

**SCHEDULE 2.6**

**STATION CONTRACT CONFLICTS/CONSENTS**

Information included on this Schedule has been redacted for proprietary reasons; the redacted information is not germane to FCC or public review of this Application. The information can be made available to the FCC upon request.

**SCHEDULE 2.10**

**TANGIBLE PERSONAL PROPERTY**

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## **SCHEDULE 2.12**

### **REAL PROPERTY LEASES; STATION CONTRACTS**

Lease Agreement by and between KT Communications LP3, and Hawes-Saunders Broadcast Properties, Inc., dated July 12, 1991.

Licensing Agreement for the "Doug Banks Morning Show" and "Doug Banks Weekend Show," by and between ABC Radio Network and the Company for WROU, dated February 25, 1998.

Lease Agreement by and between H. Marvin Felman and the Company, dated June 7, 1996.

Lease Agreement by and between International Demographics, Inc. ("IDI"), WROU-FM and WRNB-FM, dated Apr. 15, 2001 for use of The Media Audit reports for the period through 2003.

Standard License Agreement, Software Products Schedule, dated Oct. 18, 1991, for Selector, Revision 12, licensed to WROU-FM.

Software license agreement by Custom Business Systems, Inc., to WROU/WRNB, dated June 8, 1998.

Music License Services agreement with ASCAP for \$3,489.00 per month. This information is based upon the monthly invoice.

Music License Services agreement with BMI for \$3,477.08 per month. This information is based upon the monthly invoice.

Music License Services agreement with SESAC for \$210.00 per month. This information is based upon the monthly invoice.

Licensing Agreement for "Tom Joyner Morning Show" and "Tom Joyner Weekend Show," dated April 24, 1997, by and between ABC Radio Network and Hawes Saunders Broadcast Properties for WRNB.

National Radio Sales Station Representation Contract by and between Allied Radio Partners and the Company for WROU and WRNB, dated October 28, 2002.

Licensing Agreement for the "The Touch" and "Urban Gold" programming, by and between ABC Networks and the Company for WRNB, dated April 24, 1997.

Broadcast Urban contract (streaming music over Internet).

Program Agreement for broadcast of Bloomberg News Radio programs by and between Bloomberg Communications Inc. and the Company for WRNB, executed January 15, 1999.

AP Member Agreement for Radio by and between TheAssociated Press and the Company for WROU and WRNB, executed but undated.

Month to month tenancy arising out of expired Antenna Space Sublease Agreement, by and between Vernon R. Baldwin, Inc., and Hawes-Saunders Broadcast Properties, Inc., dated February 2, 1996.

### **SCHEDULE 2.13**

#### **INTANGIBLE PROPERTY**

The Company has registered in the State of Ohio the service mark “Fly City Music Festival” with a disclaimer of the exclusive right to the use of the words “Music Festival.”

The Company is the owner of certain other marks, logos, etc., that are not registered.

**SCHEDULE 2.14**

**EMPLOYEES**

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## **SCHEDULE 2.15**

### **EMPLOYMENT MATTERS**

Anthem Blue Cross and Blue Shield, effective Jan. 1, 2003, Blue Preferred Primary Plus Option 02, Dental Benefits, and Term Life and AD&D (which shall be terminated prior to the Closing).

See Employee Handbook for the Employees of WROU and WRNB, effective May 20, 2000, attached hereto as Attachment 2.15a. Included within the handbook is a list of employee benefits. Severance pay is provided for in several of the employment agreements listed under Schedule 2.14.

the Company had a 401(k) Employee Retirement Plan which is being terminated effective March 31, 2003.

with your relationship with the Company and co-workers, you should at all times remember that our listeners and advertisers are the reason we have jobs - the reason the Company exists. Our main goal is to remain successful by serving our listeners and our advertisers better than any other broadcast company can. To maintain this goal, we must unite and be supportive of our Company and everyone associated with it, with our attitudes and our commitment to the highest level of performance and quality.

Of course, courtesy, sensitivity, and dedication are not concepts that apply only to the people we work with outside the Company. They apply equally to those with whom you work.

### **C. *Mission Statement.***

The Company is committed to excellence and providing the finest entertainment and information to radio listeners in the Miami Valley. The Company's success is a result of a shared commitment to our corporate vision and its three equally weighted and fundamental principles of *Total Listener Satisfaction*, *Continuous Improvement*, and *Individual Worth*. These principles are not new. They have always been our basis for creating value for our listeners, our advertisers, and our employees, and they are fundamental to our future.

TOTAL LISTENER SATISFACTION is thoroughly understanding and completely satisfying our listeners *every* time.

CONTINUOUS IMPROVEMENT is achieving total excellence in everything we do. It is recognizing that opportunities for improvement always exist. Continuous Improvement is not a destination, it is a never-ending journey.

INDIVIDUAL WORTH is recognizing that the credit of our success belongs to our listeners and our advertisers as well as our people within the Company. Our people enjoy their work when they are challenged, given the opportunity to contribute, appreciated for their efforts, treated with dignity and respect and recognized for their contributions. We recognize the Individual Worth of our people by creating a work environment and structure that empowers our people within the guidelines of our mission and its principles.

These are the principles of a founding philosophy and a further framework from which we will never deviate.

### **D. *Philosophy.***

The Company believes that every individual deserves to be treated with respect, courtesy, tact, and consideration. Management wants each employee to be a vital part of the Company and to embrace the principles of the Mission Statement set forth above. Our hope is that everyone associated with the Company will succeed personally, professionally, and financially. We, in turn, expect each employee to approach and deal with listeners, advertisers, fellow employees, and others



with whom we come into contact with the same philosophy. You should be aware of and sensitive to any behavior that may be offensive to others. If you observe or are the subject of inappropriate conduct, you should immediately report it to your supervisor.

Each employee of the Company is able and encouraged to deal directly with management and fellow employees regarding personal and work-related problems. All of the employees at the Company act as a team, continually aspiring to work together to handle any problems that may arise. You should also know that there are both formal and informal mechanisms for solving your problems. Feel free to discuss this with your supervisor whenever you have a problem or concern.

## II. EMPLOYMENT POLICIES

### A. *Your Employment.*

The Company is proud to have you as a member of our team. Our working relationship is by mutual consent.

Your employment with the Company is an *employment-at-will* relationship. This means that unless otherwise provided by written agreement signed by you and the Company, your employment is not for a specific period of time and can be terminated at any time by you or the Company. You may submit a written resignation at any time you believe it is in your best interest. Likewise, the Company may end the employment relationship whenever it believes it to be in its best interest, with or without cause. ***No reference in this Handbook to discharge for violation of policies and procedures of the Company, or for any other reason, limits in any way the Company's right to terminate your employment at any time without cause.*** You should understand that no one has authority to make any oral statements or commitments regarding job tenure, duration, or security which is contrary to this policy. Any such statements or commitments, to be effective, must be in writing and signed by the President of the Company. ***In addition, no provision of this Handbook, nor the existence of the Handbook itself, creates a contractual agreement or relationship or gives you any contractual rights with respect to your employment.***

### B. *Your First 90 Days.*

Your first 90 days of employment is an important time. During this period, lasting impressions are formed and important decisions are made. It is a period of adjustment for all of us. These first 90 days are considered an introductory period and during this time employees are classified as "new employees." During this time the Company determines if the employment relationship is satisfactory and the employee determines if he or she is ready and able to continue to make the necessary commitment to the Company. At the completion of your introductory period, if your performance is satisfactory, you may thereafter be classified as a regular status employee. This means that you will be eligible for all of the standard benefits available to employees. The

existence of an initial introductory period, or an offer of regular status employment at this or any other time, does not alter the "at will" employment relationship.

