

MODIFICATION TO ASSET PURCHASE AGREEMENT AND REORGANIZATION AGREEMENT

This Modification to Asset Purchase Agreement and Reorganization Agreements (this “Modification” or “Agreement”) is made as of the 15th day of May, 2001, by and between TWO PETAZ, INC., an Illinois corporation (“Petaz”), THE CROMWELL GROUP, INC. OF ILLINOIS, an Illinois corporation (“Cromwell”), BAYARD H. WALTERS, an Individual (“Walters”), WINSTON COMMUNICATIONS, INC. OF ILLINOIS, an Illinois corporation (“Winston”), and WFYR, INC., an Illinois corporation (“WFYR, Inc.”)(together, the “Cromwell Entities”); and REGENT BROADCASTING, INC., a Delaware corporation (“Regent”).

WHEREAS, Petaz and Cromwell, together as the Sellers, and Regent, as the Buyer, are parties to a certain Asset Purchase Agreement dated as of this date (the “Asset Purchase Agreement”) relating to the sale and purchase of substantially all of the assets of Sellers used in the operation of radio broadcast stations WVEL(AM), 1140, kHz, Pekin, Illinois, WGLO(FM), 95.5MHz, Pekin, Illinois, WPPY(FM), 101.1 MHz, Glasford, Illinois, and WRVP(FM), 98.5 MHz, Eureka, Illinois (WVEL(AM), WGLO(FM), WPPY(FM), and WRVP(FM), each, a “Station,” and together the “Asset Stations”);

WHEREAS, Winston is the licensee of broadcast station WIXO(FM), 99.9 MHz, Bartonville, Illinois and WFYR, Inc. is the licensee of broadcast station WFYR(FM), 97.3 MHz, Elmwood, Illinois and Walters, as the Stockholder, Winston and WFYR, Inc., as the Sellers, and Regent, as Buyer, are parties to a certain Reorganization Agreement dated as of this date (the “Reorganization Agreement”) relating to the sale and purchase of substantially all of the assets of Sellers used in the operation of radio broadcast stations WIXO(FM)and WFYR(FM) in exchange for capital stock of Regent Communications, Inc., parent of Regent (WIXO(FM)and WFYR(FM), each, a “Station,” and together the “Reorganization Stations”);

WHEREAS, Regent, Petaz, Cromwell, Winston, WFYR, Inc. and Walters (the “Parties”) have determined that in order to make definitive business and procedural plans for the contemplated transactions, the transactions should be consummated concurrently on the same date;

WHEREAS, since the transactions will all be consummated on a single date, each of the Parties will be offered greater protection and benefits from the transactions by combining the various provisions in the agreements on the subjects of remediation costs, the escrow deposit, indemnification, and remedies; and

WHEREAS, the parties desire to modify the Asset Purchase Agreement and the Reorganization Agreement (collectively, the “Transaction Agreements”) in accordance with the mutual promises, covenants, and conditions set forth below, the parties agree as follows (capitalized terms not otherwise defined herein have the meanings assigned thereto in the Transaction Agreements):

1. Transaction Agreements in Full Force and Effect. Except as specifically stated in this Modification, all terms and conditions of the Transaction Agreements, and all documents and agreements that are

Exhibits or Schedules to such Transaction Agreements, remain in full force and effect.

2. Closing of Transactions. The Asset Purchase Agreement and the Reorganization Agreement shall be closed simultaneously by the Parties, and in no event shall one agreement be consummated without the others also being consummated. The occurrence of FCC Consent in each FCC application associated with each Transaction Agreement shall be a condition precedent to the Closing of any of the transactions, and the receipt of the later Final Order shall set the Closing Date.
3. Limit on Remediation Costs. The limit on remediation costs, as stated in Section 8.7 of the Asset Purchase Agreement and as stated in Section 4.7 of Reorganization Agreement, shall be \$100,000 in the aggregate, and shall be read as one provision covering all Transaction Agreements up to a limit of \$100,000 in the aggregate.
4. Escrow Deposit. The Escrow Deposit provisions stated in Article XIII of the Asset Purchase Agreement, and Article VIII of Reorganization Agreement, are hereby modified to provide for an Escrow Deposit of one (1) Letter of Credit in the amount of \$1,000,000 in the aggregate for all of the Transactions Agreements, and such Escrow Deposit and the associated Escrow Agreement and Letter of Credit shall as a single document be applicable to each of the Transaction Agreements.
5. Securities Escrow Deposit. The Securities Escrow Deposit described at Section 6.3 of the Reorganization Agreement shall serve as security for the post-closing obligations to Regent of the Cromwell Entities under each of the Transaction Agreements.
6. Indemnification. The indemnification provisions contained in Article XI of the Asset Purchase Agreement and Article VI of Reorganization Agreement, to the extent there are limitations or dollar amounts contained therein, shall be applicable in the aggregate to all Transaction Agreements.
7. Seller's Remedies. The provision in Section 13.2 of the Asset Purchase Agreement and Section 8.2 of the Reorganization Agreement providing for damages of \$1,000,000 shall be applicable in the aggregate to all Transaction Agreements.
8. Breach or Termination. A termination of any Transaction Agreement by Regent or by one of the Cromwell Entities pursuant to the provisions thereof shall act as a termination of all Transaction Agreements by Regent or all such Cromwell Entities, as applicable, and a breach by Regent or one of the Cromwell Entities of any Transaction Agreement shall act as a breach of all Transaction Agreements by Regent or all such Cromwell Entities, as applicable. After such termination or breach, the respective Parties hereto shall have all the rights, benefits, obligations, and liabilities, if any, flowing from each Transaction Agreement due to such breach or termination.
9. Transfer of Assets. The Cromwell Entities hereby covenant that, any transfer of assets conducted pursuant to either Section 8.13(f)(i) of the Asset Purchase Agreement or Section 4.11.6 of the Reorganization Agreement shall be only among Cromwell Entities (other than Walters), and that, notwithstanding any such transfer, the Cromwell Entities shall convey all Assets to Regent at Closing

or upon commencement of the TBA, as appropriate, in accordance with the terms of the Transaction Agreements.

10. Reorganization. The Parties agree that the actions contemplated by the Asset Purchase Agreement, the Reorganization Agreement, and the TBA do not form a basis to claim a breach of the representation set forth in Section 3.5(c) of the Reorganization Agreement.
11. Counterpart Signatures. This Modification may be signed in one or more counterparts, each of which shall be deemed duplicate originals, binding on the Parties hereto, notwithstanding that the Parties are not signatory to the original or the same counterpart.

[SIGNATURE PAGE FOLLOWS]

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

TWO PETAZ, INC.

By: _____
Bayard H. Walters
President

THE CROMWELL GROUP, INC. OF ILLINOIS

By: _____
Bayard H. Walters
President

BAYARD H. WALTERS

Bayard H. Walters
Individual

**WINSTON COMMUNICATIONS, INC.
OF ILLINOIS**

By: _____
Bayard H. Walters
President

WFYR, INC.

By: _____
Bayard H. Walters
President

REGENT BROADCASTING, INC.

By: _____
Name:

Title: