

Meeting No. 882

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 67

January 27, 1995

Austin, Texas

MEETING NO. 882

FRIDAY, JANUARY 27, 1995.--The members of the Board of Regents of The University of Texas System convened both in person and via telephone conference call at 11:05 a.m. on Friday, January 27, 1995, in Room 404 of O.Henry Hall at 601 Colorado Street in Austin, Texas, with the following in attendance:

ATTENDANCE.--

<u>Present</u>	<u>*Absent</u>
Chairman Rapoport, presiding	Regent Hicks
Vice-Chairman Temple	Regent Holmes
Vice-Chairman Lebermann	Regent Ramirez
Regent Cruikshank	Regent Smiley
Regent Loeffler (via telephone)	

Assistant Secretary Glover

Chancellor Cunningham

In accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Rapoport called the meeting to order. He announced that the sole purpose of this special meeting was to consider the proposed liquidation of all shares of Arch Communications Group, Inc., a Delaware corporation, held by the Permanent University Fund and the Common Trust Fund.

U. T. Board of Regents: Authorization to Liquidate All Shares of Arch Communications Group, Inc. (Arch), a Delaware Corporation, Held by the Permanent University Fund (PUF) and the Common Trust Fund (CTF).--Chairman Rapoport reported that all members of the Board had received information regarding the proposed liquidation of The University of Texas System's investment in Arch Communications Group, Inc. (Arch), a Delaware corporation, and called on Vice Chancellor for Asset Management Ricks to review the matter before the Board.

Vice Chancellor Ricks reported that in May 1990, the Permanent University Fund (PUF) and the Common Trust Fund (CTF) purchased shares of Arch Communications Group, Inc., a paging company currently servicing 15 states, from Schooner Capital, a founding shareholder. The PUF purchased 528,246 shares for \$3,100,490 at an average cost of \$5.87 per share, and the CTF purchased 75,458 shares for \$442,914 at the same average cost per share. By acquiring these shares, U. T. System became, and has remained, a major shareholder of Arch Communications Group, Inc. In the aggregate, the University's 603,704 shares, as of December 5, 1994, represented 8.44% of the company's ownership, the third largest position [Wellington Management owns 11.8% of the company and FMR Corp. (Fidelity) owns 11.0%].

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\*Regents Hicks, Holmes, Ramirez, and Smiley were excused because of previous commitments.

Arch Communications Group, Inc. went public in January 1992 in an offering of 2,255,000 shares with proceeds of \$23 million. In the years since, Arch has prospered. However, the company's growth has been so rapid that it has consistently required infusions of capital to support its growth. The company's sources of capital have included increases in bank credit lines and a \$34.5 million issue of convertible subordinated debentures in December 1993. In November 1994, Arch management approached several of the larger shareholders, including U. T. System, to solicit interest in a proposed public offering of shares to raise capital for further growth. The company agreed at that time to allow U. T. System to liquidate the PUF and CTF holdings in what the industry refers to as a piggyback registration (i.e., a sale of shares held by existing shareholders at the same time the company sells newly issued shares to the public -- the selling shareholders are said to "piggyback" on the company's registration expenses).

Mr. Ricks noted that on January 20, 1995, the last reported sales price of the company's common stock was \$20.375 per share. If the offering can be consummated in two weeks at \$19.50 per share, the PUF will realize approximately \$10.3 million on an investment of \$3.1 million, and the CTF will realize approximately \$1.5 million on an investment of \$.4 million. Both the PUF and CTF internal rate of return on investment will be approximately 30%. In the opinion of the U. T. System Office of Private Investments, this realized rate of return satisfies all investment objectives of the PUF and CTF.

Vice Chancellor Ricks reported that a special meeting of the Board was called in order to allow Vice Chancellor and General Counsel Farabee to issue a legal opinion to the Underwriters that will confirm that all approvals necessary for the Board to enter into a legally binding sales contract have been obtained and are final.

Following Mr. Ricks' presentation, the Board, upon motion of Regent Cruikshank, seconded by Vice-Chairman Temple, authorized Vice Chancellor for Asset Management Ricks to liquidate all shares of Arch Communications Group, Inc. held by the Permanent University Fund and the Common Trust Fund in a public offering consisting of primary and secondary shares and approved the specific implementing actions as set forth below:

- a. Approved the Underwriting Agreement substantially in the form set out in Exhibit A on Pages 4 - 50 among the U. T. Board of Regents, Prudential Securities Incorporated, Lehman Brothers Inc., and PaineWebber Incorporated for the sale of all shares of Arch Communications Group, Inc. held by U. T. System at a price not less than \$15.00 per share
- b. Approved the Power of Attorney of Selling Stockholder substantially in the form set out in the Underwriting Agreement (Exhibit A) which empowers certain Arch Communications Group, Inc. officers to execute the sale of all Permanent University Fund and Common Trust Fund shares in the company under the provisions of the Underwriting Agreement and carry out certain other enumerated powers
- c. Approved the Letter of Transmittal and Custody Agreement substantially in the form set out in the Underwriting Agreement (Exhibit A) to transfer the shares to the Bank of New York as custodian

- d. Approved the lockup agreement in Exhibit B on Pages 51 - 53 as signed by Vice Chancellor Thomas G. Ricks
- e. Approved the signed stock power set out in Exhibit C on Pages 54 - 66 authorizing the PUF and CTF bank custodian to transfer all remaining PUF and CTF shares to the bank custodian servicing the Underwriters
- f. Authorized Vice Chancellor Thomas G. Ricks to submit to the Underwriters a certification of no material adverse events on the closing date of the transaction
- g. Authorized Vice Chancellor Thomas G. Ricks to execute any other miscellaneous closing documents as necessary to conclude the transaction described herein.

## EXHIBIT A

**DRAFT**  
**January 18, 1995**

**ARCH COMMUNICATIONS GROUP, INC.**

3,000,000 Shares'

Common stock

**UNDERWRITING AGREEMENT**

January \_\_, 1995

**PRUDENTIAL SECURITIES INCORPORATED**  
**LEHMAN BROTHERS INC.**  
**PAINWEBBER INCORPORATED**  
 As U.S. Representatives of the several U.S. Underwriters  
 do Prudential Securities Incorporated  
 One New York Plaza  
 New York, New York 10292

**PRUDENTIAL-BACHE SECURITIES (U.K.) INC.**  
**LEHMAN BROTHERS INTERNATIONAL (EUROPE)**  
**PAINWEBBER INTERNATIONAL (U.K.) LTD.**  
 As International Lead Managers of the several  
 International Managers  
 c/o Prudential Securities Incorporated  
 One New York Plaza  
 New York, New York 10292

Dear Sirs:

Arch Communications Group, Inc., a Delaware corporation (the "Company"), and each of the stockholders of the Company named on Schedule 1 hereto (each a "Selling Stockholder" and collectively the "Selling Stockholders"), hereby confirm their agreement with the several underwriters named in Schedule 2 hereto, for whom you have been duly authorized to act as representatives, as set forth below. If you are the only Underwriters (as such term is hereinafter defined), all references herein to the Representatives (as such term is hereinafter defined) shall be deemed to be to the Underwriters.

Securities. Subject to the terms and conditions herein contained, the Company proposes to issue and sell to the several U.S. Underwriters named in Schedule 2 hereto (the "U.S. Underwriters") an

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\* Plus an option to purchase from the Company up to 450,000 additional shares to cover over-allotments.