**C. *Your Employee Classification.***

All employees of the Company fall into one or more of the following categories:

1. **Introductory Period:** These are employees in their first 90 days of employment.
2. **Regular Full-Time:** These are employees who have completed the introductory period and are working a regular, full-time schedule after the introductory period. A full-time schedule is generally defined as 40 hours or more per week, 52 weeks per year.
3. **Part-Time:** These are employees who have completed the introductory period and are regularly scheduled to work less than 37.5 hours per week but at least 20 hours per week.
4. **Exempt:** These are employees whose professional, administrative, technical, and/or managerial responsibilities, along with their rate of pay, exempt them from pay for overtime worked under existing law.
5. **Non-Exempt:** These are employees whose work responsibilities and rate of pay qualify them for overtime pay in accordance with current federal and state laws and the Company's policies.

**D. *Equal Employment Opportunity.***

The Company is committed to a policy of nondiscrimination and equal employment opportunity. Our policy is to select, place, train, and promote the best qualified individuals based upon relevant factors such as quality of work, attitude, and experience so as to provide equal opportunity to all. The Company abides by all applicable laws prohibiting discrimination based upon gender, race, color, religion/creed, age, citizenship, national origin, ancestry, marital status, disability, or sexual orientation. This equal employment opportunity applies to all of the Company's activities, including but not limited to, recruiting, hiring, training, transfers, promotions, and benefits. The policy will be strictly enforced.

**E. *Harassment.***

Our goal is to provide a work place free from tension created by ethnic, racial, sexual, or religious remarks, animosity, unwelcome sexual advances, requests for sexual favors, or similar conduct. The Company prohibits harassment of its employees in any form, particularly sexual harassment. In addition, the Company prohibits harassment of, or inappropriate contact or conduct

with, anyone employed by or associated with our customers or vendors. Any such conduct may result in disciplinary action, up to and including discharge.

### **What is harassment?**

Harassment includes, without limitation, verbal harassment (e.g., epithets, derogatory statements, or slurs), physical harassment (e.g., assault or physical interference with normal work or work-related activities), visual harassment (e.g., posters, cartoons, or drawings), and innuendo.

One particular form of harassment is sexual harassment. While all forms of harassment are illegal, the law is especially detailed in its definition of sexual harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact, and other verbal or physical conduct, or visual forms of harassment of a sexual nature, when submission to such conduct (a) is either explicitly or implicitly made a term or condition of employment or is used as the basis for employment decisions or (b) has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or an offensive work environment.

You cannot be forced to submit to any type of harassment in the work place. The Company strives to keep itself free from any conduct that creates an intimidating, hostile, or offensive work environment for its employees.

### **What should I do if I feel the policy has been violated?**

In the event that any sort of ethnic, racial, religious, or sexual harassment, or similarly abusive verbal or physical conduct, interferes with your work performance or creates an intimidating, hostile, or offensive work environment, we urge you to contact one of the people mentioned in the "Open Door Policy" following this section of the Handbook.

If you feel uncomfortable bringing the matter to a particular individual, or if you believe he or she is involved in the harassment, you may contact the President, or any other officer, of the Company. Upon receipt of a complaint, the Company's management will, to the extent possible, treat the matter with the degree of confidentiality that is practicable under the circumstances. Charges of harassment will be promptly and thoroughly investigated and a report will be made to you concerning the results of the investigation.

### **What will happen if harassment has been found?**

If the Company determines that harassment has occurred, appropriate relief for the employee bringing this complaint and appropriate disciplinary action against the harasser, up to and including discharge, will follow. A non-employee who subjects an employee to harassment in the work place will be informed of the Company's policy and appropriate action will be taken. In all cases, the Company will make follow-up inquiries to ensure that the harassment is not resumed.

The Company understands that these matters can be extremely sensitive, and so far as possible, will keep all employee complaints and all communications, such as interviews and witness statements in strict confidence.

The Company will not tolerate retaliation against any employee who complains of sexual harassment or provides information in connection with any such complaint.

**F. *Open-Door Policy.***

Please feel free to bring any problems or complaints to the attention of your supervisor or any other person in management. The Company believes that communication is one of the keys to our efficient operation. The Company encourages frank and constructive discussion of employees' suggestions, concerns, or complaints and believes that most problems may be resolved promptly if discussed with the management of the Company.

**G. *Working Together.***

An important aspect of your employment is your relationship with your supervisor, the person to whom you are directly responsible. The key to the success of this relationship is communication. Your job will be more satisfying and enjoyable if you and your supervisor maintain clear, honest, and open communication. How you cooperate and work with your immediate supervisor, and with all members of management, will be considered an important part of your overall employee evaluation. Failure to cooperate with management, or insubordination towards any member of management, may subject you to disciplinary action, up to and including discharge. We therefore encourage open and frank relations between all employees. Employees should feel free to discuss problems and ask questions in a constructive manner.

**H. *Public Relations.***

Your conduct may be a direct reflection on your employer and your job. Always be polite and professional in your dealings with the general public. We should never forget that the success of the Company depends to a large extent upon the opinions of the people and companies we deal with, as well as on the public's perception of our competence, integrity, and professionalism. Our continued success depends upon our client's trust in us and we are dedicated to preserving that trust. Any criminal, dishonest, or other inappropriate conduct, whether on or off the job, that reflects adversely on the Company, or that may bring the Company into disrepute, may subject the employee to disciplinary action, up to and including discharge.

Our reputation for integrity and excellence requires careful observance of the spirit and the letter of all applicable laws, as well as scrupulous regard for the highest standards of conduct and personal integrity. The use of good judgment, based upon high ethical principles, will generally, guide you with respect to acceptable conduct. If a situation arises that makes it difficult for you to decide an appropriate course of action, please discuss the matter with your supervisor.

## ***I. Job Postings.***

The Company will often provide its employees an opportunity to indicate their interest in open positions within the Company and advance according to their skills and experience. Except for positions that the Company determines will best be filled from outside the Company, all positions will be posted and interested employees will be able to apply for those positions. Current employees will be considered for other positions based upon the employee's knowledge, training, initiative, and demonstrated abilities. Each job posting will include the job title, duties and responsibilities, job requirements, eligibility requirements, and any other pertinent information. The posting of a job will not in any way obligate the Company to fill the position with a current employee of the Company or to fill the position at all.

## ***J. Conflict of Interest.***

Employees may not engage in conduct that results in any actual or potential conflict of the Company's interests. This policy includes, but is not limited to, the requirement that no employee of the Company may be involved in, nor lend his/her name or the name of the Company, WROU, or WRNB to, any activity or event, whether public or private, and whether or not for compensation, without the prior written consent of management of the Company. A conflict of interest also includes, but is not limited to, any employee accepting or receiving any kick-back, payola, or remuneration of any kind, or other form of personal gain, on account of any conduct traceable to his or her employment with or position in the Company. If you are uncertain about any particular situation, you should notify your supervisor immediately, so that the situation may be reviewed. Some potential conflict of interest areas are as follows:

1. **Outside Employment:** You may hold a job with another organization so long as your performance with our Company is satisfactory and is not adversely affected in any way. All employees will be judged by the same performance standards and will be subject to our scheduling demands, regardless of any existing outside work requirements.

If it is found that your outside work is interfering with performance or the ability to meet the necessary requirements at our Company, as they are modified from time to time, you may be asked to terminate the outside employment.

2. **Hiring of Relatives:** For purposes of this policy, a relative is any person related in blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

Although we have no prohibition against employing relatives of current employees, the employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment of work, personal conflicts from outside the work environment may be carried over

into day-to-day working relationships. As such, we are committed to monitoring situations in which such relationships exist in the same department.

In case of actual or potential problems, the Company will take prompt action. This may include reassignment or, if necessary, termination of either or both of the individuals involved.

**3. Promoting Outside Activities:** Under no circumstances may any employee engage in the promotion of any show or personal appearance by a Company on-air personality. No employee may financially or otherwise back, invest in, support, promote, consign, or accept a percentage for an advance promotion or an appearance. Although station personalities are expected to participate in events and make personal appearances on behalf of the Company, they may do so through arrangements made through or approved by the Company.

#### ***K. New Employees.***

When you become an employee of the Company, you will receive an enrollment package consisting of:

1. A W-4 form for state and federal tax withholdings;
2. An enrollment form to cover health insurance (regular full-time employees);
3. An information sheet;
4. Employee Handbook; and
5. An Employment Eligibility Verification (Form I-9).

It is very important that these forms be filled out and turned in to the office as soon as possible, but in no event later than your second day on the job. As a condition of employment, the Employment Eligibility Verification Form must be completed and returned to the office, along with documentation establishing identity and employment eligibility. If you are a rehire or returning from a leave of absence, you must complete and return the form if you have not completed an I-9 form within the past three years, or if your previous I-9 form is missing or invalid.

#### ***L. Supervision.***

The Company is operated with direct supervision. However, each employee needs to have personal incentive to see the job through to completion. Each individual is responsible for his or her own workload. You should always have additional work planned ahead so that you never run out of work.

#### **M. *Work Schedule and Overtime.***

WROU and WRNB operate on a 24 hours per day, seven days per week schedule. Therefore scheduling must be done in a flexible manner to ensure that staffing needs are met and to maximize efficiency and professionalism. Full-time employees work approximately 40 hours per week. From time to time it may be necessary to work longer hours. The amount of "extra time" that is necessary depends primarily on your ability to manage your workload well enough to accomplish your objectives. Make it your aim to work "smarter not harder."

From time-to-time it may be necessary for non-exempt employees to work overtime, for which they are entitled to overtime pay. All overtime work must be authorized by your supervisor, and must be reflected by your timely completion of a time sheet. Your supervisor will attempt to notify you in advance if the need to work overtime arises; however, such advance notice may not always be possible. Eligibility for overtime pay is governed by federal and state law. Non-exempt employees become eligible for overtime pay only after they have worked 40 hours in a work week, even if they are regularly scheduled to work less hours. Non-exempt employees are paid one and one-half times their normal hourly wage for any hours over 40 worked during the week.

Work schedules are established for each department in order to provide adequate staffing during business hours. Each employee is expected to recognize these requirements and to be available for assignments as required. The Company will give consideration to special requests for staffing changes when the employee's request is made in advance and can be accommodated.

There are no regularly scheduled lunch or break times. Schedules are established within each department. Employees other than those working in production or "on air" are not permitted to have food at their desks. One break of no more than ten minutes may be taken in the morning and one in the afternoon.

The kitchen area is for the use of all employees and must be maintained by all employees. Those using the area will clean the area after use. Any dirty dishes should be washed and put away. Food should be thrown out after meals. These informal privileges are subject to being restricted or discontinued if they are abused.

#### **N. *Attendance and Punctuality.***

Our goals are to serve our clients, meet appropriate schedules, and maintain a productive work environment. Consequently, our employees are expected to be dependable and punctual. Excessive abuse of this expectation is disruptive and may lead to disciplinary action, up to and including termination of employment.

1. **Absences:** The successful operation of the Company depends to a great extent on the attendance of each of its employees. Your regular attendance is important to your success and to the success of the Company. Your co-workers, supervisor, and the public we

serve depend on your prompt attendance. When you fail to meet your responsibility of being at work as scheduled, your conduct jeopardizes the entire Company. To this end, in the rare instances when you are unable to work as scheduled, notify your supervisor as soon as possible in advance of the anticipated absence.

2. **Tardiness:** There is no excuse for coming in late other than extremely unusual circumstances (such as unexpected heavy snow). As is true for absences, if you are not at your job when others count on you to be, others must fill in for you and efficiency is lost. In this regard, the entire staff relies on your *prompt* attendance. In the event you are unable to report to work on time, notify your supervisor well in advance of the anticipated tardiness.

#### **O. *Your Employment Record.***

1. **Employment Application:** The Company relies on the completeness and accuracy of the information provided during the application and hiring process, including the information on your employment application. Any misstatements, misrepresentations, or material omissions of any information requested by or provided to the Company will subject the employee to disciplinary action up to and including termination.

2. **Employment Files:** Employment files are maintained on each employee. These files are the property of the Company and only management of the Company and selected supervisors have access to these files, unless access is obtained under an appropriate administrative or judicial proceeding. No employee has a right to review or copy any materials in the file maintained on that employee but upon request with adequate notice, management may, but will not be obligated to, provide access to certain parts of the file.

3. **Change of Status:** In order to maintain current and accurate information for emergencies, record keeping, and benefit program purposes, your supervisor should be notified of any changes in:

- a. Your address;
- b. Your telephone number;
- c. The name, telephone number, and address of the person you would like us to notify in case of an emergency;
- d. Your marital status;
- e. The number of your dependents;
- f. Your insurance beneficiary; or
- g. Your legal name (if changed by marriage or otherwise).



**P. Employee Misconduct and Discipline.**

The Company has employee growth and development as an objective. However, if you fail to attain and maintain performance levels, engage in misconduct, are unduly negligent, are excessively absent or tardy, or otherwise fail to meet the standards established by the Company, you will be subject to discipline, up to and including discharge. Management does not administer its disciplinary system in a mechanical manner. Instead, all of the facts surrounding an employee's actions are taken into account in determining the appropriate discipline. When deemed appropriate by management, the Company will use a progressive disciplinary program, depending on the severity of the conduct and the totality of the circumstances. The progressive disciplinary program includes any of the four following steps: verbal warning, written warning, suspension with or without pay, or termination of employment. ***However, all disciplinary matters will be handled on a case-by-case basis and the Company retains complete discretion in determining appropriate actions to be taken.*** Certain types of misconduct are set forth in this Handbook as examples of behavior deemed undesirable by the Company. These examples are not intended to be all inclusive. The Company reserves the right to take disciplinary action for misconduct not expressly set forth in this Handbook based upon the particular facts or circumstances of each particular situation. Certain offenses routinely will result in immediate dismissal, without notice and without regard to other circumstances or the employee's prior work record. Examples of such offenses include, but are not limited to:

1. Inappropriate or unauthorized removal or possession of property.
2. Working under the influence of alcohol or illegal drugs.
3. Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the work place or while operating employer-owned vehicles or equipment.
4. Fighting or threatening violence in the work place.
5. Boisterous or disruptive activity in the work place.
6. Negligence or improper conduct leading to damages of employer-owned or client-owned property.
7. Insubordination or other disrespectful conduct.
8. Sexual or other unlawful or unwelcome harassment.
9. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the work place.
10. Excessive absenteeism or any absence without notice.
11. Unauthorized disclosure of business "secrets" or confidential information.
12. Violation of personnel policies.

