiver by Foothill of any Event of Default shall be deemed a continuing waiver. No delay by Foothill shall constitute a waiver, election, or acquiescence by it.

10. TAXES AND EXPENSES REGARDING THE COLLATERAL.

If Borrower fails to pay any monies (whether taxes, rents, assessments, insurance premiums, or otherwise) due to third Persons, or fails to make any deposits or furnish any required proof of payment or deposit, all as required under the terms of this Agreement, then, to the extent that Foothill determines that such failure by Borrower could have a material adverse effect on Foothill's interests in the Collateral, in its discretion and without prior notice to Borrower, Foothill may do any or all of the following: (a) make

payment of the same or any part thereof; (b) set up such reserves in Borrower's loan account as Foothill deems necessary to protect Foothill from the exposure created by such failure; or (c) obtain and maintain insurance policies of the type described in Section 6.12, and take any action with respect to such policies as Foothill deems prudent. Any amounts paid or deposited by Foothill shall constitute Foothill Expenses. Any payments made by Foothill shall not constitute an agreement by Foothill to make similar payments in the future or a waiver by Foothill of any Event of Default under this Agreement. Foothill need not inquire as to, or contest the validity of, any such expense, tax, security interest, encumbrance, or lien and the receipt of the usual official notice for the payment thereof shall be conclusive evidence that the same was validly due and owing.

11. WAIVERS; INDEMNIFICATION.

11.1 Demand; Protest; etc. Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Foothill on which Borrower may in any way be liable.

11.2 Foothill's Liability for Inventory or Equipment. So long as Foothill complies with its obligations, if any, under Section 9207 of the Code, Foothill shall not in any way or manner be liable or responsible for: (a) the safekeeping of the Inventory or Equipment; (b) any loss or damage thereto occurring or arising in any manner or fashion from any cause; (c) any diminution in the value thereof; or (d) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person. All risk of loss, damage, or destruction of the Inventory or Equipment shall be borne by Borrower.

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11.3 Indemnification. Borrower agrees to defend, indemnify, and hold Foothill and its officers, employees, and agents harmless against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other Person arising out of or relating to the transactions contemplated by this Agreement or any other Loan Document, and (b) all losses (including attorneys fees and disbursements) in any way suffered, incurred, or paid by Foothill as a result of or in any way arising out of, following, or consequential to the transactions contemplated by this Agreement or any other Loan Document; provided, however, that Borrower shall not be obligated to defend, indemnify, or hold Foothill and its officers, employees, and agents harmless against obligations, demands, claims, and liabilities or losses that are the proximate result of the gross negligence or wilful misconduct of any such indemnitee. This provision shall survive the termination of this Agreement.

11.4 Suretyship Waivers and Consents. Each Debtor acknowledges that the obligations of such Debtor undertaken herein might be construed to consist, at least in part, of the guaranty of obligations of Persons or entities other than such Debtor (including the other Debtors party hereto) and, in full recognition of that fact, each Debtor consents and agrees that Foothill may, at any time and from time to time, without notice or demand, whether before or after any actual or purported termination, repudiation or revocation of this Agreement by any one or more Debtors, and without affecting the enforceability or continuing effectiveness hereof as to each Debtor: (a) supplement, restate, modify, amend, increase, decrease, extend, renew, accelerate or otherwise change the time for payment or the terms of the Obligations or any part thereof, including any increase or decrease of the rate(s) of interest thereon; (b) supplement, restate, modify, amend, increase, decrease or waive, or enter into or give any agreement, approval or consent with respect to, the Obligations or any part thereof, or any of the Loan Documents or any additional security or guarantees, or any condition, covenant, default, remedy, right, representation or term thereof or thereunder; (c) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Loan Documents or the Obligations or any part thereof; (d) accept partial payments on the Obligations; (e) receive and hold additional security or guarantees for the Obligations or any part thereof; (f) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer or enforce any security or guarantees, and apply any security and direct the order or manner of sale thereof as Foothill in its sole and absolute discretion may determine; (g) release any Person from any personal liability with respect to the Obligations or any part thereof; (h) settle, release on terms satisfactory to Foothill or by operation of applicable laws or otherwise liquidate or enforce any Obligations and any security therefor or guaranty thereof in any manner, consent to the transfer of any security and bid and purchase at any sale; or (i) consent to the merger, change or any other restructuring or termination of the corporate or partnership existence of any Debtor or any other Person, and correspondingly restructure the Obligations, and any such merger, change, restructuring or termination shall not affect

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the liability of any Debtor or the continuing effectiveness hereof, or the enforceability hereof with respect to all or any part of the Obligations.

Upon the occurrence and during the continuance of any Event of Default, Foothill may enforce this Agreement independently as to each Debtor and independently of any other remedy or security Foothill at any time may have or hold in connection with the Obligations, and it shall not be necessary for Foothill to marshal assets in favor of any Debtor or any other Person or to proceed upon or against or exhaust any security or remedy before proceeding to enforce this Agreement. Each Debtor expressly waives any right to require Foothill to marshal assets in favor of any Debtor or any other Person or to proceed against any other Debtor or any collateral provided by any Person, and

agrees that Foothill may proceed against Debtors or any collateral in such order as it shall determine in its sole and absolute discretion.

Foothill may file a separate action or actions against any Debtor, whether action is brought or prosecuted with respect to any security or against any other Person, or whether any other Person is joined in any such action or actions. Each Debtor agrees that Foothill and any Debtor and any Affiliate of any Debtor may deal with each other in connection with the Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between any of them, in any manner whatsoever, all without in any way altering or affecting the continuing efficacy of this Agreement. Each Debtor expressly waives the benefit of any statute of limitations affecting its liability hereunder or the enforcement of the Obligations or any rights of Foothill created or granted herein.

Foothill's rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Obligations which thereafter shall be required to be restored or returned by Foothill, all as though such amount had not been paid. The rights of Foothill created or granted herein and the enforceability of this Agreement at all times shall remain effective to cover the full amount of all the Obligations even though the Obligations, including any part thereof or any other security or guaranty therefor, may be or hereafter may become invalid or otherwise unenforceable as against any Debtor and whether or not any other Debtor shall have any personal liability with respect thereto.