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aggregate of 864,000 shares (the "Company's U.S. Firm Securities") of the Company's Common Stock, par value \$0.01 ("Common Stock"), and the Selling Stockholders propose to sell to the several U.S. Underwriters an aggregate of 1,536,000 shares of Common Stock (the "Stockholders' U.S. Firm Securities;" collectively with the Company's U.S. Firm Securities, the "U.S. Firm Securities") in connection with the offering and sale of the U.S. Firm Securities in the United States and Canada (as described in an agreement of even date herewith (the "Inter-Syndicate Agreement")), and the Company proposes to issue and sell to the several International Managers named in Schedule 2 hereto (the "International Managers") an aggregate of 216,000 shares of Common Stock (the "Company's International Firm Securities"), and the Selling Stockholders propose to sell to the several International Managers an aggregate of 384,000 shares of Common Stock (the "Stockholders' International Firm Securities;" collectively with the Company's International Firm Securities, the "International Firm Securities") in connection with the sale of the International Firm Securities outside of the United States and Canada. Prudential Securities Incorporated, Lehman Brothers Inc. and PaineWebber Incorporated shall act as the representatives (the "U.S. Representatives") of the several U.S. Underwriters, and Prudential-Bache Securities (U.K.) Inc., Lehman Brothers International (Europe) and PaineWebber International (U.K.) Ltd. shall act as International Lead Managers (the "International Lead Managers") of the several International Lead Managers. The U.S. Underwriters and the International Managers are hereinafter collectively referred to as the "Underwriters"; the U.S. Representatives and the International Lead Managers are hereinafter collectively referred to as the "Representatives". The U.S. Firm Securities and the International Firm Securities are hereinafter collectively referred to as the "Firm Securities"; the Company's U.S. Firm Securities and the Company's International Firm Securities are collectively referred to herein as the "Company's Firm Securities"; and the Stockholders' U.S. Firm Securities and the Stockholders' International Firm Securities are collectively referred to herein as the "Stockholders' Firm Securities."

The Company also proposes to issue and sell to the several U.S. Underwriters not more than an aggregate of 360,000 additional shares of Common Stock (the "U.S. Option Securities") and to the several International Managers not more than 90,000 additional shares of Common Stock (the "International Option Securities"), if and to the extent that the U.S. Representatives and the International Lead Managers shall have determined to exercise, on behalf of the U.S. Underwriters and the International Managers, respectively, the rights to purchase such shares of Common Stock granted to the U.S. Underwriters and the International Managers pursuant to section 4 of this Agreement. The U.S. Option Securities and the International Option Securities are hereinafter collectively referred to as the "Option Securities"; the Firm Securities and any Option Securities are collectively referred to herein as the "Securities."

The U.S. Underwriters and the International Managers are also concurrently entering into the Inter-Syndicate Agreement, dated the date hereof providing for, among other matters, the transfer of the Securities among the Underwriters. The Company and each Selling Stockholder hereby agrees and acknowledges that such transfers among the Underwriters shall be governed by the Inter-Syndicate Agreement and not by this Agreement.

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, each of the several Underwriters that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the "Act"). A registration statement on such Form S-3 (File No. 33-87484) with respect to the Securities, including a prospectus subject to completion, has been filed by the Company with the Securities and Exchange Commission (the "Commission") under the Act and one or more amendments to such registration statement may have been so filed. The Registration Statement (as such term is hereinafter defined) contains two prospectuses to be used in connection with the offering and sale of the Securities: the U.S. prospectus, to be used in connection with the offering and sale of the Securities in the United States and Canada, and the international prospectus, to be used in connection with the offering and sale of the Securities outside the United States and Canada. The international prospectus is identical to the U.S. prospectus except for the outside front and back cover pages. After the execution of this Agreement, the Company will file with

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the Commission either (i) if such registration statement, as it may have been amended, has been declared by the Commission to be effective under the Act, a prospectus in the form most recently included in an amendment to such registration statement (or, if no such amendment shall have been filed, in such registration statement), with such changes or insertions as are required by Rule 430A under the Act or permitted by Rule 424(b) under the Act and as have been provided to and approved by the Representatives prior to the execution of this Agreement, or (ii) if such registration statement, as it may have been amended, has not been declared by the Commission to be effective under the Act, an amendment to such registration statement, including a form of prospectus, a copy of which amendment has been furnished to and approved by the Representatives prior to the execution of this Agreement. As used in this Agreement, the term "Registration Statement" means such registration statement, as amended at the time when it was or is declared effective, including (A) all financial schedules and exhibits thereto, (B) all documents incorporated by reference therein filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (C) any information omitted therefrom pursuant to Rule 430A under the Act and included in the Prospectus (as hereinafter defined); the term "Preliminary Prospectus" means each prospectus subject to completion filed with such registration statement or any amendment thereto (including the prospectus subject to completion, if any, included in the Registration Statement or any amendment thereto at the time it was or is declared effective) including all documents incorporated by reference therein filed under the Exchange Act; and the term "Prospectus" means the U.S. prospectus and the international prospectus first filed in their respective forms with the Commission pursuant to Rule 424(b) under the Act or, if no prospectus is required to be filed pursuant to said Rule 424(b), such term means the respective forms of each prospectus included in the Registration Statement in either case including all documents incorporated by reference therein filed under the Exchange Act. Any reference in this Agreement to an "amendment or supplement" to any Preliminary Prospectus or the Prospectus or an "amendment" to any registration statement (including the Registration Statement) shall be deemed to include any document incorporated by reference therein that is filed with the Commission under the Exchange Act after the date of such Preliminary Prospectus, Prospectus or registration statement, as the case may be. For purposes of the preceding sentence, any reference to the "effective date" of an amendment to a registration statement shall, if such amendment is effected by means of the filing with the Commission under the Exchange Act of a document incorporated by reference in such registration statement, be deemed to refer to the date on which such document was so filed with the Commission.

(b) The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus. When any Preliminary Prospectus and any amendment or supplement thereto was filed with the Commission it (i) contained all statements required to be stated therein in accordance with, and complied in all material respects with the requirements of the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and (ii) did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. When the Registration Statement or any amendment thereto was or is declared effective, it (i) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and (ii) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading. When the Prospectus or any amendment or supplement thereto is filed with the Commission pursuant to Rule 424(b) (or, if the Prospectus or such amendment or supplement is not required to be so filed, when the Registration Statement or the amendment thereto containing such amendment or supplement to the Prospectus was or is declared effective), on the date when the Prospectus is otherwise amended or supplemented and on the Firm Closing Date and any Option Closing Date (both as hereinafter defined), the Prospectus, as amended or supplemented at any such time, (i) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and (ii) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing provisions of this

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paragraph (b) do not apply to statements or omissions made in any Preliminary Prospectus or any amendment or supplement thereto, the Registration Statement or any amendment thereto or the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

(c) The Company and each of its subsidiaries have been duly incorporated and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation and are duly qualified to transact business as foreign corporations and are in good standing under the laws of all other jurisdictions where the ownership or leasing of their respective properties or the conduct of their respective businesses requires such qualification, except where the failure to be so qualified would not have a material adverse effect upon the Company and its subsidiaries, taken as a whole.

(d) The Company and each of its subsidiaries have full power (corporate and other) to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus; and the Company has full power (corporate and other) to enter into this Agreement and to carry out all the terms and provisions hereof to be carried out by it.