13. Unsatisfactory performance or conduct.
14. Falsifying any Company forms or records.
15. Gaining unauthorized access into confidential records, including, but not limited to, personnel files, and pay information, and distributing or discussing such information with other employees, or with outsiders.

**Q.    *Resignation.***

Should you decide to resign from your position, we request that you discuss the matter with your supervisor, and provide your supervisor with written notice of your intention to leave your employment at least two weeks before your final work day. Although there is no requirement to provide two-weeks' notice, your failure to do so will result in the loss of your right to receive payment for unused vacation time (discussed below).

**R.    *Paychecks.***

Paychecks are issued every other Friday, covering the previous two weeks worked. If the payday falls on a holiday, then checks are issued on the last work day before the holiday.

Your pay rate or salary is not to be discussed with fellow employees and is to be kept in strict confidence between you and the management. In compliance with federal law, Social Security (FICA), federal, state, and municipal taxes are deducted from each paycheck automatically.

Any shortage or overpayment on your check should be immediately called to the attention of your supervisor. If you believe an error has been made, submit your own record of hours worked to your supervisor so that the payroll can be checked against payroll records for accuracy. Promptness will enable the quick adjustment of any payroll errors. If any adjustment is necessary, it will be made on the following week's paycheck.

**S.    *Time Sheets.***

Non-exempt and part-time employees are responsible for daily time recording on time sheets provided by your supervisor. All non-exempt and part-time employees are responsible for accurately and fully completing all time sheets and submitting them at the end of each work week. Your payroll record is very important. Payroll will be computed, in part, from your completed time sheet. Therefore, your accurate time sheet must be submitted and signed by your supervisor before you can be paid. You should always strive to make certain your time sheet is complete, accurate, and submitted in a timely manner.

#### ***T. Employee Evaluations and Salary Reviews.***

Supervisors and other employees are encouraged to informally discuss job performance and objectives on a regular basis. In addition, the Company usually conducts performance evaluations on an annual basis. The purpose of such evaluations includes, but is not limited to, the following:

1. Establishing business-related goals and objectives for job performance.
2. Discussing job performance.
3. Discussing employee strengths and weaknesses, as perceived by the individual and his or her supervisor.
4. Identifying training needs or areas needing improvement.
5. Reviewing job descriptions to ensure they are in line with the requirements, goals, and objectives of the employee's position.

All evaluations are written and discussed with the employee. All employees are provided an opportunity to read and comment on their evaluations. All written evaluations are read, signed, and dated by the employee.

The Company also conducts periodic salary reviews and makes adjustments in salary, either across the board or on an individual basis, based upon performance and achievement and factors relating to the Company's position.

#### ***U. Business Travel Expenses.***

Reasonable and necessary travel expenses incurred while on assignments away from the normal work location will usually be reimbursed. All such expenses must be approved in advance by your supervisor. Employees are charged with the responsibility for making necessary travel arrangements.

Cash advances to cover anticipated expenses may be made to employees after travel has been approved. Employees should submit a written request to their supervisor when travel advances are needed. Upon completion of travel, employees are required to submit a travel expense report, along with all necessary receipts, within 30 days.

Abuse of this policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment. Contact your supervisor for guidance and assistance on applicable procedures and guidelines.

Employees who are involved in an accident while traveling on business must promptly notify their supervisor. Vehicles owned, leased, or rented by the Company may not be used for personal use without prior approval.

## ***V. Telecommuting.***

If you believe telecommuting can enhance your performance, you may submit a written request to the President outlining how it will benefit you and the Company. The request should explain how you will be accountable and responsible, what equipment is necessary, and how communication barriers will be overcome.

Telecommuting is not a standard employee benefit. Instead, it is an alternative method of addressing the unique business needs of a given function, specific project, or set of extenuating circumstances. It is an arrangement that must be worked out on a case-by-case basis between the Company and any appropriate candidates, with the approval of the President.

Because the remote office is an extension of the Company's main offices, the Company will continue to be responsible for work-related injuries during the approved work schedule at the remote office work space. The remote office site must be maintained in a safe, neat, and clean condition. The Company is not liable for injuries incurred outside the approved work schedule and designated work space or for injuries that result from the negligence of the employee or unsafe working conditions, whether inside or outside the designated work space.

Employees working from remote offices will have the same duties and responsibilities and must meet the same performance standards as if they were working at the Company's main offices. Performance will be measured by results, not location of the employee. Remote employees will be subject to the same performance and compensation reviews as all other employees.

Communication with supervisors and other Company employees is critical. Employees working from remote offices must maintain a direct line of communication with the Company's main offices. To this end, each remote employee may be required to install and maintain a telephone line that is dedicated to communication with the Company. The Company will reimburse the employee for the reasonable and necessary expenses incurred in connection with a dedicated telephone line. Use of this line must be restricted to Company business.

The Company will provide to each remote employee use of the same equipment that the employee would have available at the offices of the Company. All such equipment must be properly cared for and maintained. All Company-provided equipment will at all times remain the property of the Company and must be used only for Company-related business. In addition to the standard software necessary for the remote employee to perform the tasks and responsibilities of his or her job, the Company will install any necessary software that will allow the remote employee to connect electronically with the offices of the Company. The remote employee will have e-mail capabilities and e-mail must be checked on a regular basis. **The remote employee must take all necessary precautions to prevent unauthorized access to Company systems from the remote office.**

Each remote office is subject to visits from Company representatives for the purpose of determining compliance with this policy and retrieving equipment or other Company-owned property

or materials in the event of the employee's illness or termination, or for any other reason. The remote employee must adopt any reasonable modifications to the remote office environment that the Company deems appropriate.

Remote employees will be required to attend any meetings, conferences, and training sessions that are scheduled by the Company at the main offices. The Company will attempt to arrange for teleconferencing when deemed appropriate by the Company.

Because the remote office is an extension of the Company's main offices, all policies and procedures set forth in the Company Employee Manual apply equally to employees working out of remote offices as to all other Company employees. *All* employees are expected to read, understand, and follow all of the provisions contained in the Employee Manual. Examples of provisions that should be particularly noted by remote employees include the following:

- Business hours and work schedules remain the same. Employees at remote offices are expected to be at work stations during the same hours as employees at the Company's main offices, unless otherwise agreed between the employee and his or her supervisor. Employees in remote offices must be accessible on the same basis and same schedule as all other employees.
- Confidentiality and security are special concerns in remote offices. Each employee working from a remote office must ensure that the same rules, standards, and procedures are established and followed at the remote office as are in place at the Company's main offices. All information heard, seen, read, or transmitted between the remote office and the Company's main offices are to be considered Company Confidential information. All Company documents and other materials must be kept in a safe location that cannot be accessed by persons not affiliated with the Company. Work should be conducted in an environment conducive to peak performance, with a minimum amount of distractions and interruptions. Telephone conversations related to your job should be conducted in privacy.
- Standards of conduct and disciplinary procedures as set forth in the Employee Manual will be strictly followed.
- Each remote employee must maintain and report time in accordance with Company policy and procedure. Time reports may be faxed to the Company on the days they are due.
- The Company Paid Time Off policy and other leave provisions, as set forth in the Employee Manual, will apply to remote employees.

