

EXHIBIT F-1

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS. THIS NOTE MAY NOT BE SOLD OR OTHERWISE TRANSFERRED OR PLEDGED, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR SUCH APPLICABLE STATE SECURITIES LAWS, OR IF THE PROPOSED TRANSFER MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OR REGISTRATION OR QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS. THIS NOTE IS ALSO SUBJECT TO TRANSFER RESTRICTIONS SET FORTH IN SECTION 13.1 OF THE LIMITED LIABILITY COMPANY AGREEMENT OF PAYOR.

MILLENNIUM RADIO GROUP, LLC

CONVERTIBLE PROMISSORY NOTE DUE _____, 201__

\$ _____ New York, New York
_____, 200__

1. General.

For value received, **MILLENNIUM RADIO GROUP, LLC**, a Delaware limited liability company (including any successor thereto, the "Payor"), hereby promises to pay to the order of **CAPITAL RADIO HOLDINGS, LLC**, a Delaware limited liability company, or its respective successors and assigns (the "Payee"), the principal amount of _____ (\$ _____) together with interest thereon calculated from the date hereof in accordance with the provisions of this Convertible Promissory Note (as amended, modified and supplemented from time to time, this "Note"), on the _____, 201__ (the "Maturity Date"). Interest on the outstanding unpaid principal balance of this Note shall accrue from the date hereof through and including the Maturity Date. The Payor shall pay interest on the unpaid balance of the principal amount of this Note in arrears on the Maturity Date at the rate of ____ percent (____%) per annum (or ____ percent (____%) per annum during the continuance of an Event of Default). All prepayments in respect of the principal of this Note shall be accompanied by accrued interest on the amount prepaid. All payments in respect of the principal of and interest on this Note shall be payable by wire transfer of immediately available funds as directed by the Payee, and shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender therein for the payment of public and private debts.

2. **Subordination.**

a. **Agreement of Subordination.**

- i. The Payor covenants and agrees, and the Payee likewise covenants and agrees, that this Note shall be issued subject to the provisions of this Section 2; and each Person holding this Note, whether upon original issue or upon registration of transfer or assignment thereof, accepts and agrees to be bound by such provisions.
- ii. The payment of the principal of and interest on this Note, issued hereunder shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right of payment to the prior payment in full in cash or other payment satisfactory to the holders of Senior Indebtedness of all Senior Indebtedness, whether outstanding at the date of this Note or thereafter incurred.
- iii. No provision of this Section 2 shall prevent the occurrence of any Default or Event of Default hereunder.

b. **Payments and Distributions Received.**

- i. Upon any payment by the Payor, or distribution of assets of the Payor of any kind or character, whether in cash, property or securities, to creditors upon any dissolution or winding up or liquidation or reorganization of the Payor, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all amounts due or to become due upon all Senior Indebtedness shall first be paid in full in immediately available funds or other payment satisfactory to the holders of such Senior Indebtedness, or payment thereof in accordance with its terms provided for in immediately available funds or other payment satisfactory to the holders of such Senior Indebtedness before any payment is made on account of the principal of, premium, if any, or interest on this Note; and upon any such dissolution or winding up or liquidation or reorganization of the Payor or bankruptcy, insolvency, receivership or other proceeding, any payment by the Payor, or distribution of assets of the Payor of any kind or character, whether in cash, property or securities, to which the Payee would be entitled, except for the provisions of this Section 2, shall (except as aforesaid) be paid by the Payor or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, or by the Payee if received by it, directly to the holders of Senior Indebtedness or their representative to the extent necessary to pay all Senior Indebtedness in full in immediately available funds or other

payment satisfactory to the holders of such Senior Indebtedness, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness, before any payment or distribution is made to the Payee.

- ii. In the event of the acceleration of this Note because of an Event of Default, no payment or distribution shall be made to the Payee in respect of the principal of or interest on this Note, until all Senior Indebtedness has been paid in full in cash or other payment satisfactory to the holders of Senior Indebtedness. If payment of this Note is accelerated because of an Event of Default, the Payor or the Trustee shall promptly notify holders of Senior Indebtedness of the acceleration.
- iii. In the event that, notwithstanding the foregoing provisions, any payment or distribution of assets of the Payor of any kind or character, whether in cash, property or securities (including, without limitation, by way of setoff or otherwise), prohibited by the foregoing provisions in this Section 2, shall be received by the Payee before all Senior Indebtedness is paid in full in immediately available funds or other payment satisfactory to the holders of such Senior Indebtedness, or provision is made for such payment thereof in accordance with its terms in immediately available funds or other payment satisfactory to the holders of such Senior Indebtedness, such payment or distribution shall be held in trust for the benefit of and shall be paid over or delivered to the holders of Senior Indebtedness or their representative for application to the payment of any Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in immediately available funds or other payment satisfactory to the holders of such Senior Indebtedness, after giving effect to any concurrent payment or distribution to or fore the holders of such Senior Indebtedness.
- c. **Subrogation.** After all amounts payable under or in respect to Senior Indebtedness are paid in full in immediately available funds or other payment satisfactory to the holders of such Senior Indebtedness, the Payee shall be subrogated to the rights of holders of Senior Indebtedness to receive payments or distributions applicable to Senior Indebtedness to the extent that distributions otherwise payable to the Payee have been applied to the payment of Senior Indebtedness. A distribution made under this Section 2c to a holder of Senior Indebtedness which otherwise would have been made to the Payee is not, as between the Payor and the Payee, a payment by the Payor on Senior Indebtedness.
- d. **Relative Rights.** This Section 2d defines the relative rights of the Payee and the holders of Senior Indebtedness. Nothing in this Note shall: (i) impair, as between

the Payor and the Payee, the obligation of the Payor, which is absolute and unconditional, to pay principal of and interest on this Note in accordance with its terms; or (ii) affect the relative rights of the Payee and creditors of the Payor other than holders of Senior Indebtedness.

- e. **No Impairment of Subordination.** No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Payor or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Payor with the terms, provisions and covenants of this Note, regardless of any knowledge thereof which any such holder may have or otherwise be charged with.
- f. **Subordination Not to Prevent Events of Default.** The failure to make a payment on account of principal of or interest on this Note or other obligations in connection therewith by reason of any provision of this Section 2 shall not be construed as preventing the occurrence of an Event of Default.

3. **Conversion.**

- a. **Conversion by Payor.** Provided that such action does not violate any of the applicable provisions of the Communications Act of 1934, as amended (the “Act”) and the applicable rules, regulations and policies of the Federal Communications Commission (“FCC”), and as the Act and such rules, regulations and policies are changed from time to time, and that the Payor, Payee and the member(s) of the Payor have obtained any necessary prior FCC approval, at any time prior to the Maturity Date, the Payor shall have the option in its sole discretion to convert all (but not less than all) of the principal amount of this Note plus accrued and unpaid interest thereon into membership interests in the Payor. The percentage of membership interests issued to the Payee upon conversion at any time of this Note shall be equal to the ~~product of (x) one hundred percent (100%) multiplied by (y) the~~ Conversion Rate at such time. Any such conversion shall be effected by the Payor providing the Payee written notice of its desire to effect a conversion (a “Payor Conversion Notice”).
- b. **Conversion by Payee.** Provided that such action does not violate any of the applicable provisions of the Act and the applicable rules, regulations and policies of the FCC, and as the Act and such rules, regulations and policies are changed from time to time, and that the Payor, Payee and the member(s) of the Payor have obtained any necessary prior FCC approval, upon consummation of the assignment of all FCC issued licenses, permits and authorizations in which Payor has an attributable interest, or, as the case may be, upon the consummation of the transfer of control of all FCC issued licenses, permits and authorizations in which

Payor has an attributable interest, the Payee shall have the option in its sole discretion to convert all (but not less than all) of the principal amount of this Note plus accrued and unpaid interest thereon into membership interests in the Payor. The percentage of membership interests issued to the Payee upon conversion at any time of this Note shall be equal to the ~~product of (x) one hundred percent (100%) multiplied by (y) the~~ Conversion Rate at such time. Any such conversion shall be effected by the Payee providing the Payor written notice of its desire to effect a conversion (a "Payee Conversion Notice").