(e) The issued shares of capital stock of each of the Company's subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and, except as otherwise described in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus, are owned of record and beneficially by the Company free and clear of any security interests, liens, encumbrances, equities or claims.

(f) The Company has an authorized, issued and outstanding capitalization as set forth in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus. All of the issued shares of capital stock of the Company (including without limitation the Securities being offered by the Selling Stockholders) have been duly authorized and validly issued and are fully paid and nonassessable. The Company's Common Stock is listed on the Nasdaq National Market. The Company's Firm Securities and the Option Securities being offered by the Company have been duly authorized and at the Firm Closing Date or the related Option Closing Date (as the case may be), after payment therefor in accordance herewith, will be validly issued, fully paid and nonassessable. No holders of outstanding shares of capital stock of the Company are entitled as such to any pre-emptive or other rights to subscribe for any of the Securities, and no holder of securities of the Company has any right which has not been fully exercised or waived to require the Company to register the offer or sale of any securities owned by such holder under the Act in the public offering contemplated by this Agreement. No holder of securities has the right to require (whether now or in the future) the Company to register such holder's securities under the Act, except as described in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(g) The capital stock of the Company conforms to the description thereof contained in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(h) Except as disclosed in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), there are not outstanding (A) securities or obligations of the Company or any of its subsidiaries convertible into or exchangeable for any capital stock of the Company or any such subsidiary, (B) warrants, rights or options to subscribe for or purchase from the Company or any such subsidiary any such capital stock or any such convertible or exchangeable securities or obligations, or (C) obligations of the Company or any such subsidiary to issue any shares of capital stock, any such convertible or exchangeable securities or obligations, or any such warrants, rights or options.

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(i) The consolidated financial statements and schedules of the Company and its consolidated subsidiaries (including the related notes) included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly present the financial position of the Company and its consolidated subsidiaries and the results of operations and changes in financial condition as of the dates and periods therein specified. Such financial statements and schedules (including the related notes) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except as otherwise noted therein). The selected financial data set forth under the caption "Selected Consolidated Financial and Operating Data:" in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly present, on the basis stated in the Prospectus (or such Preliminary Prospectus), the information included therein. The unaudited pro forma financial statements included in the Registration Statement and the Prospectus comply in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X and the pro forma adjustments have been properly applied to the historical amounts in the compilation of such statements.

(j) Arthur Andersen LLP, who have certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules of the Company and its consolidated subsidiaries included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act, the Exchange Act and the related published rules and regulations thereunder.

(k) KPMG Peat Marwick LLP, who have certified certain financial statements of Becker Beeper, Inc. and Data Transmission, Inc. and delivered their reports with respect to the audited financial statements and schedules of such corporations included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act, the Exchange Act and the related published rules and regulations thereunder.

(l) Price Waterhouse UP, who have certified certain financial statements of The Beeper Company of America and delivered their report with respect to the audited financial statements and schedules of such corporation included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act, the Exchange Act and the related published rules and regulations thereunder.

(m) Pool Stewart, L.L.C., who have certified certain financial statements of Groome Enterprises, Inc. and delivered their report with respect to the audited financial statements and schedules of such corporation included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act, the Exchange Act and the related published rules and regulations thereunder.

(n) Henry & Peters P.C., who have certified certain financial statements of Beta Tele-Page, Inc. and delivered their report with respect to the audited financial statements and schedules of such corporation included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act, the Exchange Act and the related published rules and regulations thereunder.

(o) The execution and delivery of this Agreement have been duly authorized by the Company and this Agreement has been duly executed and delivered by the Company, and is the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

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(p) No legal or governmental proceedings are pending to which the Company or any of its subsidiaries is a party or to which the property of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), and no such proceedings have been threatened against the Company or any of its subsidiaries or with respect to any of their respective properties; and no contract or other document is required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) or filed as required.

(q) The issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement and the consummation of ~~●~~ but other transactions herein contemplated do not (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority except such as have been obtained (or, with respect to certain of the pending acquisitions described in the Registration Statement, as will be obtained prior to the closing of each such acquisition), such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act, or (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease (or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company at any of its subsidiaries or any of their respective properties are bound, or the charter documents or by-laws of the Company or any of its subsidiaries or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to the Company or any of its subsidiaries.

(r) Subsequent to the ~~execution~~

the Company or any of its subsidiaries, except in each case as described in or contemplated by the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(s) The Company has not, directly or indirectly, (i) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) since the filing of the Registration Statement (A) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (B) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Stockholders under this Agreement).

(t) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), (1) neither the Company nor any of its subsidiaries has incurred any material liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business; (2) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock; and (3) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company or any of its subsidiaries, except in each case as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

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(u) The Company and each of its subsidiaries have good and marketable title in fee simple to all material real property and marketable title to all material personal property owned by each of them, in each case free and clear of any security interests, liens, encumbrances, equities, claims and other defects, except such as do not materially and adversely affect the value of such property and do not interfere with the use made or proposed to be made of such property by the Company or such subsidiary. Any real property and buildings held or to be held under lease by the Company or any such subsidiary are held under valid, subsisting and enforceable leases, with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and building by the Company or such subsidiary, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(v) No labor dispute with the employees of the Company or any of its subsidiaries exists or is threatened or imminent that could result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company or the subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(w) The Company and each of its subsidiaries own or possess, or can acquire on reasonable terms, all patents, patent applications, trademarks, service marks, trade names, licenses, copyrights and proprietary or other confidential information currently employed by them in connection with their respective businesses or necessary in order to conduct their respective businesses, as presently conducted, and neither the Company nor any of its subsidiaries has received, or has reason to believe that it may receive, any notice of infringement of or conflict with asserted rights of any third party or otherwise with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business, prospects, net worth or results of operations of the Company or its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(x) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged. Neither the Company nor any of the subsidiaries have been refused any insurance coverage sought or applied for, which refusal has had, or could have in the future, a material adverse effect on the Company's business. Neither the Company nor any subsidiary has reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely effect the condition (financial or otherwise), business, prospects, net worth or results of operations of the Company or its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(y) No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(z) The Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to possess any such certificate, authorization or permit would not, singly or in the aggregate, have a material adverse effect upon the Company and its subsidiaries, taken as a whole; and neither the Company nor any subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject

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of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business, prospects, net worth or results of operations of the Company or its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(na) The Company and each of its subsidiaries will conduct their respective operations in a manner that will not subject the Company or any subsidiary to registration as an investment company under the Investment Company Act of 1940, as amended, and this transaction will not cause the Company to become an investment company subject to registration under such Act.

(nb) The Company and each of its subsidiaries have filed all foreign, federal, state and local tax returns that are required to be filed or have requested extensions thereof (except in any case in which the failure so to file would not have a material adverse effect on the Company or such subsidiary) and have paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(nc) Neither the Company nor any of its subsidiaries is in violation of any federal, state or foreign law or regulation relating to occupational safety and health or to the storage, handling or transportation of hazardous or toxic materials and the Company and its subsidiaries have received all permits, licenses or other approvals required of them under applicable federal, state and foreign occupational safety and health and environmental laws and regulations to conduct their respective businesses, and the Company and each of its subsidiaries are in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, singly or in the aggregate, result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company or its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(nd) Except for shares of the capital stock of the subsidiaries owned by either the Company or another subsidiary, neither the Company nor any of its subsidiaries owns any shares of stock or any equity securities of any corporation or any equity interest in any firm, partnership, association or other entity, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(ne) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (1) transactions are executed in accordance with management's general or specific authorizations; (2) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (3) access to assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(nf) No default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties are bound or may be affected in any material adverse respect with regard to property, business or operations of the Company and its subsidiaries.