Each telecommuting employee is an at-will employee and, in the absence of a written agreement signed by the President of the Company providing otherwise, the employee's employment,

or his or her status as a remote employee, may be terminated at any time, with or without cause and with or without notice. Upon termination of employment by either party for any reason, all Company equipment, files, materials, information (whether in written, taped, electronic, or any other form or medium) and other property must be promptly returned to the Company. The Company reserves the right to enter the remote office site and remove all Company owned property if the former remote employee does not comply with this requirement.

***W. Internet Usage Policy.***

The Company provides Internet access for the benefit and convenience of its employees. The Internet permits users to connect to valuable resources from almost every corner of the world and likewise, other users may access information regarding the Company in the same manner. Consequently, it is imperative that the Internet is used only in a professional and productive manner. To this end, a few guidelines have been established for your convenience.

**Appropriate Use.** Just as you routinely conduct yourself in a professional manner in person, the same diligence is required when using the Internet. All communication should be for professional purposes and used in a responsible, effective, ethical and lawful manner.

**Lawful Use.** To protect employees from charges of copyright infringement, copyrighted materials belonging to entities other than the Company may not be transmitted on the Internet. Employees are not permitted to copy, transfer, rename, add or delete information or programs belonging to other users unless express permission by the copyright holder is first obtained. Failure to do so may result in disciplinary actions from the Company and/or legal action from the copyright holder.

**Consent to Monitoring.** All communication sent through the Company's network is to be considered the exclusive property of the Company. Just as the Company reserves the right to access and monitor office messages and files placed into the network system, the Company similarly reserves the right to monitor Internet-related messages and files.

**Accountability.** Each employee is responsible for the content of all text, audio, or images placed on or sent through the Internet. All messages communicated on the Internet should have your name attached and messages containing an assumed name or alias will not be transmitted. In addition, users may not attempt to obscure the origin of any message.

**Offensive or Inappropriate Use.** To ensure that the Company's public image does not become tarnished, certain forms of communication via the Internet are absolutely forbidden. First, harassment of any nature is prohibited. Messages containing derogatory or inflammatory remarks about a certain individual or a certain group based on race, religion, national origin, physical attributes, or sexual preference may not be transmitted. Second, solicitation of non-Company business or any other similar usage for personal gain is strictly prohibited. Finally, since it is impossible to create an exhaustive list of all potentially

offensive or inappropriate uses outside the two mentioned, employees should be guided by simple common sense. If there is uncertainty about what is inappropriate use, you should consult with your supervisor prior to utilizing the system.

**Computer Protection.** To protect the Company's network from computer viruses, each employee is required to first obtain permission from his or her supervisor before attempting to download software.

**Violations.** Employees who, in the Company's sole judgment, abuse the privilege of using the network system for personal matters, who engage in offensive or inappropriate use, or who violate this policy in any other way will be subject to discipline. Such discipline may range from revocation of personal use privileges up to and including discharge from employment. In addition, where appropriate, the Company may disclose relevant communication to law enforcement or other third parties where illegal violations are involved, without notification to or consent from the employee.

#### **X. *Computer Policy.***

As part of the normal conduct of business, Company employees use the Company's computer system to access computer applications both within and outside of the Company. These applications include various office automation tools, databases, electronic mail, and the World Wide Web. Employees need to be aware that this system, by its very nature, creates certain risks. All employees should observe the following guidelines when utilizing the Company's computer system.

**Use.** The Company encourages the use of its computer system. The more employees use the system, the more proficient and productive the users become. In order to remain effective, the computers must be available for Company business. No one may use any Company computer for any reason other than for Company business.

**Consent to Monitoring.** By using the Company's data network, each employee consents to monitoring and recording of all communications and information transmitted or stored on the network or computer systems.

**Asset Protection.** All employees must use the same care with on-line communication as with written communication. All information transmitted should be accurate, concise, and factual. Confidential or proprietary information of the Company and its clients must be protected. Information belonging to another person or company must not be duplicated or distributed without the express, written consent of an authorized representative of that person or company.

**Electronic Mail.** Electronic mail, whether within or outside the Company, is not private. All messages are Company records and may be monitored and managed by Company authorized personnel. The Company reserves the right to access and disclose all messages

sent over its electronic mail system for any purpose. The contents of e-mail are a reflection of the Company and, therefore, employees should not write anything in an e-mail message that would not be put in a written letter or memorandum. Assume that any electronic mail sent may be viewed by parties other than the intended recipient. Even when an e-mail message is erased, it is still possible to recreate the message. Employees should also be aware that electronic mail messages sent outside the firm's network may be also accessible by people other than the addressees.

**Offensive or Inappropriate Use.** The computer system should not be utilized for accessing, retrieving, or disseminating material that could be considered offensive or inappropriate to others. For example, use of the system for accessing, retrieving or disseminating materials such as pornography, hate group literature, and the like or for any illegal purpose is strictly forbidden. Electronic mail may not contain content that may be reasonably considered offensive or disruptive to any individual. Offensive content would include, but would not be limited to, sexual comments or images, racial slurs, gender-specific comments, or any comments that would offend someone on the basis of his or her race, age, sexual orientation, religious or political beliefs, national origin, or disability. Since it is impossible to create an exhaustive list of all potentially offensive or inappropriate uses, employees should be guided by simple common sense. If there is uncertainty about what is an appropriate use, consult with the you immediate supervisor prior to utilizing the system.

**E-Mail Etiquette.** When using electronic mail, keep in mind the following:

- Ask yourself - Do I need to send a particular message by e-mail?
- Would I want a jury or a newspaper reporter to read this e-mail?
- Be polite - Make sure short messages don't come across as brusque or curt.
- Don't send jokes, offensive or otherwise, or frivolous messages.
- Don't write anything you wouldn't want repeated. E-mail can be forwarded to hundreds of people, in and out of the Company.
- Work out problems face to face, not on e-mail. It is tempting to say rash things via e-mail that you will later regret.
- Protect your password, and always log off when not using the system.

**Representation.** All employees should be aware that any messages posted from the Company's network to public conferences and mailing lists may be seen as representing the Company. In addition, all employees are cautioned that downloading material from an outside source might be considered copyright infringement. All employees must be sensitive to this concern and if there is any doubt as to whether or not something can be downloaded,



consult your supervisor in advance. In addition, all employees should strictly limit the granting of proxy rights to their E-mail and calendaring functions. Inappropriate messages sent under your name can subject you and/or the proxy to disciplinary action.

**Passwords.** All access to the Company's network or systems requires passwords. Each individual requiring access to the network or system must have his or her own account. All passwords are the property of the Company and must be protected as such. Passwords are confidential to the user and are not to be given out for any reason. Passwords are required to be a minimum of five characters in length, cannot be found in a dictionary, and should be changed periodically. If you feel your password has been compromised, the password must be changed immediately.

**Network Security.** Attempting to subvert network security, to impair functionality of the network, or to bypass restrictions set by the Company is prohibited. Assisting others in violating these rules by sharing information or passwords is also prohibited. Each employee is required to log off when leaving for the day.

**Lawful Use.** All employees must comply with all applicable international, federal, state, and local laws and regulations when using the Company's computer network.

**Incident Reporting.** Each employee is expected to report any suspected on-line security violations or incidents to the President.

**Violations.** Persons who, in the Company's sole judgment, abuse the privilege of using the computer system for personal matters, who engage in offensive or inappropriate use, or who violate this policy in any other way will be subject to discipline. Such discipline may range from revocation of personal use privileges up to and including discharge from employment.