To the maximum extent permitted by applicable law, each Debtor expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any disability or other defense of any other Debtor with respect to the Obligations, (b) the unenforceability or invalidity of any security or guaranty for the Obligations or the lack of perfection or continuing perfection or failure of priority of any security for the Obligations, (c) the cessation for any cause whatsoever of the liability of any other Debtor (other than by reason of the full payment and performance of all Obligations), (d) any failure of

Foothill to marshal assets in favor of any Debtor or any other Person, (e) any failure of Foothill to give notice of sale or other disposition of collateral to any Debtor or any other Person or any defect in any notice that may be given in connection with any sale or disposition of collateral, (f) any failure of Foothill to comply with applicable law in connection with the sale or other disposition of any collateral or other security for any Obligation, including any failure of Foothill to conduct a commercially reasonable sale or other disposition of any collateral or other security for any Obligation, (g) any act or omission of Foothill or others that directly or indirectly results in or aids the discharge or release of any of any Debtor or the Obligations or any security or guaranty therefor by operation of law or otherwise, (h) any law

which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation, (i) any failure of Foothill to file or enforce a claim in any bankruptcy or other proceeding with respect to any Person, (j) the election by Foothill of the application or non-application of Section 1111(b)(2) of the Bankruptcy Code, (k) any extension of credit or the grant of any lien under Section 364 of the Bankruptcy Code, (l) any use of cash collateral under Section 363 of the Bankruptcy Code, (m) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any Person, (n) the avoidance of any lien in favor of Foothill for any reason, or (o) any action taken by Foothill that is authorized by this section or any other provision of any Loan Document. Until such time, if any, as all of the Obligations have been paid and performed in full and no portion of any commitment of Foothill to Borrower under any Loan Document remains in effect, no Debtor shall have any right of subrogation, contribution, reimbursement or indemnity, and each Debtor expressly waives any right to enforce any remedy that Foothill now has or hereafter may have against any other Person and waives the benefit of, or any right to participate in, any collateral now or hereafter held by Foothill. Each Debtor expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations, and all notices of acceptance of this Agreement or of the existence, creation or incurring of new or additional Obligations.

In the event that all or any part of the Obligations at any time are secured by any one or more deeds of trust or mortgages or other instruments creating or granting liens on any interests in real property, each Debtor authorizes Foothill, upon the occurrence of and during the continuance of any Event of Default, at its sole option, without notice or demand and without affecting the obligations of any Debtor, the enforceability of this Agreement, or the validity or enforceability of any liens of, or for the benefit of, Foothill on any collateral, to foreclose any or all of such deeds of trust or mortgages or other instruments by judicial or nonjudicial sale.

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To the fullest extent permitted by applicable law, each Debtor expressly waives any defenses to the enforcement of this Agreement or any rights of Foothill created or granted hereby or to the recovery by Foothill against any Debtor or any other Person liable therefor of any deficiency after a judicial or nonjudicial foreclosure or sale, even though such a foreclosure or sale may impair the subrogation rights of Debtors and may preclude Debtors from obtaining reimbursement or contribution from other Debtors. Each Debtor expressly waives any defenses or benefits that may be derived from California Code of Civil Procedure Sections 580a, 580b, 580d or 726, or comparable provisions of the laws of any other jurisdiction, and all other suretyship defenses it otherwise might or would have under California law or other applicable law. Each Debtor expressly waives any right to receive notice of any judicial or nonjudicial foreclosure or sale of any real property or

interest therein of another Debtor that is subject to any such deeds of trust or mortgages or other instruments and any Debtor's failure to receive any such notice shall not impair or affect such Debtor's obligations or the enforceability of this Agreement or any rights of Foothill created or granted hereby.

Debtors and each of them warrant and agree that each of the waivers and consents set forth herein are made after consultation with legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which Debtors otherwise may have against other Debtors, Foothill or others, or against Collateral, and that, under the circumstances, the waivers and consents herein given are reasonable and not contrary to public policy or law. If any of the waivers or consents herein are determined to be contrary to any applicable law or public policy, such waivers and consents shall be effective to the maximum extent permitted by law.

12. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other Loan Document entered into in connection therewith shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested,

or by prepaid telex, TWX, telefacsimile, or telegram (with messenger delivery specified) to Borrower or to Foothill, as the case may be, at its address set forth below:

<TABLE>

<S>

IF TO ANY DEBTOR:

<C>

WESTWOOD ONE, INC.

</TABLE>

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<TABLE>

<S>

<C>

8966 Washington Boulevard
Culver City, California 90323
Attn: Gary Yusko

with copies to:

BRYAN CAVE
120 Broadway
Santa Monica, California 90401
Attn: Catherine F. Ratcliffe, Esq.

If to Foothill: Foothill Capital Corporation
11111 Santa Monica Boulevard
Suite 1500
Los Angeles, California 90025-3333
Attn: Business Finance Division Manager

with copies to: BROBECK, PHLEGER & HARRISON
550 South Hope Street
Los Angeles, California 90071
Attn: John Francis Hilson, Esq.

</TABLE>

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other. All notices or demands sent in accordance with this Section 12, OTHER than notices by Foothill in connection with Sections 9504 or 9505 of the Code, shall be deemed received on the earlier of the date of actual receipt or three (3) days after the deposit thereof in the mail. Borrower acknowledges and agrees that notices sent by Foothill in connection with Sections 9504 or 9505 of the Code shall be deemed sent when deposited in the mail or transmitted by telefacsimile or other similar method set forth above.

13. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA OR, AT THE SOLE OPTION OF Foothill, IN ANY OTHER COURT IN WHICH Foothill SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH OF BORROWER AND Foothill WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 13. BORROWER AND Foothill HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. BORROWER AND Foothill REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

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14. DESTRUCTION OF BORROWER'S DOCUMENTS.

All documents, schedules, invoices, agings, or other papers delivered to Foothill may be destroyed or otherwise disposed of by Foothill four (4) months after they are delivered to or received by Foothill, unless Borrower requests, in writing, the return of said documents, schedules, or other papers and makes arrangements, at Borrower's expense, for their return.

15. GENERAL PROVISIONS.

15.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Borrower and Foothill.

15.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Borrower may not assign this Agreement or any rights or duties hereunder without Foothill's prior written consent and any prohibited assignment shall be absolutely void. No consent to an assignment by Foothill shall release Borrower from its Obligations. Foothill may assign this Agreement and its rights and duties hereunder and no consent or approval by Borrower is required in connection with any such assignment. Foothill reserves the right to sell, assign, transfer, negotiate, or grant participations in all or any part of, or any interest in, Foothill's rights and benefits hereunder. In connection with any such assignment or participation, Foothill may disclose all documents and information which

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Foothill now or hereafter may have relating to Borrower or Borrower's business. To the extent that Foothill assigns its rights and obligations hereunder to a third Person, Foothill shall thereafter be released from such assigned obligations to Borrower and such assignment shall effect a novation between Borrower and such third Person.

15.3 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

15.4 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Foothill or Borrower, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

15.5 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

15.6 Amendments in Writing. This Agreement cannot be changed or terminated orally. All prior agreements, understandings, representations, warranties, and negotiations, if any, are merged into this

Agreement.

15.7 Counterparts; Telefacsimile Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

15.8 Revival and Reinstatement of Obligations. If the incurrence or payment of the Obligations by Borrower or any guarantor of the Obligations or the transfer by either or both of such parties to Foothill of any property of either or both of such parties should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, and other voidable or recoverable payments

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of money or transfers of property (collectively, a "Voidable Transfer"), and if Foothill is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that Foothill is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys fees of Foothill related thereto, the liability of Borrower or such guarantor automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

15.9 Integration. This Agreement, together with the other loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, whether before or after the date hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed at Los Angeles, California.

FOOTHILL CAPITAL CORPORATION,
a California corporation

By: PAMELA S. FERRO

Pamela S. Ferro

Title: Vice President

WESTWOOD ONE, INC.,
a Delaware corporation
WESTWOOD ONE RADIO, INC.,
a California corporation
MUTUAL BROADCASTING SYSTEM INC.,
a Delaware corporation
WESTWOOD NATIONAL RADIO
CORPORATION, INC.,
a Delaware corporation
NATIONAL RADIO NETWORK, INC.,
a Delaware corporation
THE SOURCE, INC.,
a Delaware corporation
TALKNET, INC.,
a Delaware corporation
KM RECORDS, INC.,
a California corporation
WESTWOOD ONE SATELLITE SYSTEMS, INC.,
a Delaware corporation

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WESTWOOD ONE STATIONS GROUP, INC.,
a Delaware corporation
WESTWOOD ONE STATIONS-LA, INC.,
a Delaware corporation
WESTWOOD ONE STATIONS-NYC, INC.,
a Delaware corporation

By BRUCE KANTER

Bruce Kanter

Title: Executive Vice President
and Chief Financial Officer

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AGREEMENT FOR CANCELLATION OF LOAN DOCUMENTS,
GUARANTEES AND SECURITIES PURCHASE DOCUMENTS

THIS AGREEMENT FOR CANCELLATION OF LOAN DOCUMENTS, GUARANTEES AND SECURITIES PURCHASE DOCUMENTS ("Agreement") is entered into as of this 19th day of November, 1993 by and between WESTINGHOUSE ELECTRIC CORPORATION, a Pennsylvania corporation ("Westinghouse"), WESTWOOD ONE STATIONS GROUP, INC., a Delaware corporation ("WOSGI"), WESTWOOD ONE, INC., a Delaware corporation ("Westwood One"), WESTWOOD ONE STATIONS-LA, INC., a Delaware corporation ("Westwood One-LA") and RADIO & RECORDS, INC., a California corporation ("R & R").

Recitals

A. On March 15, 1989 Westinghouse Credit Corporation ("WCC"), as lender, WOSGI, as borrower, and WYNY-FM, INC. ("WYNY"), Westwood One-LA and R & R, jointly and severally, as guarantors, entered into (a) a Credit Agreement dated March 15, 1989 (the "Credit Agreement") and (b) a Securities Purchase Agreement dated March 15, 1989 (the "Securities Purchase Agreement") pursuant to which WCC (i) lent to WOSGI \$65,000,000 (the "Loan") evidenced by a \$65,000,000 Revolving Loan Note dated March 16, 1989 (the "Note") and (ii) purchased a \$30,000,000 Senior Subordinated Debenture (the "Debenture") issued by WOSGI.

B. Pursuant to the Securities Purchase Agreement, as additional consideration for WCC's purchase of the Debenture, WOSGI issued to WCC a Contingent Payment Obligation dated March 16, 1989 (the "CPO") entitling WCC to seven percent (7%) of WOSGI under specified circumstances.

C. As security for the obligations (as defined in the Credit Agreement), Westwood One, WOSGI, WYNY, Westwood One-LA and R & R, as debtors, executed and delivered to WCC, as secured party, certain Security Documents (as defined in the Credit Agreement).

D. WCC, WOSGI, WYNY, Westwood One-LA and R & R entered into an Agreement dated as of April 12, 1991 amending certain terms and conditions of the Credit Agreement and Securities Purchase Agreement.

E. WCC, WOSGI, WYNY, Westwood One-LA and R & R entered into a Second Amendment to Credit Agreement and Securities Purchase Agreement dated as of October, 1991 which also amended certain terms and conditions of the Credit Agreement and the Securities Purchase Agreement.

F. On May 3, 1993 WCC merged into Westinghouse, whereupon Westinghouse succeeded by operation of law to all rights, titles and interest of WCC in and with respect to the Credit Agreement, the Securities Purchase Agreement, the Note, the Debenture, the CPO, the Security Documents and all related agreements.

G. On or about June 25, 1993 WOSGI, with the consent of Westinghouse, sold all of the stock of WYNY.

H. On or about June 25, 1993 WOSGI paid in full all amounts due Westinghouse under the Debenture.

I. On October 17, 1993, Westinghouse, WOSGI, Westwood One-LA and R & R executed an Amended and Restated Credit Agreement, an Amended and Restated Revolving Loan Note and an Amended and Restated Securities Purchase Agreement.

J. Also on October 17, 1993, in consideration of the modifications made to the Credit Agreement, WOSGI granted to Westinghouse a 30-day option (the "Option") to acquire all or part of certain assets of WOSGI.

K. On November 1, 1993 (the "Option Exercise Date") Westinghouse exercised the option to acquire the WOSGI Personal Property, the WOSGI Net Cash and the R & R Stock, each as defined and more fully described in Exhibit A attached hereto (collectively, the "Property") , in consideration of Westinghouse's cancellation, as payment in full, of the Loan and all of the loan documents more fully described in Exhibit B (collectively, the "Loan Documents").

L. By this Agreement, the parties hereto set forth the terms and conditions under which the Property is being transferred to Westinghouse and the Loan and Loan Documents are being cancelled and terminated as payment in full.

Agreement

NOW, THEREFORE, in consideration for the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Westwood One, WOSGI, Westwood One-LA, R & R and Westinghouse agree as follows:

1. Cancellation of Indebtedness. Conditioned upon and effective as of the Closing (as defined in Section 16 hereof), Westinghouse hereby cancels, as paid in full, (a) the Amended and Restated Revolving Loan Note dated October 17, 1993 made by WOSGI in the principal sum of \$19,723,980, (b) any obligation of WOSGI under and with respect to the Contingent Payment Obligation dated as of March 16, 1989 to Westinghouse by WOSGI and (c) any and

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R & R to Westinghouse under or with respect to any of the Loan Documents.

2. Cancellation of Guarantees. Conditioned upon and effective as of the Closing, Westinghouse hereby cancels and terminates the guarantees of Westwood One-LA and R & R contained in the Restated Credit Agreement and in the Restated Securities Purchase Agreement, both as defined in Exhibit B attached hereto.

3. Termination of Security Interests. Conditioned upon and effective as of the Closing, Westinghouse hereby terminates and cancels each of the Security Documents (as defined in the Restated Credit Agreement) , and terminates all of the security interests granted thereby.

4. Cancellation of Loan Documents. Conditioned upon and effective as of the Closing, Westinghouse hereby terminates and cancels, as paid in full, all of the Loan Documents.

5. Delivery of Documents. Conditioned upon and effective as of the Closing, Westinghouse shall deliver to WOSGI the Loan Release Documents defined and described in section 12 of this Agreement.