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(gg) There are no business relationships or related party transactions of the nature described in Item 404 of Regulation S-K involving the Company and any person referred to in Item 401 of Regulation S-K, except as required to be described in the Prospectus and as so described (or if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(hh) Each certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

3. Representations and Warranties of the Selling Stockholders. Each Selling Stockholder, severally and not jointly, represents and warrants to, and agrees with, each of the several Underwriters that:

(a) Such Selling Stockholder has full power (corporate and other) to enter into this Agreement and to sell, assign, transfer and deliver to the Underwriters the Securities to be sold by such Selling Stockholder hereunder in accordance with the terms of this Agreement; the execution and delivery of this Agreement have been duly authorized by all necessary corporate action of such Selling Stockholder (if a corporation); and this Agreement has been duly executed and delivered by such Selling Stockholder.

(b) Such Selling Stockholder has duly executed and delivered a power of attorney and custody agreement (the "Power-of-Authority" and the "Custody Agreement", respectively), each in the form heretofore delivered to the Representatives, appointing William A. Wilson, Gerald J. Cimmino and Gary E. Watzke, as such Selling Stockholder's attorney-in-fact (the "Attorney-in-Fact") with authority to execute, deliver and perform this Agreement on behalf of such Selling Stockholder and appointing The Bank of New York, as custodian thereunder (the "Custodian"). Certificates in negotiable form, endorsed in blank or accompanied by blank stock powers duly executed, with signatures appropriately guaranteed, representing the Securities to be sold by such Selling Stockholder hereunder have been deposited with the Custodian pursuant to the Custody Agreement for the purpose of delivery pursuant to this Agreement. Such Selling Stockholder has full power (corporate and other) to enter into the Custody Agreement and the Power-of-Authority and to perform its obligations under the Custody Agreement. The execution and delivery of the Custody Agreement and the Power-of-Authority have been duly authorized by all necessary corporate action of such Selling Stockholder (if a corporation); the Custody Agreement and the Power-of-Authority have been duly executed and delivered by such Selling Stockholder and, assuming due authorization, execution and delivery by the Custodian, are the legal, valid, binding and enforceable instruments of such Selling Stockholder. Such Selling Stockholder agrees that each of the Securities represented by the certificates on deposit with the Custodian is subject to the interests of the Underwriters hereunder, that the arrangements made for such custody, the appointment of the Attorney-in-Fact and the right, power and authority of the Attorney-in-Fact to execute and deliver this Agreement, to agree on the price at which the Securities (including such Selling Stockholder's Securities) are to be sold to the Underwriters, and to carry out the terms of this Agreement, are to that extent irrevocable and that the obligations of such Selling Stockholder hereunder shall not be terminated, except as provided in this Agreement or the Custody Agreement, by any act of such Selling Stockholder, by operation of law or otherwise, whether by its liquidation or dissolution or by the occurrence of any other event. If any Selling Stockholder shall die, become incapacitated, liquidate or dissolve, or if any other event should occur, before the delivery of such Securities hereunder, the certificates for such Securities deposited with the Custodian shall be delivered by the Custodian in accordance with the respective terms and conditions of this Agreement as if such liquidation or dissolution or other event had not occurred, regardless of whether or not the Custodian or the Attorney-in-Fact shall have received notice thereof.

(c) Such Selling Stockholder is the lawful owner of the Securities to be sold by such Selling Stockholder hereunder and upon sale and delivery of, and payment for, such Securities, as provided herein, such Selling Stockholder will convey good and marketable title to such Securities, free and clear of any security interests, liens, encumbrances, equities, claims or other defects.

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(d) Such Selling Stockholder has not, directly or indirectly, (i) taken any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) since the filing of the Registration Statement (A) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (B) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the company (except for the sale of Securities by the Selling Stockholders under this Agreement).

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(e) To the extent that any statements or omissions are made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder specifically for use therein ("Stockholder Statements"), such Preliminary Prospectus did conform, and the Registration Statement and the Prospectus and any amendments or supplements thereto, when they become effective or are filed with the Commission, as the case may be, will conform, in all material respects to the requirements of the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make such Stockholder Statements therein, in the light of the circumstances under which they are made, not misleading. Such Selling Stockholder has reviewed the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) and the Registration Statement, and the information regarding such Selling Stockholder set forth therein under the caption "Principal and Selling Stockholders" is complete and accurate. In addition, each Selling Stockholder indicated by a single asterisk on Schedule 1 hereto [former stockholders of Becker Beeper] represents and warrants that the information contained in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto regarding Becker Beeper, Inc. does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such information not misleading. In addition, each Selling Stockholder indicated by a double asterisk on Schedule 1 hereto [former stockholders of The Beeper Company] represents and warrants that the information contained in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto regarding The Beeper Company of America, Inc. does not contain any untrue statement of a material fact or omit to state any material fact necessary to make such information not misleading.

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(f) The sale of Securities by such Selling Stockholder pursuant hereto is not prompted by any adverse information concerning the Company that is not set forth in the Registration Statement or the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(g) The sale of Securities to the Underwriters by such Selling Stockholder pursuant to this Agreement, the compliance by such Selling Stockholder with the other provisions of this Agreement, the Power-of-Attorney and the Custody Agreement and the consummation of the other transactions herein contemplated do not (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained, such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act or the Exchange Act, or (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which such Selling Stockholder or any of its subsidiaries (if a corporation) is a party or by which such Selling Stockholder or any of its subsidiaries (if a corporation) or any of their respective properties are bound, or the charter documents or by-laws of such Selling Stockholder or any of its subsidiaries (if a corporation) or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder or any of its subsidiaries (if a corporation).

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(h) Such Selling Stockholder has reviewed the Registration Statement and, based upon the discussions such Selling Stockholder has had with officers and other representatives of the Company and the information regarding the Company that has been furnished to such Selling Stockholder, nothing has come to the attention of such Selling Stockholder that has caused such Selling Stockholder to believe that (i) when the Registration Statement or any amendment thereto was or is declared effective, it included or will include any untrue statement of a material fact or omitted or will omit to state any material fact necessary to make the statements therein not misleading; or (ii) when the Prospectus or any amendment or supplement thereto is filed with the Commission pursuant to Rule 424(b) (or, if the Prospectus or such amendment or supplement is not required to be so filed, when the Registration Statement or the amendment thereto containing such amendment or supplement to the Prospectus was or is declared effective), on the date when the Prospectus is otherwise amended or supplemented and on the Firm Closing Date, the Prospectus, as amended or supplemented at any such time, included or will include any untrue statement of a material fact or omitted or will omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing provisions of this paragraph (h) do not apply to statements or omissions made in the Registration Statement or any amendment thereto or the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