#### ***Y. Telephone Policy.***

Company telephone equipment and services are for business purposes and use. The following rules apply to all use of office telephones:

1. Avoid personal calls while at the office. Do not make personal calls between the hours of 8:30 a.m. and 10:30 a.m. and between the hours of 3:30 p.m. and 5:30 p.m. (hours the telephones are used heavily by the sales staff for business calls).
2. You may not make any long distance telephone calls without the permission of your supervisor.
3. Do not make person-to-person calls. When possible, make collect calls. Keep all long distance calls as brief as possible. Use your watch to monitor the length of the call.

4. Use good judgment when deciding the best way to communicate about a particular matter. Use a letter or e-mail when appropriate.

5. Never charge personal long distance calls to the Company.

6. The switchboard is never to accept collect long distance calls. Any such calls should be directed to the appropriate department manager.

7. No long distance calls of any kind are ever to be made on the weekend or outside of normal business hours.

#### ***Z. Exit Interviews and Return of Company Property.***

All employees who leave the employment of the Company will have an exit interview with a representative of the Company. At the exit interview the employee will be presented with certain information concerning options available to the employee regarding the continuation of insurance benefits.

Employees are responsible for all Company property, materials, or written information issued to them or in their possession or control. Employees must return all Company property immediately upon request or upon termination of employment. Where permitted by applicable law, the Company may withhold from the employee's check or final paycheck the cost of any items not returned. The Company may also take all appropriate action to recover or protect its property. Otherwise, the Company will have the employee's final paycheck available on the next regularly scheduled pay period for that week's work.

#### ***AA. Payola.***

Maintaining the Company's reputation for integrity is a high priority. Payola and other inducements offered to employees by representatives of record companies are of particular concern to the Company. Violation of any of the following prohibitions will result in the immediate termination of your employment.

1. Do not request or accept money or gifts of any kind from record companies or individuals representing or acting on behalf of record companies.

2. Do not promote a specific record or record company.

3. Do not contact a record company to request music or music service without permission from the Vice President of Operations or the Program Director.

4. Do not accept an invitation from a record company representative for a meal or a social occasion without permission from the Vice President of Operations or the Program Director.

5. Do not provide playlist information to a record company representative without permission from the Vice President of Operations or the Program Director.

**BB. Office Rules and Procedures.**

The following are general rules and procedures relating to the Company's offices:

1. Guests are permitted in the offices only between the hours of 8:00 a.m. and 6:00 p.m., Monday through Friday ("Normal Business Hours").
2. If you are inside the offices outside of Normal Business Hours, you must be certain that all unnecessary lights are turned off. When you leave the offices, you must ensure that all doors are properly locked.
3. Never change the thermostat settings within the offices. The settings are preset by the Engineering Department based upon DP&L restrictions.
4. Use of the photocopy machine is limited to Company business only. Use of the postage meter is the responsibility of the Office Manager. Never use either piece of equipment without the permission of the receptionist.
5. Always turn off all lights when leaving seldom used areas such as the lounge, rest rooms, studios, sales offices, and conference rooms.
6. Upon arrival at the offices when the receptionist is on duty, you must notify the receptionist that you are in the offices. When leaving the offices, you must tell the receptionist where you will be and when you plan to return.
7. Keep the offices neat. Do not take food into the broadcast and recording studios. Properly dispose of empty cans, bottles, and other trash. Keep your desk and work area neat and organized.
8. Unauthorized employees are not permitted in the control room.
9. Be as quiet as possible when you are near studios or production rooms. Do not engage in loud conversation anywhere in the offices. Do not call for or shout to anyone in the offices. Do not congregate in the vicinity of the control room, the music library, the production studio, or the hallways near these areas.

### **III. EMPLOYEE RESPONSIBILITIES**

Each employee is expected to strictly observe the following rules governing his or her responsibilities and conduct, both in and away from the office. Failure to comply with any of these

rules will subject you to disciplinary action, up to and including discharge.

**A. Work Place Practices.**

1. **Dress Code:** The Company has standards of dress that are based upon good judgment. Your personal appearance contributes to the morale of all employees and is a reflection of you and the Company. During business hours or when representing the Company, you are expected to present a professional, clean, neat, and tasteful appearance. An unkempt appearance, or any extremes of dress, hair style, headgear, make-up, and/or accessories is unacceptable. You should dress and groom yourself according to the requirements of your position and accepted social standards. If you have specific questions about the appropriateness of dress within any particular situation, please speak to your supervisor.

2. **Solicitation:** Neither employees nor outsiders are allowed to sell goods or services during working hours, or to solicit donations or contributions, unless under the direct auspices of the Company, or unless specific approval is obtained, in advance, from the President.

3. **Tobacco Use:** All use of tobacco products (snuff, dip, cigarettes, cigars, etc.) is prohibited inside any Company offices at all times. Smoking before working hours, during breaks, or at lunch is permitted, but only outside of the building. Cigarette butts must be disposed of in proper containers.

4. **Company Computers:** The Company utilizes computers for certain tasks in order to remain a leader in our industry. In order to remain effective, the computers must be available for Company business. No one may use any Company computer for any reason other than for Company business. The prohibited use includes use of the Internet, or any part of the Internet, for any purpose other than Company business, whether the connection to the Internet is through a local or long distance phone call. All information stored in, and communications sent or received through, the Company's computers and network are the property of the Company and are subject at all times to access and monitoring by the Company.

5. **Substance Abuse Policy:** The Company is committed to providing a safe, efficient, and productive environment for all employees and, to this end, has adopted a substance abuse policy. The purposes of the Company's substance abuse policy are:

- a. To establish and maintain a safe, healthy working environment for all employees;
- b. To protect the reputation of the Company, its affiliates, and employees within the community and industry at large;

- c. To reduce the possibility of accidental injuries to person or property; and
- d. To reduce absenteeism and tardiness and to improve work productivity.

**Testing:** In keeping with this commitment of the Company, employees may be asked to provide body substance samples (e.g., blood or urine) to determine that employees are not using substances that can jeopardize the safety and welfare of other employees, such as alcohol, marijuana, cocaine, opiates, amphetamines, barbiturates, and phencyclidine (PCP). The Company will attempt to maintain the confidentiality of test results, subject to any applicable disclosure requirements mandated by law. Tests will be conducted in any of the following circumstances:

**Employment:** As a qualification to assuming any position with the Company, a prospective employee may be required to provide a body substance sample for testing.

**Reasonable Cause:** An employee will be required to submit to a test if work place behavior, as witnessed by a supervisor, indicates that the employee may be under the influence of alcohol or other drug.

**Post-Accident:** Any employee who is involved in a serious incident or accident while on duty, whether on or off Company premises, may be asked to provide a body substance sample.

**Random Testing:** All employees are subject to testing at any time on a random basis.

Subject to any limitations imposed by law, a refusal to submit a body substance sample for testing as provided above may result in disciplinary action, up to and including termination of employment.

**Rules Relating to Substance Abuse/Use:** The following work rules relate to substance use/abuse at the Company:

- a. All employees are prohibited from being under the influence of alcohol or illegal drugs during working hours.
- b. The sale, possession, transfer, or purchase of illegal drugs on Company property or while performing Company business is strictly prohibited. In addition to resulting in discharge, this conduct may also be reported to appropriate law enforcement officials.
- c. The use, sale, or possession of any illegal drug or controlled substance while on duty is strictly prohibited and is cause for immediate termination.