6. Release of Westinghouse.

a. Effective upon the Closing, WOSGI, Westwood One, Westwood One-LA and R & R, for themselves and their respective officers, directors, shareholders, agents and employees, and each of their successors, heirs and assigns, and each of them, (collectively "Paragraph 6 Releasors"), hereby forever release, discharge and Westinghouse, its subsidiary and affiliate corporations, and their officers, directors, shareholders, agents and employees, and their successors, heirs and assigns, and each of them (collectively, "Paragraph 6 Released Parties"), of and from any and all claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or any relationship, acts, omissions, misfeasance, malfeasance, cause or causes of action, debts, sums of money, accounts, compensations, contracts, controversies, promises, damages, costs, losses and expenses, of every type, kind, nature, description or character, and irrespective of how, why, or by reason of what facts, whether heretofore, now existing or hereafter arising, or which could, might, or may be claimed to exist, of whatever kind or name, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth herein at length ("Claims") , which in any way arise out of, are connected with or related to (i) the Loan, (ii) any of the Loan Documents or (iii) any and all guarantees of all or any part of the Loan or any of the Loan Documents (collectively, the "Paragraph 6 Released Matters") , provided, however, the Paragraph 6 Released Matters do not include, and the

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respect to, any Claims arising out of, related to or in connection with (A) this Agreement or any document or instrument executed in connection herewith, (B) the fraud, intentional misrepresentation of or failure to disclose material facts or any other intentional tortious acts of any of the Paragraph 6 Released Parties or (C) hazardous waste or materials in, on, under or about, or transported or released from, any premises of the WOSGI or any of its subsidiaries.

b. Paragraph 6 Releasors hereby agree, represent and warrant that the Paragraph 6 Released Matters are not limited to matters which are known or disclosed, and, with respect to the Paragraph 6 Released Matters, Paragraph 6 Releasors hereby waive any and all rights and benefits which they now have, or in the future may have, conferred upon them by virtue of the provisions of Section 1542 of the Civil Code of the State of California which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

c. In this connection, the Paragraph 6 Releasors hereby agree, represent and warrant that Paragraph 6 Releasors realize and acknowledge that, with respect to the Paragraph 6 Released Matters, factual matters now unknown to them may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and further agree, represent and warrant that the foregoing release has been negotiated and agreed upon in light of that realization and that the Paragraph 6 Releasors nevertheless hereby intend to release, discharge and acquit the Paragraph 6 Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are in any way related to the Paragraph 6 Released Matters.

d. The acceptance of delivery of this Agreement by the Paragraph 6 Released Parties shall not be deemed or construed as an admission of liability by any of the Paragraph 6 Released Parties by the terms hereof, and each such party hereby expressly denies liability of any nature whatsoever arising from or related to the subject of the foregoing release.

7. Release of WOSGI, Westwood One, Westwood One-LA and R & R.

a. Westinghouse, for itself and its affiliate corporations, and their officers, directors, shareholders, agents

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and employees, and each of their successors, heirs and assigns, and each of them, (collectively "Paragraph 7 Releasors") , hereby forever release, discharge and acquit the WOSGI, Westwood One, Westwood One-LA and R & R, and their respective affiliate corporations, and their officers, directors, shareholders, agents and employees, and their successors, heirs and assigns, and each of them (collectively, "Paragraph 7 Released Parties") , of and from any and all Claims which in any way arise out of, are connected with or related to (i) the Loan, (ii) any of the Loan Documents or (iii) any and all guarantees of all or any part of the Loan or any of the Loan Documents (collectively, the "Paragraph 7 Released Matters"), provided, however, the Paragraph 7 Released Matters do not include, and the Paragraph 7 Releasors expressly retain all rights with respect to, any Claims arising out of, related to or in connection with (A) this Agreement or any document or instrument executed in connection herewith, (B) the fraud, intentional misrepresentation of or failure to disclose materials facts or any other intentional tortious acts of any of the Paragraph 7 Released Parties or (C) hazardous waste or materials in, on, under or about, or transported or released from, any premises of the WOSGI or any of its subsidiaries.

b. Paragraph 7 Releasors hereby agree, represent and warrant that the Paragraph 7 Released Matters are not limited to matters which are known or disclosed, and, with respect to the Paragraph 7 Released Matters, Paragraph 7 Releasors hereby waive any and all rights and benefits which they now have, or in the future may have, conferred upon them by virtue of the provisions of Section 1542 of the Civil Code of the State of California which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

c. In this connection, the Paragraph 7 Releasors hereby agree, represent and warrant that Paragraph 7 Releasors realize and acknowledge that, with respect to the Paragraph 7 Released Matters, factual matters now unknown to them may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and further agree, represent and warrant that the foregoing release has been negotiated and agreed upon in light of that realization and that the Paragraph 7 Releasors nevertheless hereby intend to release, discharge and acquit the Paragraph 7 Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are in any way related to the Paragraph 7 Released Matters.

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d. The acceptance of delivery of this Agreement by the Paragraph 7 Released Parties shall not be deemed or construed as an admission of liability by any of the Paragraph 7 Released Parties by the terms hereof, and each such party hereby expressly denies liability of any nature whatsoever arising from or related to the subject of the foregoing release.

8. Release of R & R.

a. WOSGI, Westwood One and Westwood One-LA, for themselves and their respective affiliate corporations, and their officers, directors, shareholders, agents and employees, and each of their successors, heirs and assigns, and each of them, (collectively "Paragraph 8 Releasors") , hereby forever release, discharge and acquit R & R, and its officers, directors, shareholders, agents and employees, and their successors, heirs and assigns, and each of them (collectively, "Paragraph 8 Released Parties"), of and from any and all Claims which in any way arise out of, are connected with or related to any contractual, legal or equitable obligation of any of the Paragraph 8 Released Parties to any of the Paragraph 8 Releasors existing as of the date of this Agreement (collectively, the "Paragraph 8 Released Matters"), provided, however, the Paragraph 8 Released Matters do not include, and the Paragraph 8 Releasors expressly retain all rights with respect to, any Claims arising out of, related to or in connection with this Agreement or any document or instrument executed in connection herewith.

b. Paragraph 8 Releasors hereby agree, represent and warrant that the Paragraph 8 Released Matters are not limited to matters which are known or disclosed, and, with respect to the Paragraph 8 Released Matters, Paragraph 8 Releasors hereby waive any and all rights and benefits which they now have, or in the future may have, conferred upon them by virtue of the provisions of Section 1542 of the Civil Code of the State of California which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

c. In this connection, the Paragraph 8 Releasors hereby agree, represent and warrant that Paragraph 8 Releasors realize and acknowledge that, with respect to the Paragraph 8 Released Matters, factual matters now unknown to them may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and further agree, represent and warrant that the foregoing release has been

negotiated and agreed upon in light of that realization and that the Paragraph 8 Releasors nevertheless hereby intend to release, discharge and acquit the Paragraph 8 Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are in any way related to the Paragraph 8 Released Matters.