4. Purchase, Sale and Delivery of the Securities.

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(g) On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, (i) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from the Company, at a purchase price of \$\_\_\_\_\_ per share, the number of the Company's Firm Securities set forth opposite the name of such Underwriter in Column (a) of Schedule 2 hereto and (ii) each of the Selling Stockholders agrees, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from each Selling Stockholder, at such purchase price per share, the number of Stockholders' Firm Securities set forth opposite the name of such Underwriter in Column (b) of Schedule 2 hereto. One or more certificates in definitive form for the Company's Firm Securities that the several Underwriters have agreed to purchase hereunder, and certificates in negotiable form, endorsed in blank or accompanied by blank stock powers duly executed, with signatures appropriately guaranteed, representing the Stockholders' Firm Securities, all in such denomination or denominations and registered in such name or names as the Representatives request upon notice to the Company and the Custodian at least 48 hours prior to the Firm Closing Date, shall be delivered by or on behalf of the Company and the Selling Stockholders to the Representatives for the respective accounts of the Underwriters, against payment by or on behalf of the Underwriters of the purchase price therefor by certified or official bank checks drawn upon or by a New York Clearing HOMO bank and payable in next-day funds to the order of the Company or the Custodian, as the case may be. Such delivery of and payment for the F&M Securities shall be made at the offices of Stroock & Stroock & Lavan, Seven Hanover Square, New York, New York, at 9:30 A.M., New York time, on January \_\_, 1995, or at such other place, time or date as the Representatives and the Company may agree upon or as the Representatives may determine pursuant to Section 17 hereof, such time and date of delivery against payment being herein referred to as the "Firm Closing Date." The Company and the Custodian will make such certificate or certificates for the Firm Securities available for checking and packaging by the Representatives at the offices in New York, New York of the Company's transfer agent or registrar or of Prudential Securities Incorporated at least 24 hours prior to the Firm Closing Date.

(b) For the purpose of covering any over-allotments in connection with the distribution and sale of the Firm Securities as contemplated by the Prospectus, the Company hereby grants to the several Underwriters an option to purchase, severally and not jointly, the Option Securities. The purchase price to be paid for any Option Securities shall be the same price per share as the price per share for the Firm Securities set forth above in paragraph (a) of this Section 4. The option granted hereby may be exercised as

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to all or any part of the Option Securities from time to time within 30 days after the date of the Prospectus (or if such thirtieth day shall be a Saturday, Sunday or holiday, on the next business day thereafter when the New York Stock Exchange is open for trading). The Underwriters shall not be under any obligation to purchase any of the Option Securities prior to the exercise of such option. The Representatives may from time to time • cease the option granted hereby by giving notice in writing or by telephone (confirmed in writing) to the Company setting forth the aggregate number of shares of the Option Securities as to which the several Underwriters are then exercising the option and the date and time for delivery of said payment for such Option Securities. Any such date of delivery shall be determined by the Representatives but shall not be earlier than two business days or later than seven business days after such exercise of the option and in any event, shall not be earlier than the Firm Closing Date. The time and date set forth in such notice, or such other time or such other date as the Representatives and the Company may agree upon or as the Representatives may determine pursuant to Section 11 hereof, is herein called the "Option Closing Date" with respect to such Option Securities. Upon exercise of the option as provided herein, the Company shall become obligated to issue and sell to each of the several Underwriters, and, subject to the terms and conditions herein set forth, each of the Underwriters (severally and not jointly) shall become obligated to purchase from the Company, the same percentage of the total number of the Option Securities as to which the several Underwriters are then exercising the option, as such Underwriter is obligated to purchase of the aggregate number of Firm Securities, as adjusted by the Representatives in such manner as they deem advisable to avoid fractional shares. If the option is exercised as to all or any portion of the Option Securities, one or more certificates in definitive form for such Option Securities, and payment therefor, shall be delivered on the related Option Closing Date in the manner, and upon the terms and conditions, set forth in paragraph (a) of this Section 4, except that reference therein to the Firm Securities and the Firm Closing Date shall be deemed, for purposes of this paragraph (b), to refer to such Option Securities and Option Closing Date, respectively.

(c) It is understood that any of you, individually and not as one of the Representatives, may (but shall not be obligated to) make payment on behalf of any Underwriter or Underwriters for any of the Securities to be purchased by such Underwriter or Underwriters. No such payment shall relieve such Underwriter or Underwriters from any of its or their obligations hereunder.

5. Offering by the Underwriters. upon your authorization of the release of the Firm Securities, the several Underwriters propose to offer the Firm Securities for sale to the public upon the terms set forth in the Prospectus.

6. Covenants of the Company. The Company covenants and agrees with each of the Underwriters that:

(a) The Company will use its best efforts to cause the Registration Statement, if not effective at the time of execution of this Agreement, and any amendments thereto to become effective as promptly as possible. If required, the Company will file the Prospectus and any amendment or supplement thereto with the Commission in the manner and within the time period required by Rule 424(b) under the Act. During any time when a prospectus relating to the Securities is required to be delivered under the Act, the Company (i) will comply with all requirements imposed upon it by the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder to the extent necessary to permit the continuance of sales of or dealings in the Securities in accordance with the provisions hereof and of the Prospectus, as then amended or supplemented, and (ii) will not file with the Commission the prospectus or the amendment referred to in the second sentence of Section 2(a) hereof, any amendment or supplement to such prospectus or any amendment to the Registration Statement of which the Representatives shall not previously have been advised and furnished with a copy for a reasonable period of time prior to the proposed filing and as to which filing the Representatives shall not have given their consent. The Company will prepare and file with the Commission, in accordance with the rules and regulations of the Commission, promptly upon request by the Representatives or counsel for the Underwriters, any amendments to the Registration Statement or amendments or supplements to the Prospectus that may be necessary or advisable in connection with the

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distribution of the Securities by the several Underwriters, and will use its best efforts to cause any such amendment to the Registration Statement to be declared effective by the Commission as promptly as possible. The Company will advise the Representatives, promptly after receiving notice thereof, of the time when the Registration Statement or any amendment hereto has been filed or declared effective or the Prospectus or any amendment or supplement thereto has been filed and will provide evidence satisfactory to the Representatives of each such filing or effectiveness.

(b) The Company will advise the Representatives, promptly after receiving notice or obtaining knowledge thereof, of (i) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or any order directed at any document incorporated by reference in the Registration Statement or the Prospectus or any amendment or supplement thereto, (ii) the suspension of the qualification of the Securities for offering or sale in my jurisdiction, (iii) the institution, threatening or contemplation of any proceeding for any such purpose or (iv) any request made by the Commission for amending the Registration Statement, for amending or supplementing any Preliminary Prospectus or the Prospectus or for additional information. The Company will use its best efforts to prevent the issuance of any such stop order and, if my such stop order is issued, to obtain the withdrawal thereof as promptly as possible.

(c) The Company will arrange for the qualification of the Securities for offering and sale under the securities or blue sky laws of such jurisdictions as the Representatives may designate and will continue such qualifications in effect for as long as may be necessary to complete the distribution of the Securities, provided, however, that in connection therewith the Company shall not be required to qualify as a foreign corporation or to execute a general consent to service of process in any jurisdiction.

(d) If, at any time prior to the later of (i) the final date when a prospectus relating to the Securities is required to be delivered under the Act or (ii) the Option Closing Date, any event occurs as a result of which the Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if for any other reason it is necessary at any time to amend or supplement the Prospectus to comply with the Act, the Exchange Act or the respective rules or regulations of the Commission thereunder, the Company will promptly notify the Representatives thereof and, subject to Section 6(a) hereof, will prepare and file with the Commission, at the Company's expense, an amendment to the Registration Statement or an amendment or supplement to the Prospectus that corrects such statement or omission or effects such compliance.