- c. **Date of Conversion.** The conversion of this Note shall be deemed to have been effected as of the date specified in the earlier to occur of the Payor Conversion Notice or the Payee Conversion Notice. Notwithstanding the above, if prior FCC approval is required for such approval, the Payor and the Payee shall obtain such approval as expeditiously as possible and the conversion of this Note shall be deemed to have been effected as of the date such FCC approval is obtained. At such time as a conversion has been effected, the rights of the Payor as holder of this Note shall cease, and the Payor shall become the record holder of the membership interests issued upon such conversion.
- d. **Hart-Scott-Rodino.** If the conversion of this Note would require filing under the Hart-Scott-Rodino Antitrust Act of 1976, such conversion will not be effected until any applicable waiting period expires or is terminated. Payor and Payee shall cooperate to do such filings expeditiously, and Payor shall pay any requisite filing fees.

4. **Covenants of the Payor.**

- a. **Restricted Payments.** The Payor covenants and agrees that it will not, directly or indirectly, declare or pay any dividends **or other distributions (other than distributions to pay taxes pursuant to Section 6.3 of the LLC Agreement)**, purchase, redeem, retire, defease or otherwise acquire for value any of its equity interests now or hereafter outstanding, return any capital to its members or other equity holders (in their capacity as such) or permit any of its subsidiaries to purchase, redeem, retire, defease or otherwise acquire for value equity interests of the Payor, so long as the Note remains outstanding.
- b. **Use of Proceeds.** The Payor covenants and agrees that the proceeds of the loans evidenced by this Note shall be used for purposes approved by its Advisory Committee.

5. **Events of Default.** If any of the following events takes place before the Maturity Date (each, an "Event of Default"), Payee at its option may declare all principal and accrued and unpaid interest thereon and all other amounts payable under this Note immediately

due and payable; provided, however, that this Note shall automatically become due and payable without any declaration in the case of an Event of Default specified in clause (3) or (4) below:

- (1) Payor fails to make any payment in respect of the principal of or interest on this Note when due;
- (2) Payor defaults in the due observance or performance of any covenant or agreement on the part of the Payor to be observed or performed pursuant to the terms of this Note;
- (3) (A) A court enters a decree or order for relief with respect to the Payor or any of its subsidiaries in an involuntary case under the bankruptcy code of any jurisdiction, which decree or order is not stayed or other similar relief is not granted under any applicable federal or state law; or (B) the continuance of any of the following events for 60 consecutive days unless dismissed, bonded or discharged: (1) an involuntary case is commenced against any such party, under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect; or (2) a decree or order of a court for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any such party, or over all or a substantial part of its property, is entered; or (3) an interim receiver, trustee or other custodian is appointed without the consent of any such party, for all or a substantial part of the property of any such party; or
- (4) (A) An order for relief is entered with respect to the Payor or any of its subsidiaries, or any such Person commences a voluntary case under the bankruptcy code of any jurisdiction, or consents to the entry of an order for relief in an involuntary case or to the conversion of an involuntary case to a voluntary case under any such law or consents to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or (B) any such Person makes any assignment for the benefit of creditors; or (C) the managers (or analogous governing body) of the Payor or any of its subsidiaries adopts any resolution or otherwise authorizes action to approve any of the actions referred to in this subsection.

6. **Definitions.** As used in this Note, the following terms have the meanings indicated below.