9. Representations by WOSGI. As of the date hereof, WOSGI hereby represents and warrants as follows:

a. Westwood One, Westwood One-LA and WOSGI are each Delaware corporations duly organized, existing and in good standing under the laws of the State of Delaware and duly qualified to carry on their respective businesses as now being conducted by each in the States of Delaware and California. R & R, a wholly-owned subsidiary of WOSGI, is a corporation duly organized, existing and in good standing under the laws of the State of California and is duly qualified to carry on its business as now being conducted in the State of California.

b. WOSGI has not sold, assigned, conveyed or encumbered all or any part of the Property.

c. WOSGI has the full right, power, capacity and authority validly to execute, deliver and perform, and to sell, assign and transfer the Property to Westinghouse pursuant to the terms of this Agreement, and this Agreement constitutes a legal, valid and binding obligation of WOSGI enforceable against WOSGI in accordance with the terms of this Agreement.

d. The individual executing this Agreement on behalf of WOSGI is duly authorized to execute this Agreement and to bind WOSGI to consummate the transaction contemplated hereby. The execution and delivery of this Agreement do not require the consent of any person, agency or entity not a party to this Agreement.

e. This Agreement does not violate the terms of any other contract or instrument to which WOSGI is a party or by which WOSGI is bound.

f. There are no actions or proceedings pending or threatened to liquidate, arrange, place in bankruptcy or appoint a receiver for or dissolve WOSGI.

g. The August 31, 1993 financial statements of WOSGI and its subsidiary corporations attached hereto as Exhibit C were prepared in accordance with generally accepted accounting principles and fully and accurately set forth the assets and liabilities, including inter-company receivables and payables, of WOSGI and its present subsidiary corporations, with the understanding that WOSGI has historically made, and anticipates again

making, year end adjustments in accordance with generally

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accepted accounting principles.

h. Since August 31, 1993 there have been no material transactions, including, but not limited to the transfer of assets or the incurrence of liabilities, by WOSGI or any of its subsidiary corporations other than (i) in the ordinary course of WOSGI's or its subsidiary corporation's business as conducted on August 31, 1993, and all such transactions in the ordinary course of WOSGI's or its subsidiaries business have been recognized in accordance with generally accepted accounting principles, or (ii) those specific transactions reported in Exhibit D attached hereto.

i. WOSGI Net Cash, estimated at \$400,000, was calculated in accordance with generally accepted accounting principles; Exhibit D sets forth the cash transferred out of WOSGI for the estimated liabilities of WOSGI owed to or to be paid by Westwood One.

j. WOSGI is the sole legal owner and holder of both the WOSGI Personal Property and the WOSGI Net Cash.

k. The authorized capital stock of R & R consists of 75,000 shares of common stock, of which 1,000 shares (the R & R Stock) are issued and outstanding. The R & R Stock is validly issued, fully paid and non-assessable, and the R & R Stock has been so issued in full compliance with all federal and state securities laws. Other than the option, there are no outstanding subscriptions, options, rights, warrants, convertible securities, or other agreements or commitments obligating R & R to issue or transfer from treasury any additional shares of its capital stock of any class.

l. WOSGI is the owner, beneficially and of record, of all of the R & R Stock free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges and restrictions, other than the legend restrictions set forth required by California Corporations Code Section 25102 (h) . WOSGI has full power to transfer the R & R Stock to Westinghouse without obtaining the consent or approval of any other person or governmental authority, other than the consent to transfer of the California Commissioner of Corporations required by California Corporations Code Section 25133.

m. Exhibit E attached hereto has been prepared in accordance with generally accepted accounting principles and fully and accurately sets forth the assets and liabilities of R & R as of September 30, 1993, with the understanding that R & R has historically made, and would likely again make, year end adjustments in accordance with generally accepted accounting principles.

n. R & R has no debt, liability or obligation of any nature, whether accrued, absolute, contingent, or otherwise, and

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whether due or to become due, which is not reflected or reserved against in R & R's schedule of assets and liabilities attached hereto as Exhibit E, except those which are not required by general accepted accounting principles to be included in such a schedule.

o. Within the time and in the manner prescribed by law, R & R has filed all federal, state and local tax returns required by law and has paid all taxes, assessments and penalties due and payable.

p. Exhibit F attached hereto fully and accurately lists all employment contracts and collective bargaining agreements, and all pension, bonus, profit-sharing, stock option, or other agreements or arrangements providing for employee remuneration or benefits to which R & R is a party or by which R & R is bound. To the best of WOSGI's knowledge, all these contracts and arrangements are in full force and effect, and neither R & R nor any other party is in default under them. To the best knowledge of WOSGI, there have been no claims of defaults and there are no facts or conditions which if continued, or on notice, will result in a default under these contracts or arrangements. To the best of WOSGI's knowledge, R & R has complied in all material respects with all applicable laws for each of its employee benefit plans, including the provisions of the Employee Retirement Income Security Act ("ERISA") if and to the extent applicable.

q. To the best of WOSGI's knowledge, except as disclosed in Exhibit G attached hereto, there is no pending or threatened suit, action, arbitration or legal, administrative or other proceeding or governmental investigation against or affecting R & R or its business, assets or financial condition.

r. All reports, schedules and written documentation relative to WOSGI and its corporate subsidiaries provided by WOSGI to Westinghouse, its employees, accountants and attorneys since October 17, 1993 were accurate and complete in all material respects as of the date given and as of the date of this Agreement, with the understanding that WOSGI has historically made, and anticipates again making, year end adjustments in accordance with generally accepted accounting principles.

10. Representations of Westinghouse. As of the date hereof, Westinghouse hereby represents and warrants as follows:

a. Westinghouse is a corporation duly organized, existing and in good standing under the laws of the Commonwealth of Pennsylvania and is duly qualified to carry on its business as now being

conducted in the Commonwealth of Pennsylvania and the State of California. Westinghouse is the successor by merger to Westinghouse Credit Corporation.

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b. Westinghouse is the sole legal owner and holder of the Loan and Loan Documents free and clear of all liens, security interests, participation interests and other encumbrances.

c. Westinghouse has not sold, assigned, conveyed or encumbered all or any part of the Loan and Loan Documents.

d. Westinghouse has the full right, power, capacity and authority validly to execute, deliver and perform this Agreement, and this Agreement constitutes a legal, valid and binding obligation of Westinghouse enforceable against Westinghouse in accordance with the terms of this Agreement.

e. The individual executing this Agreement on behalf of Westinghouse is duly authorized to execute this Agreement and to bind Westinghouse to consummate the transaction contemplated hereby. The execution and delivery of this Agreement do not require the consent of any person, agency or entity not a party to this Agreement.

f. This Agreement does not violate the terms of any other contract or instrument to which Westinghouse is a party or by which Westinghouse is bound.

g. There are no actions or proceedings pending or threatened to liquidate, arrange, place in bankruptcy or appoint a receiver for or dissolve Westinghouse.

h. To the extent that it reasonably relates to this Agreement or R & R, Westinghouse agrees to cooperate with Westwood One in Westwood One's preparation of the consolidated Westwood One tax return for the period ending October 31, 1993 and to provide such information and documentation as is reasonably requested to accomplish same.

11. Conditions Precedent to Closing. The respective obligations of Westinghouse and WOSGI under this Agreement shall be subject to the following conditions:

a. The representations and warranties made by, respectively, WOSGI and Westinghouse in, respectively, Sections 9 and 10 hereof shall be deemed to have been made again at and as of the Closing and shall be true and correct on and as of Closing.

b. There will not be pending any litigation, proceeding

or investigation, including, but not limited to, any bankruptcy, arrangement, reorganization or insolvency proceeding, against or involving Westinghouse or WOSGI which would materially and adversely affect Westinghouse's or WOSGI's ability to consummate Closing.