- d. No employee may commit any unlawful act, on or off Company premises, or engage in conduct that discredits the Company or subjects it to disrepute or criticism.
- e. No alcoholic beverage will be brought onto or consumed on Company premises except in connection with Company authorized events and with the approval of the President.
- f. No prescription drug will be brought onto Company premises by any person other than the one for whom it is prescribed. Such drugs will be used only in the manner, combination, and quantity prescribed by the employee's physician.
- g. Any employee whose off-duty abuse of alcohol or illegal or prescription drugs results in excessive absenteeism, tardiness, or is the cause of accidents or poor work performance will be subjected to immediate disciplinary action, up to and including termination.

*For purposes of these rules, an "alcoholic beverage" is any beverage that has an alcoholic content in excess of three percent by volume. "Drug" means any substance other than alcohol capable of altering an individual's mood, perception, pain level, or judgment. A "prescribed drug" is any substance prescribed for individual consumption by a licensed medical practitioner. An "illegal drug" is any drug or controlled substance, the sale or consumption of which is illegal.*

In accordance with the Federal Drug-Free Work Place Act, employees must notify the Company, within five days after a conviction, of any criminal statute drug-related conviction for a violation occurring in the work place. Any such conviction may result in disciplinary action, up to and including termination of employment.

**B. *Personal, Ethical, and Financial Responsibility.***

The Company's policy, and historic practice, has always been to conduct business lawfully and ethically. The same expectation applies to employees. A condition to employment with the Company is honesty. All officers and other employees of the Company must at all times conduct themselves in an honest and ethical manner in all their dealings with customers, suppliers, the government, the general public, and each other.

No employee will be discharged solely because of a single garnishment, wage assignment, or other form of income execution being in effect. However, the Company expects employees to conduct their personal financial affairs in a manner which does not affect their job performance and which does not reflect adversely on them or on the Company.

### **C. Security.**

1. **During Office Hours:** If possible, handbags and other personal valuables should be kept locked in a drawer or cabinet, particularly if you work in open areas or are away from your work area. It is recommended that you remove valuables from pockets of coats and jackets that are removed during the course of the work day. The Company will not be responsible for loss of personal items.

2. **After Office Hours:** At the end of the work day, you should close and secure all desk drawers, lockers, and file cabinets and store records, correspondence and other documents and packages in their proper places. Valuable personal property should be taken home. If you need to be at work outside normal working hours, you must receive the prior approval of your supervisor.

3. **Safety Considerations:** Employee safety is an ongoing concern, and is a top priority of the Company. Safety is also a responsibility of each employee and you must do your part to keep a safe work place. The Company will operate in compliance with OSHA and other rules and regulations.

In the event of accident or injury, regardless of how minor, or in the event you become aware of any unsafe action or condition, you must notify your supervisor immediately. All injuries must be recorded for OSHA and insurance purposes. Your supervisor will have forms for you both to fill out before leaving for medical treatment or returning back to work. If injured, you may be required to present a doctor's release prior to being allowed to return to work. Accident prevention is an important element of safety in the work place. One way all employees can help prevent accidents is by eliminating potential hazards. Many accidents can be avoided by following simple rules, such as the following:

- a. Comply with all posted rules and regulations.
- b. Keep electrical and telephone cords and computer cables out of walk ways.
- c. Keep waste baskets under desks or tables and away from walk ways.
- d. Never engage in "horseplay."
- e. Do not lean back too far in chairs.
- f. Promptly report any unsafe conditions to your supervisor.
- g. Promptly clean up spills or report them immediately to your supervisor.
- h. Use the proper method of lifting or moving objects or materials. Ask for help if heavy objects must be lifted or moved.

- i. Only use tools, equipment, materials, and machinery that you have been properly trained to use and that you are authorized to operate and/or use.
- j. Comply with all safety requirements of your job.
- k. Always clean your work site and keep it free of obstructions.
- k. Get medical attention for all injuries, no matter how slight.

If all employees work thoughtfully together and exercise common sense, many accidents can be eliminated. If you ever have a question about safety-related matters, ask your supervisor.

If you become injured on the job and you need to make return visits to your physician for follow-up care, you should plan to make your visits before or following your work shift. If this is not possible, your supervisor may approve time off during your work shift.

#### ***D. Grievance Procedure.***

The Company encourages frank and constructive discussion of employees' suggestions, concerns, or complaints and believes that most problems may be resolved promptly if discussed with your immediate supervisor. If concerns or complaints are not resolved on this basis, the Company maintains an informal grievance procedure which includes the following steps:

1. The employee discusses the problem with his or her immediate supervisor. The supervisor will provide a response to the concern or grievance within three working days following the initial discussion. If the matter is not resolved at this step to the employee's satisfaction, he or she may proceed to the next grievance step.
2. The employee brings the concern or grievance to the attention of the person to whom the immediate supervisor reports by submitting a short written statement of grievance. That individual will conduct an investigation of the concern or grievance and will provide an answer within 10 working days.
3. If the matter remains unresolved, the employee submits the concern to the President of the Company in the same written form. The President will conduct an investigation of the concern or grievance and will provide an answer within 10 working days. The decision of the President as to all concerns or grievances shall be final.

It is the sincere desire of the Company to address and resolve all employee concerns and grievances in a fair and impartial manner. Employees will not be retaliated against in any manner because they utilized this grievance procedure.



**E. Confidential & Proprietary Information.**

Work performed by the Company is often of a confidential and/or proprietary nature and must never be discussed with or disclosed to persons outside the Company. Your position with the Company is one of trust and confidence because of your access to confidential and proprietary information about the Company and its clients.

Unless required by the Company in connection with your employment or with the express written consent of the President of the Company, you must not directly or indirectly use or disclose for your own benefit or the benefit of another any confidential or proprietary information of the Company or any of its clients. Each employee may be required to sign a Confidentiality Agreement relating to such information. Any use or disclosure of any such information in violation of a Confidentiality Agreement or the Company's policy concerning confidential information will be considered a serious breach regardless of whether any specific effect or damage immediately results from that violation. In addition to disciplinary action, up to and including discharge, the employee may be subject to civil damages. If you are at all unsure about whether contemplated conduct is in violation of this policy, you are expected to discuss the policy immediately with your supervisor.

**F. Other Rules and Regulations.**

The Company has adopted other rules and regulations that apply to specific departments and those rules and regulations will be provided to you by your supervisor. You are expected to read those supplemental rules and regulations and fully observe them to the same extent as the provisions in this Handbook. The Company at all times reserves the right to adopt and post other rules and regulations in addition to those referred to in this Handbook. All rules and regulations of the Company are subject to change from time to time.

#### **IV. EMPLOYEE BENEFITS.**

The following is a summary of employee benefits as of the time of adoption of this Handbook. All benefits, however, are subject to periodic change, and you should always check with your supervisor regarding the most current benefits.

All regular full-time employees who have completed their initial introductory period are eligible for the following benefits:

**A. Time Away From Work:**

1. Vacation, Sick Leave, and other Paid Time Off
2. Compensatory Time
3. Holidays
4. Medical Leave

5. Bereavement Leave
6. Jury Duty

**B. *Health And Insurance Benefits:***

1. Medical, Dental, and Life Insurance
2. Unemployment Insurance
3. Workers' Compensation
4. Social Security (FICA)
5. 401(k) Savings Plan

These benefits are available as set out below, or in more detail in the appropriate policy or Handbook specifically covering the benefit. The terms of the benefits may vary between full-time and part-time employees.