(e) The Company will, without charge, provide (i) to each of the Representatives and to counsel for the Underwriters a signed copy of the registration statement originally filed with respect to the Securities and each amendment thereto (in each case including exhibits thereto), (ii) to each other Underwriter, a conformed copy of such registration statement and each amendment thereto (in each case without exhibits thereto) and (iii) so long as a prospectus relating to the Securities is required to be delivered under the Act, as many copies of each Preliminary Prospectus or the Prospectus or any amendment or supplement thereto as the Representatives may reasonably request.

(f) The Company, as soon as practicable, will make generally available to its security holders and to the Representatives a consolidated earnings statement of the Company and its subsidiaries that satisfies the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(g) The Company will apply the net proceeds from the sale of the Securities being sold by the Company as set forth under "Use of Proceeds" in the Prospectus.

(h) The Company will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters, offer, sell, offer to sell, contract to sell, grant

any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, grant of any option to purchase or other sale or disposition) of any shares of Common Stock or other capital stock of the Company or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock or other capital stock of the Company for a period of 180 days after the date hereof, except pursuant to this Agreement and except for issuances pursuant to the exercise of employee stock options outstanding on the date hereof, pursuant to the Company's dividend reinvestment plan, pursuant to the terms of convertible securities of the Company outstanding on the date hereof or pursuant to acquisition transactions in which shares of Common Stock, other capital stock or other securities of the Company are issued as part of the consideration for such transactions, provided however, that any such shares of Common Stock, other capital stock or other securities of the Company issued pursuant to such acquisition transactions shall not be registered under the Act until the expiration of such 180 day period.

(g) The Company will not, directly or indirectly, (i) take any action designed to cause or to result in, or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) (A) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of, the Securities or (B) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Stockholders under this Agreement).

(h) If at any time during the 25-day period after the Registration Statement becomes effective or the period prior to the Option Closing Date, any rumor, publication or event relating to or affecting the Company shall occur as a result of which in your opinion the market price of the Common Stock has been or is likely to be materially affected (regardless of whether such rumor, publication or event necessitates a supplement to or amendment of the Prospectus), the Company will, after written notice from you advising the Company to the effect set forth above, forthwith prepare, consult with you concerning the substance of, and upon the mutual agreement of the Company and you, disseminate a press release or other public statement, which is mutually satisfactory, responding to or commenting on such rumor, publication or event.

(i) The Company will cause the Securities to be duly included for quotation on the Nasdaq National Market prior to the Firm Closing Date. The company will ensure that the Securities remain included for quotation on the Nasdaq National Market following the Firm Closing Date. The Company will file with the Nasdaq National Market, as long as its securities are quoted thereon, all documents and notices required by the Nasdaq National Market of companies that have issued securities that are traded on the Nasdaq National Market.

(j) The Company will use its best efforts to obtain the agreements described in Section 9(i) hereof prior to the Firm Closing Date.

7. Covenants of each Selling Stockholder. Each Selling Stockholder, severally and not jointly, covenants and agrees with each of the Underwriters that:

(a) Such Selling Stockholder will not, directly or indirectly, (i) take any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (ii) (A) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of, the Securities or (B) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Stockholders under this Agreement).

(b) such Selling Stockholder will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters, offer, sell, offer to sell, contract

to sell, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, grant of any option to purchase or other sale or & position) of any shares of Common Stock or other capital stock of the Company legally or beneficially owned by such Selling Stockholder or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock or other capital stock of the Company for a period of 180 days after the date hereof, except pursuant to this Agreement.

(c) As soon as such Selling Stockholder is advised thereof, such Selling Stockholder will advise the Representatives (and immediately confirm such advice in writing), (i) of receipt by such Selling Stockholder or by any representative or agent of such Selling Stockholder, of any communication from the Commission relating to the Registration Statement, the Prospectus or any Preliminary Prospectus, or any notice or order of the Commission relating to the Company or such Selling Stockholder in connection with the transactions contemplated by this Agreement and (ii) of the happening of any event which makes or may make any statement made in the Registration Statement, the Prospectus or any Preliminary Prospectus untrue or that requires the making of any change in the Registration Statement, the Prospectus or such Preliminary Prospectus, as the case may be, in order to make any such statement, in light of the circumstances in which it was made, not misleading.

a. Expenses. The Company will pay all costs and expenses incident to the performance of its and the Selling Stockholders' obligations under this Agreement, whether or not the transactions contemplated herein are consummated or this Agreement is terminated pursuant to Section 13 hereof, including all costs and expenses incident to (i) the printing or other production of documents with respect to the transactions, including any costs of printing the registration statement originally filed with respect to the Securities and any amendment thereto, the Agreement Among International Managers, the International Selling Agreement, the Inter-Syndicate Agreement, any Preliminary Prospectus and the Prospectus and any amendment or supplement thereto, this Agreement and any blue sky memoranda, (ii) all arrangements relating to the delivery to the Underwriters of copies of the foregoing documents, (iii) the fees and disbursements of the counsel, accountants and any other experts or advisors retained by the Company or the Selling Stockholders, (iv) preparation, issuance and delivery to the Underwriters of any certificates evidencing the Securities, including transfer agent's and registrar's fees, (v) the qualification of the Securities under state securities and blue sky laws, including filing fees and fees and disbursements of counsel for the Underwriters relating thereto, (vi) the filing fee, (vii) the Commission and the National Association of Securities Dealers, Inc. relating to the Securities, (viii) the quotation of the Securities on the Nasdaq National Market, and (ix) meetings with prospective investors in the Securities (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters). If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 9 hereof is not satisfied, because this Agreement is terminated pursuant to Section 13(a)(i) or 13(a)(ii) hereof or because of any failure, refusal or inability on the part of the Company or any Selling Stockholder to perform all obligations and satisfy all conditions on their part to be performed or satisfied hereunder other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally upon demand for all out-of-pocket expenses (including fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities. The Company shall not in any event be liable to any of the Underwriters for the loss of anticipated profits from the transactions covered by this Agreement.

9. Conditions of the Underwriters' Obligations. The obligations of the several Underwriters to purchase and pay for the Firm Securities shall be subject, in the Representatives' sole discretion, to the accuracy of the representations and warranties of the Company and the Selling Stockholders contained herein as of the date hereof and as of the Firm Closing Date, as if made on and as of the Firm Closing Date, to the accuracy of the statements of the Company's officers made pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of their covenants and agreements hereunder and to the following additional conditions:

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(a) If the Registration Statement or any amendment thereto filed prior to the Firm Closing Date has not been declared effective as of the time of execution hereof, the Registration Statement or such amendment shall have been declared effective not later than 11 A.M., New York time, on the date on which the amendment to the registration statement originally filed with respect to the Securities or the Registration Statement, as the case may be, containing information regarding the initial public offering price of the Securities has been filed with the Commission, or such later time and date as shall have been consented to by the Representatives; if required, the Prospectus and any amendment or supplement thereto shall have been filed with the Commission in the manner and within the time period required by Rule 424(b) under the Act; no stop order suspending the effectiveness of the Registration Statement or any amendment thereto shall have been issued, and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Company or the Representatives, shall be contemplated by the Commission; and the Company shall have complied with any request of the Commission for additional information (to be included in the Registration statement or the Prospectus or otherwise).