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c. Westinghouse and WOSGI each shall execute or have executed, and deliver or have delivered, all documents, and shall take or have taken all other actions, required of WOSGI pursuant to Sections 12 through 15 hereof.

12. Payment of Consideration for Transfer. At Closing, Westinghouse shall cancel and terminate the Loan and Loan Documents by execution and delivery to WOSGI of the following documents (collectively the "Loan Release Documents"):

a. The original Amended and Restated Secured Promissory Note dated October 17, 1993 made by WOSGI, marked "Paid In Full".

b. UCC-2 Termination Statements for all UCC-1s of record reflecting Westinghouse Credit Corporation as secured party and Westwood One, WOSGI, Westwood One-LA and/or R & R as debtor(s), executed by Westinghouse.

c. The original Contingent Payment Obligation dated March 16, 1989 marked "Cancelled".

d. The original certificate for all shares of capital ,stock of WOSGI pledged to Westinghouse by Westwood One, with attached assignment executed by Westinghouse to Barclays Bank PLC ("Barclays").

13. Transfer of Property. At Closing, WOSGI shall (a) pay to Westinghouse the WOSGI Net Cash by cashier's check payable to the order of Westinghouse and (b) transfer and assign to Westinghouse the WOSGI Personal Property and the R & R Stock by execution and/or delivery to Westinghouse of the following instruments and documents in form and content satisfactory to Westinghouse (collectively the "Transfer Documents"):

a. Bill of Sale and Assignment for all of the WOSGI Personal Property, executed by WOSGI.

b. The original certificate(s) for all of the R & R Stock, with attached assignment to Westinghouse, executed by WOSGI.

14. Consent to Agreement. At Closing, WOSGI shall have caused Barclays to have executed and delivered, for delivery to Westinghouse at Closing, a written consent to this Agreement and cancellation of the intercreditor agreement between Barclays and Westinghouse (the "Barclays

Consent"), in form and content acceptable to Westinghouse.

15. Additional Documents and Actions. At Closing, Westinghouse and WOSGI shall each deliver or have delivered the following additional documents, and/or take or have taken the following further actions:

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a. WOSGI shall deliver to Westinghouse the originals of all documents and instruments evidencing or supporting WOSGI's right, title or interest in each and every item of WOSGI Personal Property.

b. WOSGI shall deliver to Westinghouse all of the books, records, ledgers, minute books, stock books, stock ledgers, documents, correspondence and other written or computer stored business records in the possession of WOSGI which relate to R & R and its operations.

c. WOSGI and Westinghouse shall each have delivered to the other a certified copy of the resolution of their respective Boards of WOSGI authorizing the transaction provided for in this Agreement, including, but not limited to, the transfer of the WOSGI Net Cash and the R & R Stock.

16. Definition of Closing. All of the actions described in Sections 12 through 15 shall be deemed to have been taken simultaneously, none of such actions shall be deemed to have been taken unconditionally until all of such actions have been fully performed, and all of such actions are collectively referred to herein as "Closing."

17. Closing costs and Expenses. WOSGI and Westinghouse shall each pay their own attorney's, accountant's fees and other related costs and expenses incurred in connection with the transaction provided for in this Agreement.

18. Post-Closing Audit.

a. The acceptance by Westinghouse at the Closing of payment of the WOSGI Net Cash shall not be deemed to constitute Westinghouse's approval of WOSGI's determination and computation of the WOSGI Net Cash, and such acceptance by Westinghouse shall be without prejudice to Westinghouse's right to audit WOSGI's and Westwood One's books and records as hereinafter provided.

b. Westinghouse shall have the right, on forty-eight (48) hours advance written notice to be given no earlier than November 30, 1993 to Westwood One and WOSGI, to audit the books, records and supporting documentation of Westwood One, WOSGI and WOSGI's subsidiaries concerning WOSGI's determination and calculation of WOSGI Net Cash. In connection with

such audit, Westinghouse shall be permitted reasonable access, consistent with the schedule set forth in subsection (c) following, to all materials, including, but not limited to, original transaction documents, relevant to (i) the August 31, 1993 WOSGI financial statement, (ii) all transactions subsequent to August 31, 1993 and (iii) all transactions prior to August 31, 1993 which would reflect consistency or inconsistency in WOSGI's accounting treatment of any transaction reported on the August 31, 1993 financial statement or

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occurring subsequent hereto, as available.

c. Westwood One and WOSGI shall make available to Westinghouse and its auditors (i) commencing no earlier than December 6, 1993 or five (5) working days after Westwood One approves the October 31, 1993 R & R financial statements, all books, records and supporting material of Westwood One and WOSGI for the period through October 31, 1993 and (ii) commencing December 15, 1993, all books, records and supporting material of Westwood One and WOSGI for the period from November 1, 1993 through the Closing.

d. WOSGI and Westwood One each covenants that the officers, employees and accountants of WOSGI and Westwood One will cooperate fully with Westinghouse and its auditors in connection with the post-Closing audit to be conducted by Westinghouse pursuant to this Section 18.

e. Westinghouse agrees that the results of the post-Closing audit, which shall include a schedule of proposed adjustments, will be provided in writing to Westwood One and WOSGI within twenty (20) days of the completion of the final audit report and schedule of proposed adjustments. Westwood One and WOSGI shall have thirty (30) days following receipt of such final audit report and schedule of proposed adjustments to respond in writing to the proposed adjustments; such response by Westwood One and WOSGI shall specify (i) the adjustments with which Westwood One and WOSGI agree and (ii) the adjustments with which Westwood One and WOSGI disagree together with the reasons for their disagreement. Within fifteen (15) days following Westinghouse's receipt of Westwood One's and WOSGI's written response, representatives of Westinghouse, on one hand, and Westwood One and WOSGI, on the other, shall confer in person or telephonically for the purpose of reaching, if possible, mutual agreement as to the amount of a final adjustment, if any, to the WOSGI Net Cash due Westinghouse.

f. If Westinghouse, Westwood One and WOSGI are unable to reach a mutual agreement within the time specified in subsection e. above, the amount of any undisputed adjustments, if any, shall be paid by Westwood One and WOSGI to Westinghouse and all disputed adjustments shall either (i) if Westinghouse, Westwood One and WOSGI mutually agree, be referred to a qualified, neutral accountant for a final binding decision based on materials presented in writing by the parties or (ii) if Westinghouse, Westwood One and WOSGI are unable to agree, referred to a retired judge as provided for in

Section 19 of this Agreement. Westwood One and WOSGI shall be jointly and severally liable for any additional amounts of WOSGI Net Cash determined to be due Westinghouse.

19. Reference Agreement.

a. This Section 19 constitutes a reference agreement as that term is used in Section 638 of the California Code of Civil Procedure ("C.C.P."), and the provisions of this Section 19 are binding on the parties hereto except to the extent they agree otherwise in writing. Any litigation commenced by either party concerning the negotiation, interpretation, validity, performance or breach of this Agreement will be conducted in Los Angeles County (the "County") by a reference made pursuant to C.C.P. Section 638. The reference will be to a retired judge of the County ("Referee") who will try all issues in the action, both of fact and of law and both legal and equitable, and will report a statement of decision that will stand as the decision of the Superior Court of the County pursuant to C.C.P. Section 644. If the parties cannot agree on the identity or compensation of the Referee, the court will select and appoint him or her and will determine his or her compensation; however, the parties may obtain the disqualification of anyone appointed as Referee on the same basis and under the same procedures by which they could obtain disqualification of a sitting judge, including the procedures of C.C.P. Section 170.6 regarding peremptory challenges. The parties to the reference shall each pay half of the Referee's fees and of any administrative costs associated with the reference, and those payments may not be recovered as costs under C.C.P. Section 1032 or otherwise.

b. The trial and all pretrial proceedings, including discovery, will be conducted in accordance with the C.C.P., the California Rules of Court and the rules of the Superior Court of the County, and the Referee will apply the substantive law of California. However, the parties may agree, or the Referee may order them, to follow informal procedures for the resolution of pretrial motions and discovery disputes. The Referee will schedule the trial for consecutive dates, except for weekends and holidays. All proceedings before the Referee will be reported by a certified shorthand reporter agreed to by the parties or, if they cannot agree, appointed by the Referee. The parties will each pay half of the reporter's usual daily charges (i.e., the cost for the reporter's attendance without preparation of a transcript), and those payments may not be recovered as costs under C.C.P. Section 1032 or otherwise. Payment for and recovery of the reporter's charges for the preparation of transcripts will be as provided in the C.C.P. and California decisional law.

c. Upon the demand of any party, all relevant parties will promptly execute any documents reasonably necessary to invoke the court's reference power pursuant to C.C.P. Section 638. If a party, without

substantial justification, fails to comply with such a demand, that party will be liable to the other party or parties for all costs, including reasonable attorney's fees, incurred by the other party or parties in obtaining an order of reference from the court. When it makes its order of reference, the court will also

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award reasonable attorney's fees and costs if authorized by this Section 19 and will order immediate payment of the amount awarded. Any such payment will not be recoverable as costs under C.C.P. Section 1032 or otherwise. Except as otherwise provided herein, the prevailing party in the reference proceeding will recover its reasonable attorneys' fees and costs to the full extent permitted by California statutory and decisional law.

d. The Referee (or the court, if no referee has been appointed) will resolve all disputes concerning the interpretation of this Section 19, its application to disputes or procedures not specifically described herein, or the Referee's powers. If any portion of this Section 19 is declared unenforceable or becomes unenforceable because of changes in the law, the remainder of its provisions will remain fully effective. If the reference procedures of C.C.P. Section 638 are no longer available when a dispute arises, the parties will not be obligated to pursue other forms of alternative dispute resolution but may seek relief in the Superior Court of the County to the same extent as if they had not entered into a reference agreement. Any party may enforce the provisions of this Section 19 by any method allowed by the rules and practices of the Superior Court of the County, including the filing of a complaint and/or petition with the court. Any order of reference will include all of the provisions of this Section 19.

e. ALL PARTIES HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS AGREEMENT, AND THEY AGREE THAT THE COUNTY WILL BE THE VENUE FOR ANY LITIGATION ARISING UNDER THIS AGREEMENT. THE AGREEMENTS CONTAINED IN THIS SECTION 19 WILL REMAIN IN EFFECT EVEN IF THE REFERENCE PROCEDURES DESCRIBED IN THIS SECTION 19 ARE NOT FOLLOWED, ARE DECLARED UNENFORCEABLE, OR ARE OTHERWISE UNAVAILABLE. BY THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE REVIEWED THIS SECTION 19 AND HAVE HAD THE OPPORTUNITY TO SEEK INDEPENDENT LEGAL ADVICE AS TO ITS MEANING AND EFFECT.

WESTINGHOUSE _____ WESTWOOD ONE _____ WOSGI _____

WESTWOOD ONE-LA _____ R & R _____

20. Indemnification.

a. Westinghouse, on one hand, and WOSGI, Westwood One and Westwood One-LA, jointly and severally on the other, each agree to

indemnify and hold the other harmless from and against all claims, demands, debts, dues, liabilities, actions, causes of action, costs and expenses (including reasonable attorneys' fees) which may be asserted against or paid or incurred by the indemnified party for, on account of, or in connection with any of the following:

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(i) Breach by the indemnifying party of the payment obligations under Section 18 and 19 hereof.

(ii) Breach by the indemnifying party of any of its covenants contained in Sections 18, 19 and 24 hereof.

b. Westinghouse and WOSGI each agree to indemnify and hold the other harmless from and against all claims, demands, debts, dues, liabilities, actions, causes of action, costs and expenses (including reasonable attorneys' fees) which may be asserted against or paid or incurred by the indemnified party for, on account of, or in connection with any breach by the indemnifying party of any of its representations and warranties contained in Sections 9, 10 or 21.

21. Brokerage. WOSGI and Westinghouse each warrant and represent to the other that no agent, broker or finder has acted for the warranting party in connection with this Agreement or is entitled to compensation on account of the transaction provided for in this Agreement.

22. Amendment. This Agreement may not be modified, amended, or discharged, and no provision hereof may be waived, except by an instrument in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge, or waiver is sought.

23. Notices. All notices, waivers, approvals, consents, demands, requests or other communications (collectively, "Notices") which may be or are required to be given, served, or sent by any party hereto to the other party hereto pursuant to, or in connection with, this Agreement shall be in writing and shall be hand delivered, sent by Federal Express, Purolator, or similar overnight service, or mailed by first class, registered, or certified mail, return receipt requested, or transmitted by telegram, telex, or telecopy, addressed as follows:

<TABLE>

<S>

If to WOSGI, Westwood
One or Westwood One-LA:

<C>

Westwood One, Inc.
9540 Washington Boulevard
Culver City, California 90232
Attention: President

With a Copy to:

Kaye, Scholer, Fierman,
Hays & Handler
901 Fifteenth Street, N.W.
Suite 1100
Washington, D.C. 20005
Attention: Jason L. Shrinsky, Esq.

</TABLE>

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<TABLE>

<S>

If to R & R:

<C>

Radio & Records, Inc.
1930 Century Park West
Los Angeles, California 90067
Attention: President

If to Westinghouse:

Westinghouse Electric Corporation
Financial Services Business Unit
One Oxford Centre - 301 Grant Street
Pittsburgh, Pennsylvania 15219
Attention:

With a Copy to:

Poindexter & Doure, Inc.
624 South Grand Avenue, Suite 2420
Los Angeles, California 90017-3361
Attention: James P. Drummy, Esq.

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Each party may designate by Notice in writing, at least five (5) business days before its effective date, a new address or addresses to which any Notice may thereafter be given, served or sent. Each Notice which is given, served, or sent in the manner specified in this Section 23 shall be deemed to have been given and received as of the date it is delivered (with the return receipt, the delivery receipt, or, with respect to a telex, the answer back being deemed conclusive evidence of such delivery) or as of the date on which delivery is refused or unclaimed by the addressee upon presentation. Notwithstanding any other provision of this Section 23 the validity, operation and effect of an original Notice properly given to a party in accordance with this Section 23 shall not be adversely affected in any manner by any failure or delay in the giving or receipt of a copy thereof.