**A. *Time Away From Work.***

1. **Vacation, Sick Leave, and other Paid Time Off:** The Company expects high quality and productivity from all employees. In return, we try to supply excellent wages and benefits. We feel that it is important for employees to have reasonable periods of rest, relaxation, recuperation, and personal needs and pursuits. Therefore, *regular full-time employees who have completed their introductory period and have completed at least six (6) full calendar months of continuous, full-time employment* are eligible to receive paid time off ("PTO") for vacation, sick leave, bereavement and/or other personal leave in accordance with the following schedule: Beginning on the first day of the calendar month after you have completed six (6) full calendar months of continuous, full-time employment, you are entitled to take six (6) days of PTO during the next six months and each six month period thereafter.

**Example:** If you are employed as a regular full-time employee on March 20, 2000, you will be entitled to six days of PTO beginning October 1, 2000. Those six days must be taken before April 1, 2001, at which time you earn six days to be taken before October 1, 2001.

PTO is not cumulative. If PTO is not taken in the applicable six month period, it will be lost. Once the six days are taken within a particular six month period, you have no paid time off available for any reason until the next six month period begins. Use your PTO wisely.

PTO must be taken in no less than half-day increments. It must be requested and approved in advance. You should submit your request for paid time off to your supervisor as early as possible before the time is needed. Approval of paid time off will be based upon many factors such as workloads, staffing requirements, and the amount of notice given.

On separation of employment with the Company for reasons other than termination by the Company for misconduct or gross negligence, or the employee's resignation without two weeks' notice, each employee will receive payment in an amount equal to any unused PTO earned for the applicable six month period, based upon the employee's then-current rate of pay.

2. **Compensatory Time:** Compensatory Time ("Comp Time") is additional paid time off for that is intended to compensate employees who work during the following Company major special events: Summer Flavors, Fly City Music Festival, and Beautiful Women (a "Special Event"). One hour of Comp Time is earned for each hour of approved work at a Special Event. Comp Time may be taken at any time after it is earned, *provided* it is approved in advance in writing by your supervisor. Allowing Comp Time to be taken is in the complete discretion of your supervisor, taking into account the workload and staffing considerations and station events, and In no event may more than 16 hours of Comp Time be taken in a pay period.

3. **Birthdays:** After you have completed one full year of continuous full-time employment, you are eligible for a paid day off on your birthday.

4. **Holidays:** The Company recognizes certain days during the year as paid holidays for its employees. The following days will be observed as holidays if the conditions listed below are met:

New Year's Day  
Memorial Day  
Labor Day  
Christmas

Martin Luther King, Jr. Birthday  
Independence Day (July 4th)  
Thanksgiving

If one of the above holidays falls during an employee's paid time off, holiday pay will be provided for that day rather than the standard day of paid time off. Holiday pay will be paid only if an employee works at least a full shift on both the last regularly scheduled work day before the holiday and the next regularly scheduled work day after the holiday.

5. **Unpaid Medical Leave:** The Company provides limited medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability. For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility; continuing treatment by a health care provider; and temporary disabilities associated with pregnancy, childbirth, and related medical conditions. Regular full-time employees are eligible to request medical leave as described in this policy.

Eligible employees should make requests for medical leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

A health care provider's statement must be submitted verifying the need for medical leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to the Company. Employees returning from medical leave must submit a health care provider's verification of their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of two weeks within any 12 month period. Any medical leave may not exceed this maximum limit. If the initial period of approved absence proves insufficient, consideration will be given to a request for an extension.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Subject to the terms, conditions, and limitations of the applicable plans, the Company will continue to provide health insurance benefits for the full period of the approved medical leave.

Benefit accruals, such as vacation, sick leave, and holiday benefits, will continue during the approved medical leave period.

So that your return to work can be properly scheduled, you are requested to provide the Company with at least one week advance notice of the date you intend to return to work from a medical leave. When your medical leave ends, you will be reinstated to the same position, if it is available, or to an equivalent position for which you are qualified.

If you fail to return to work on the agreed upon return date, the Company will assume that you have resigned.

**6. Jury Duty:** Employees are encouraged to fulfill their civic responsibilities by serving jury duty when required. Eligible employees may request up to two weeks of paid jury leave over any one year period. Pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Any funds received by the employee for jury duty will be deducted from the employee's payroll after written authorization is given. If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off or may request an unpaid jury duty leave absence.

To obtain jury duty leave, you must show the jury duty summons to your supervisor as soon as possible so that the supervisor may make arrangements to accommodate your absence. You must report to work whenever the court schedule permits. Where your absence will create serious operational difficulties, *the Company may request you excuse yourself from jury duty.*

described in the Summary Plan Description. Contact your supervisor for more information regarding this plan.

## **V. MANAGEMENT RIGHTS.**

The Company retains all managerial and administrative rights conferred to it inherently and by law. These rights include, but are not limited to, the right to exercise judgment in establishing, changing, and administering policies, practices, and procedures, the right to take whatever action is necessary in management's judgment to operate the business, and the right to set standards for productivity, services to be rendered, and the management and direction of the business. The rights reserved by management of the Company include, but are not limited to, discretion with respect to hiring, promoting, transferring, suspending, disciplining, or discharging employees (because of lack of work or any other reason). In addition, the management of the Company at all times has the right to amend, modify, or delete provisions of this Handbook without prior notice.

The failure of the Company to exercise any of its rights or privileges in a particular way shall not be considered as a waiver of its ability to exercise that right in the future or to preclude it from exercising that right in some other way.

## **VI. EFFECTIVE DATES/AMENDMENTS.**

### ***A. Effective Date.***

This Handbook is effective as of May 20, 2000, and remains effective until amended, changed, or revoked by the Company.

### ***B. Amendments or Changes.***

1. Please note that the guidelines, policies, and procedures contained in this Handbook are subject to change from time-to-time at the discretion of the President of the Company. You should understand that no one has authority to make any oral or written statements or commitments regarding changes to this Handbook, or your job tenure, duration, or security. Any such statements or commitments, to be effective, must be in writing and signed by the President of the Company. This Handbook constitutes a compilation of the Company's current policies for your benefit. It is not to be construed in any manner as creating any contractual rights or altering the at-will employment relationship.

2. To the extent that this Handbook refers to other documents, the terms of those documents shall always supersede and govern, even if amended or changed. Likewise, those documents govern over this Handbook. If there is a discrepancy, the specified document governs at all times.

## **SCHEDULE 2.17**

### **INSURANCE POLICIES**

Bureau of Workers' Compensation, State Insurance Fund, State of Ohio, period Jan. 1, 2003 through Aug. 31, 2003.

Nationwide Mutual Insurance Company, Commercial Property Coverage, Commercial General Liability Coverage, Commercial Crime Coverage, Commercial Inland Marine Coverage, Business Auto Coverage, period June 3, 2002 through June 3, 2003. This policy covers both the Company and HSRG.

The Company has a key man life insurance policy on Ro Nita Hawes-Saunders. A copy of this policy was not available for review.

## **SCHEDULE 2.20**

### **GUARANTY**

The Company has made certain guaranties pursuant to the financing acquired by the Company and HSRG through Opportunity Capital Corporation, Opportunity Capital Partners II, L.P., Opportunity Capital Partners III, L.P., and Mesbic Ventures, Inc., and pursuant to the assignment of loan documents from Broadcast Capital, Inc., Star Bank, N.A., and National City Bank, to Opportunity Capital Corporation, Opportunity Capital Partners II, L.P., Opportunity Capital Partners III, L.P., and Mesbic Ventures, Inc.

**SCHEDULE 3.2**

**TAX RETURNS**

None.