(b) The Representatives shall have received an opinion, dated the Firm Closing Date, of Hale and Dorr, counsel for the Company, to the effect that:

(i) the Company and each of its subsidiaries have been duly organized and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation and are duly qualified to transact business as foreign corporations and are in good standing under the laws of all other jurisdictions where the ownership or leasing of their respective properties or the conduct of their respective businesses requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the condition (financial or otherwise), or on the net worth, or the results of operations of the Company and its subsidiaries, taken as a whole;

(ii) the Company and each of the subsidiaries have corporate power to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement and the Prospectus, and the Company has corporate power to enter into this Agreement and to carry out all the terms and provisions hereof to be carried out by it;

(iii) the issued shares of capital stock of each of the Company's subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and, except as described in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus, are owned of record and, to the best of such counsel's knowledge, beneficially by the Company free and clear of any perfected security interests or of any other security interests, liens, encumbrances, equities or claims;

(iv) the Company has an authorized, issued and outstanding capitalization as set forth in the Prospectus; all of the issued shares of capital stock of the Company (including without limitation the Securities being offered by the Selling Stockholders) have been duly authorized and validly issued and, to the best of such counsel's knowledge, are fully paid and nonassessable, to the best of such counsel's knowledge, were not issued in violation of or subject to any statutory preemptive rights or other rights to subscribe for or purchase securities; the Company's Securities have been duly authorized by all necessary corporate action of the Company and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be validly issued, fully paid and nonassessable; the Securities have been duly authorized for quotation on the Nasdaq National Market; no holders of outstanding shares of capital stock of the Company are entitled as such to any statutory preemptive or, to the best of such counsel's knowledge, other rights to subscribe for any of the Securities; and no holders of securities of the Company are entitled to have such securities registered under the Registration Statement;

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(v) the statements set forth under the heading "Description of Capital Stock" in the Prospectus, insofar as such statements purport to summarize certain provisions of the capital stock of the Company, provide a fair summary of such provisions; and the statements set forth under the headings "Business--Legal Proceedings"; "Management"; "Principal and Selling Stockholders"; "Description of Capital Stock"; and "Shares Eligible for Future Sale" in the Prospectus, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, provide a fair summary of such legal matters, documents and proceedings;

(vi) the execution and delivery of this Agreement have been duly authorized by all necessary corporate action of the Company and this Agreement has been duly executed and delivered by the Company; this Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms (such opinion may be rendered subject to the effect of bankruptcy and other laws of general application affecting the rights and remedies of creditors and to general principles of equity, and no opinion need be given as to the availability of equitable remedies or the enforceability of indemnification or contribution provisions);

(vii) to the best of such counsel's knowledge, (A) no legal or governmental proceedings are pending to which the Company or any of its subsidiaries is a party or to which the property of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein, and no such proceedings have been threatened against the Company or any of its subsidiaries or with respect to any of their respective properties and (B) no contract or other document is required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein or filed as required;

(viii) the issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement, the sale of the Stockholders' Firm Securities to the Underwriters by the Selling Stockholders pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement and the consummation of the other transactions herein contemplated do not (A) require the consent, approval, authorization, registration or q-a of or with any governmental authority, except such as have been obtained and such as may be required under state securities or blue sky laws, or (B) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument, known to such counsel, to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their respective properties is bound, or the charter documents or by-laws of the Company or any of its subsidiaries, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator known to such counsel and applicable to the Company or any of its subsidiaries;

(ix) the Registration Statement is effective under the Act; any required filing of the Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b); and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or any amendment thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best knowledge of such counsel, are contemplated by the Commission;

(x) the Registration Statement originally filed with respect to the Securities and each amendment thereto and the Prospectus (in each case, other than the financial statements and other financial information contained therein, as to which such counsel need express no opinion) comply as to form in all material respects with the applicable requirements of the Act, the Exchange Act, and the respective rules and regulations of the Commission thereunder;

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(xi) to the best of such counsel's knowledge, (A) neither the Company nor any of its subsidiaries has received notice that it does not own or possess all material licenses, copyrights, trademarks, service marks, trade names and proprietary or other confidential information currently employed by them in connection with their respective businesses or necessary in order to conduct their respective business as presently conducted, and (B) neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of any third party with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), management, business prospects, net worth or results of operations of the Company, except as described in or contemplated by the Prospectus;

(xii) the Company is not an "investment company" within the meaning of the Investment Company Act;

(xiii) no subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company;

(xiv) no holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive rights to subscribe for any of the Securities, pursuant to any agreement, known to such counsel, to which the Company or any of its subsidiaries is a party, or pursuant to the charter documents of the Company and (B) no holder of securities of the Company (1) is entitled to have such securities registered under the Registration Statement or (2) by reason of the filing of the Registration Statement has the right to request the Company to register such holder's securities under the Act, in the case of either (B)(1) or (B)(2) above pursuant to any agreement, known to such counsel, to which the Company or any of its subsidiaries is a party, the provisions of which have not been waived. No holder of securities has the right to require (whether now or in the future) the Company to register such holder's securities under the Act pursuant to any agreement, known to such counsel to which the Company or any of its subsidiaries is a party, except as described in the Registration Statement and the Prospectus.

Such counsel shall also state that they have no reason to believe that the Registration Statement (excluding the financial statements and other financial and statistical information contained therein, as to which such counsel need express no view), as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of its date or the date of such opinion, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering such opinion, such counsel may rely (A) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials, to the extent satisfactory in form and scope to counsel for the Underwriters and (B) as to matters involving the application of laws of any jurisdiction other than the Commonwealth of Massachusetts, the General Corporation Law of the State of Delaware or the United States, to the extent satisfactory in form and scope to counsel for the Underwriters, upon the assumption that the laws of such jurisdiction are identical to the laws of the Commonwealth of Massachusetts.

References to the Registration Statement and the Prospectus in this paragraph (b) shall include any amendment or supplement thereto at the date of such opinion.

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(c) The Representatives shall have received an opinion, dated the Firm Closing Date, of Garry B. Watzke, General Counsel of the Company, to the effect that:

(i) to the best of such counsel's knowledge, (A) neither the Company nor any of its subsidiaries has received notice of any violation of any foreign, federal or state law or regulation relating to occupational safety and health or to the storage, handling or transportation of hazardous or toxic materials, (B) neither the Company nor any of its subsidiaries has received notice that it does not possess all permits, licenses or other approvals required of them under applicable foreign, federal and state occupational safety and health and environmental laws and regulations to conduct their respective businesses, and (C) neither the Company nor any of its subsidiaries has received notice that it is not in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, singly or in the aggregate, result in a material adverse change in the condition (financial or otherwise), business, prospects, net worth or results of operations of the Company or any of its subsidiaries; and

(ii) (A) no default exists and (B) no event has occurred which, with notice or lapse of time or both, would constitute a default, in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their respective properties is bound or may be affected in any material adverse respect with regard to the property, business or operations of the Company or any of its subsidiaries.

In rendering such opinion, such counsel may rely (A) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials, to the extent satisfactory in form and scope to counsel for the Underwriters and (B) as to matters involving the application of laws of any jurisdiction other than the Commonwealth of Massachusetts, the General Corporation Law of the State of Delaware or the United States, to the extent satisfactory in form and scope to counsel for the Underwriters, upon the assumption that the laws of such jurisdiction are identical to the laws of the Commonwealth of Massachusetts.