24. Cooperation. The parties covenant and agree that each will, promptly following written request from the other party, execute such other and further documents and instruments, and take such action, as may be reasonably requested in order to carry out the purpose and intent of, and the transactions contemplated by, this Agreement.

25. Parties Bound. All terms, conditions, covenants, warranties, representations, agreements, undertakings, and obligations hereunder shall be binding upon and inure to the benefit, of the parties hereto and their respective heirs, legal representatives, successors and assigns.

26. Survival. All provisions of this Agreement shall survive the Closing, the provisions of any and all obligations set forth in documents delivered at Closing shall survive, and not be merged in, Closing.

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27. Waiver. Neither the waiver by either of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure of either of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder.

28. Entire Agreement. This Agreement, including the exhibits hereto and the related documents referred to herein which are an integral part hereof, constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein, and it supersedes all prior oral or written agreements, commitments or understandings, including, but not limited to, the Option Agreement, with respect to the matters provided for herein. No agreements, representations or warranties have been made by the parties hereto except as specifically set forth in this Agreement, and in particular, no oral or written expression, or non-verbal conduct of a person intended by such person as a substitute for oral or written expression, will be attributed to any party hereto as an agreement or a warranty or representation, except as specifically set forth in this Agreement.

29. Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of this person or entity may require.

30. Headings. Section headings contained in this Agreement are inserted for convenience of reference only, shall not be deemed to be part of this Agreement for any purpose, and shall not in any way define or affect the meaning, construction or scope of any of the provisions hereof.

31. Applicable Law. This Agreement shall be given effect and construed by application of the law of the State of California without regard to principles of conflicts of laws.

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32. Authority. The individuals executing this Agreement on behalf of parties hereto each represents and warrants that such individuals is authorized to enter into and execute this Agreement on behalf of the party for which he or she is signing, that the appropriate corporate resolutions or other consents have been passed and/or obtained, and that this Agreement is binding on the party for which he or she is signing.

33. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same Agreement.

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

WESTINGHOUSE ELECTRIC CORPORATION,
a Pennsylvania corporation

By: JAMES P. DRUMMY

James P. Drummy
Title: Vice President

WESTWOOD ONE STATIONS GROUP, INC.,
a Delaware corporation

By: ERIC R. WEISS

Eric R. Weiss
Title: Senior Vice President

WESTWOOD ONE, INC.,
a Delaware corporation

By: ERIC R. WEISS

Eric R. Weiss
Title: Senior Vice President

WESTWOOD ONE STATIONS-LA, INC.,
a Delaware corporation

By: ERIC R. WEISS

Eric R. Weiss

Title: Senior Vice President

RADIO & RECORDS, INC.,
a California corporation

By: ERIC R. WEISS

Eric R. Weiss

Title: Senior Vice President

WESTWOOD ONE, INC.
 COMPUTATION OF EARNINGS (LOSS) PER SHARE
 (In thousands, except per share amounts)

	Fiscal Year Ended November 30,		
	1993	1992	1991
	-----	-----	-----
<S>	<C>	<C>	<C>
(Loss) from continuing operations for primary loss per share.....	\$ (8,682)	\$ (21,397)	\$ (10,004)
Add - Interest costs of convertible subordinated debentures, net of applicable income taxes.....	-	-	2,794
	-----	-----	-----
(Loss) from continuing operations for fully diluted loss per share.....	\$ (8,682)	\$ (21,397)	\$ (7,210)
	=====	=====	=====
(Loss) from discontinued operations for primary and fully diluted loss per share.....	\$ (15,227)	\$ (2,721)	\$ (6,778)
	=====	=====	=====
(Loss) before extraordinary gain for primary and fully diluted loss per share.....	\$ (23,909)	\$ (24,118)	\$ (16,782)
Add - Interest costs of convertible subordinated debentures, net of applicable income taxes.....	-	-	2,794
	-----	-----	-----
(Loss) before extraordinary gain for fully diluted loss per share.....	\$ (23,909)	\$ (24,118)	\$ (13,988)
	=====	=====	=====
Extraordinary gain for primary and fully diluted earnings per share.....	-	-	\$ 25,618
	=====	=====	=====
Net income (loss) for primary earnings (loss) per share.....	\$ (23,909)	\$ (24,118)	\$ 8,836
Add - Interest costs of convertible subordinated debentures, net of applicable income taxes.....	-	-	2,794
	-----	-----	-----
Net income (loss) for fully diluted earnings (loss) per share.....	\$ (23,909)	\$ (24,118)	\$ 11,630
	=====	=====	=====
Weighted average number of shares used in calculation of primary earnings (loss) per share.....	15,153	14,906	14,810
Add - incremental shares composed of:			
Shares issuable upon conversion of 6 3/4% convertible subordinated debentures.....	-	-	1,008
Shares issuable upon conversion of 9% convertible senior subordinated debentures.....	-	-	8,424
	-----	-----	-----
Weighted average number of shares used in calculation of fully diluted earnings (loss) per share.....	15,153	14,906	24,242
	=====	=====	=====
Earnings (loss) per share:			
Primary:			
Continuing operations.....	\$ (.57)	\$ (1.44)	\$ (.67)
Discontinued operations.....	(1.01)	(.18)	(.46)
	-----	-----	-----
(Loss) before extraordinary gain.....	(1.58)	(1.62)	(1.13)
Extraordinary gain.....	-	-	1.73
	-----	-----	-----
Net income (loss).....	\$ (1.58)	\$ (1.62)	\$.60
	=====	=====	=====
Fully diluted:			
Continuing operations.....	\$ (.57)	\$ (1.44)	\$ (.30)
Discontinued operations.....	(1.01)	(.18)	(.28)
	-----	-----	-----
(Loss) before extraordinary gain.....	(1.58)	(1.62)	(1.58)
Extraordinary gain.....	-	-	1.06
	-----	-----	-----
Net income (loss).....	\$ (1.58)	\$ (1.62)	\$.48
	=====	=====	=====

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EXHIBIT 11

WESTWOOD ONE, INC.
LIST OF SUBSIDIARIES

WESTWOOD ONE RADIO, INC.

MUTUAL BROADCASTING SYSTEM, INC.

RADIO & RECORDS, INC.

WESTWOOD NATIONAL RADIO CORPORATION, INC.

NATIONAL RADIO NETWORK, INC.

THE SOURCE, INC.

TALKNET, INC.

WESTWOOD ONE SATELLITE SYSTEMS, INC.

KM RECORDS, INC.

WYNY-FM, INC.

WESTWOOD ONE STATIONS GROUP, INC.

WESTWOOD ONE STATIONS, L.A., INC.

WESTWOOD ONE STATIONS - NYC, INC.

EXHIBIT 22

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements No. 33-28849 and No. 33-64666 on Form S-8 of Westwood One, Inc., of our report dated February 1, 1994 appearing on page F-2 of this Form 10-K.

PRICE WATERHOUSE

Century City, California
February 1, 1994

EXHIBIT 24