~~“Aggregation Factor” shall have the meaning set forth in the Limited Liability Company Agreement of Payor dated May 15, 2001, as such may be amended from time to time.~~

“Conversion Rate” means, at any time, a fraction (expressed as a decimal) the numerator of which is **the “Percentage Interest” that would be calculated pursuant to the LLC Agreement attributable to a holder of this Note (solely by reason of this Note) if the principal amount of this Note and the denominator of which is the sum of (i) Equity immediately before the instant conversion plus (ii) and the principal amount of this Note were treated as an equity “Capital Contribution” (as defined in the LLC Agreement) and taking into account all other equity Capital Contributions made, or, under any of Section 3.2(c)(ii), Section 3.2(d) or Section 3.2(e) of the LLC Agreement, deemed to have been made by the Members of the Payor.**

“Equity” shall mean, at any time, “Capital Contributions,” as such term is defined in the ~~Limited Liability Company Agreement of Payor dated May 15, 2001, as such may be amended from time to time~~ **LLC Agreement**, but excluding the aggregate amount of all convertible promissory notes of the Payor held by the Payee at such time.

“Event of Default” shall have the meaning set forth in Section 5.

“FCC” shall have the meaning set forth in Section 3.1(a).

“LLC Agreement” shall mean the **Limited Liability Company Agreement of Payor dated May 15, 2001, as such may be amended from time to time.**

“Maturity Date” shall have the meaning set forth in Section 1.

“Payee” shall have the meaning set forth in Section 1.

“Payee Conversion Notice” shall have the meaning set forth in Section 3.1(b).

“Payor” shall have the meaning set forth in Section 1.

“Payor Conversion Notice” shall have the meaning set forth in Section 3.1(a).

“Percentage Interests” shall have the meaning set forth in the ~~Limited Liability Company Agreement of Payor dated May 15, 2001, as such may be amended from time to time.~~ **LLC Agreement.**

“Person” means a natural person, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization, association, cooperative or other entity, or any Governmental Authority.

“Senior Indebtedness” means the principal of, premium, if any, interest (including all interest accruing subsequent to the commencement of any bankruptcy or similar proceeding, whether or not a claim for post-petition interest is allowable as a claim in any such proceeding), and all fees, costs, expenses and other amounts accrued or due on or in connection with, indebtedness (including contingent indebtedness) of the Payor as guarantor of indebtedness, obligations and liabilities arising under or pursuant to that certain credit agreement, dated as of _____, 2001 (as amended, modified, replaced, supplemented, refinanced or restated from time to time, whether pursuant to one or more agreements and whether or not with the same lenders or the same agent) among one or more subsidiaries of Payor, the lenders from time to time named therein and The Bank of New York as administrative agent.

7. **Defenses.**

The obligations of the Payor under this Note shall not be subject to reduction, limitation, impairment, termination, defense, set-off, counterclaim or recoupment for any reason.

8. **Exchange or Replacement of Notes.**

- a. **Exchange of Notes.** The Payee may, at its option, in person or by duly authorized attorney, surrender this Note for exchange, at the principal business office of the Payor, and receive in exchange therefor, a new Note in the same principal amount as the unpaid principal amount of this Note and bearing interest at the same annual rate as this Note, each such new Note to be dated as of the date of this Note and to be in such principal amount as remains unpaid and payable to such person or persons, or order, as the Payee may designate in writing.
- b. **Replacement of Notes.** Upon receipt by the Payor of evidence satisfactory to it of the loss, theft, destruction, or mutilation of this Note, and upon surrender and cancellation of this Note if mutilated, the Payor will deliver a new Note of like tenor in lieu of this Note. Any Note delivered in accordance with the provisions of this Section 8 shall be dated as of the date of this Note.

9. **Extension of Maturity.** Should the principal of or interest on this Note become due and payable on other than a business day, the maturity date thereof shall be extended to the next succeeding business day, and, in the case of principal, interest shall be payable thereon at the rate per annum herein specified during such extension. For the purposes of the preceding sentence, a business day shall be any day that is not a Saturday, Sunday, or legal holiday in the State of New York.

10. **Attorneys' and Collection Fees.** Should the indebtedness evidenced by this Note or any part hereof be collected at law or in equity or in bankruptcy, receivership or other court proceedings, or this Note be placed in the hands of attorneys for collection, the Payor agrees to pay, in addition to principal and interest due and payable hereon, all costs of

collection, including reasonable attorneys' fees and expenses, incurred by the Payee in collecting or enforcing this Note.

11. **Waivers.** The Payor hereby waives presentment, demand for payment, notice of dishonor, notice of protest and all other notices or demands in connection with the delivery, acceptance, performance or default of this Note. No delay by the Payee in exercising any power or right hereunder shall operate as a waiver of any power or right, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatsoever or modification of the terms hereof shall be valid unless set forth in writing by the Payee and then only to the extent set forth therein.
12. **Amendments and Waivers.** The provisions of this Note may not be modified, amended or waived, and the Payor may not take any action herein prohibited, or fail to perform any act herein required to be performed by it without the written consent of the Payee. In addition, any proposed amendment or modification of the subordination provisions set forth in Section 2 of this Note must be consented to in writing by the holders of the Senior Indebtedness or their representative. The holders of the Senior Indebtedness are a direct and intended beneficiary of the terms and covenants of the subordination provisions of Section 2.
13. **Remedies Cumulative.** No remedy herein conferred upon the Payee is intended to be exclusive of any other remedy and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.
14. **Assignments.** Subject to Section 13.1 of the ~~Limited Liability Company Agreement of Payor dated May 15, 2001, as such may be amended from time to time~~ **LLC Agreement**, the Payee may assign, participate, transfer or otherwise convey this Note and any of its rights or obligations hereunder or interest herein to any affiliate of Payee and to any other person that the Payor consents to, and this Note shall inure to the benefit of the Payee's successors and assigns. The Payor shall not assign or delegate this Note or any of its liabilities or obligations hereunder.
15. **Headings.** The headings of the sections and paragraphs of this Note are inserted for convenience only and do not constitute a part of this Note.
16. **Severability.** If any provision of this Note is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Note will remain in full force and effect. Any provision of this Note held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

17. **Maximum Legal Rate.** If at any time an interest rate applicable hereunder exceeds the maximum rate permitted by law, such rate shall be reduced to the maximum rate so permitted by law.
18. **GOVERNING LAW.** ALL ISSUES AND QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.
19. **Notices.** All notices, requests, demands or other communications hereunder must be in writing and shall be deemed to have been duly given if delivered in person, mailed by certified mail or sent by facsimile transmission, as follows:

a. If to the Payor:

Millennium Radio Group, LLC
c/o Mercury Capital Partners, L.P.
220 Northpointe Parkway
Suite D
Amherst, New York 14228
Attention: Charles Banta, President
Telecopy: (716) 639-8782

with a copy to:

Kaye Scholer LLP
425 Park Avenue
New York, New York 10025
Attention: Nancy Fuchs, Esq.
Telecopy: (212) 836-8689

If to the Payee:

Capital Radio Holdings, LLC
c/o UBS Capital Americas II LLC
299 Park Avenue
New York, New York 10171
Attention: Michael Greene
Telecopy: (212) 821-6333

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Payor has duly executed and delivered this Note as of the date first written above.

MILLENNIUM RADIO GROUP, LLC

By: _____
Name:
Title:

----- COMPARISON OF FOOTERS -----

-FOOTER 1-

Doc #~~30250606.WPD~~ **30391234.WPD**

This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between -
original document : C:\TEMP\KDOCS\30391234_V3.WPD
and revised document: C:\TEMP\KDOCS\30391234_V8.WPD

CompareRite found 11 change(s) in the text
CompareRite found 1 change(s) in the notes

Deletions appear as Strikethrough text
Additions appear as Bold-Underline text