(d) The Representatives shall have received an opinion, dated the Firm Closing Date, of Bryan Cave, special telecommunications regulatory counsel for the Company, to the effect that to the best of such counsel's knowledge, the Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal or state telecommunications authorities material to the operations of the Company and its subsidiaries, taken as a whole and as presently conducted, and such counsel has no knowledge of either the Company or any of its subsidiaries receiving any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

Such counsel shall also state that as special telecommunications regulatory counsel to the Company and its subsidiaries, but without having undertaken to determine independently the accuracy or completeness of, or to verify the information furnished with respect to, the matters described in the Prospectus under the heading "Business-Regulation", nothing has come to such counsel's attention which would lead it to believe that the information and statements contained in the Prospectus under the heading "Business-Regulation" contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In rendering any such opinion, such counsel may rely (A) as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials, to the extent satisfactory in form and scope to counsel for the Underwriters and (B) as to matters of state telecommunications law, to the extent satisfactory in form and scope to counsel to the Underwriters, upon the

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opinions of local counsel. The foregoing opinions shall also state that the Underwriters are justified in relying upon such opinions of local counsel, and copies of such opinions shall be delivered to the Representatives and counsel for the Underwriters.

References to the Registration Statement and the Prospectus in this paragraph (d) shall include any amendment or supplement thereto at the date of such opinion.

(e) Each of the Selling Stockholders shall have furnished to the Representatives the opinion of counsel for such Selling Stockholder (which counsel shall be reasonably acceptable to the Representatives), dated the Closing Date, to the effect that:

(i) such Selling Stockholder has full power (including corporate power) to enter into this Agreement, the Custody Agreement and the Power-of-Attorney and to sell, transfer and deliver the Securities being sold by such Selling Stockholder hereunder in the manner provided in this Agreement and to perform its obligations under the Custody Agreement; the execution and delivery of this Agreement, the Custody Agreement and the Power-of-Attorney have been duly authorized by all necessary corporate action of such Selling Stockholder (if a corporation); this Agreement, the Custody Agreement and the Power-of-Attorney have been duly executed and delivered by such Selling Stockholder; assuming due authorization, execution and delivery by the Custodian, the Custody Agreement and the Power-of-Attorney are the legal, valid, binding and enforceable instruments of such Selling Stockholder, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(ii) the delivery by such Selling Stockholder to the several Underwriters of certificates for the Securities being sold hereunder by such Selling Stockholder against payment therefor as provided herein, will convey good and marketable title to such Securities to the several Underwriters, free and clear of all security interests, liens, encumbrances, equities, claims or other defects;

(iii) the sale of Securities to the Underwriters by such Selling Stockholder pursuant to this Agreement, the compliance by such Selling Stockholder with the other provisions of this Agreement and the Custody Agreement and the consummation of the other transactions herein contemplated do not (A) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained and such as may be required under state securities or blue sky laws, or (B) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which such Selling Stockholder or any of its subsidiaries (if a corporation) is a party or by which such Selling Stockholder or any of its subsidiaries (if a corporation) or any of their respective properties are bound, or, in the case of a Selling Stockholder that is a corporation, the charter documents or by-laws of such Selling Stockholder or any of its subsidiaries or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder.

In rendering such opinion, such counsel may rely as to matters of fact, to the extent such counsel deems proper, on certificates of the applicable Selling Stockholder and public officials, to the extent satisfactory in form and scope to counsel for the Underwriters.

(f) The Representatives shall have received an opinion, dated the Firm Closing Date, of Stroock & Stroock & Lavan, counsel for the Underwriters, with respect to the issuance and sale of the Firm Securities, the Registration Statement and the Prospectus, and such other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters. In

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rendering such opinion, such counsel may rely as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials to the extent satisfactory in form and scope to such counsel.

References to the Registration Statement and the Prospectus in this paragraph (f) shall include any amendment or supplement thereto at the date of such opinion.

(g) The Representatives shall have received from Arthur Andersen LLP a letter or letters dated, respectively, the date hereof and the Firm Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) they are independent accountants with respect to the Company and its consolidated subsidiaries within the meaning of the Act, the Exchange Act and the applicable rules and regulations thereunder;

(ii) in their opinion, the audited consolidated financial statements, schedules and pro forma financial statements examined by them and included in the Registration Statement and the Prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder;

(iii) on the basis of a reading of the latest available interim unaudited consolidated financial statements of the Company and its consolidated subsidiaries, carrying out certain specified procedures (which do not constitute an examination made in accordance with generally accepted auditing standards) that would not necessarily reveal matters of significance with respect to the comments set forth in this paragraph (iii), a reading of the minute book of the shareholders, the board of directors and any committees thereof of the Company and each of its consolidated subsidiaries, and inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters, nothing came to their attention that caused them to believe that:

(A) the unaudited consolidated financial statements of the Company and its consolidated subsidiaries included in the Registration Statement and the Prospectus do not comply in form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder, or are not in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements included in the Registration Statement and the Prospectus;

(B) the unaudited amounts for net revenues, operating income and total and per share amounts of net income (net loss) included in the Registration Statement and the Prospectus do not agree with the amounts set forth in any unaudited consolidated financial statements for those same periods or were not determined on a basis substantially consistent with that of the corresponding amounts in the audited consolidated financial statements included in the Registration Statement and the Prospectus; and

(C) at a specific date not more than five business days prior to the date of such letter, there were any changes in the capital stock or long-term debt of the Company and its consolidated subsidiaries or any decreases in net current assets or stockholders' equity of the Company and its consolidated subsidiaries, in each case compared with amounts shown on the November 30, 1994 unaudited consolidated balance sheet included in the Registration Statement and the Prospectus, or for the period from December 1, 1994 to such specified date there were any (1) decreases, as compared with the comparable period commencing on December 1, 1993, in net revenues or operating income or (2) increases, as compared with the

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comparable period commencing on December 1, 1993, in total or per share amounts of net loss of the Company and its consolidated subsidiaries, except in all instances for changes, decreases or increases set forth in such letter or in the Registration Statement; and

(iv) they have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information that are derived from the general accounting records of the Company and its consolidated subsidiaries and are included in the Registration Statement and the Prospectus under the captions ["Prospectus Summary", "The Company", "Investment Considerations", "Recent Transactions", "Selected Financial and Operating Data", "Dilution", "Capitalization", "Financial and Operating beta", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Business", "Management", "Principal and Selling Stockholders", "Description of Capital Stock" and "Shares Eligible for Future Sale"] and in the Financial Statements Schedules of the Registration Statement, and have compared such amounts, percentages and financial information with such records of the Company and its consolidated subsidiaries and with information derived from such records and have found them to be in agreement, excluding any questions of legal interpretation; and

(v) on the basis of a reading of the unaudited pro forma financial statements included in the Registration Statement and the Prospectus, carrying out certain specified procedures that would not necessarily reveal matters of significance with respect to the comments set forth in his paragraph (v), inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the unaudited pro forma financial statements, nothing came to their attention that caused them to believe that the unaudited pro forma financial statements do not comply in form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

In the event that the letters referred to above set forth any such changes, decreases or increases, it shall be a further condition to the obligations of the Underwriters that (A) such letters shall be accompanied by a written explanation of the Company as to the significance thereof, unless the Representatives deem such explanation unnecessary, and (B) such changes, decreases or increases do not, in the sole judgment of the Representatives, make it impractical or inadvisable to proceed with the purchase and delivery of the Securities as contemplated by the Registration Statement, as amended as of the date hereof.

References to the Registration Statement and the Prospectus in this paragraph (g) with respect to either letter referred to above shall include any amendment or supplement thereto at the date of such letter.

(h) The Representatives shall have received a certificate, dated the Firm Closing Date, of C. Edward Baker, Jr., the principal executive officer, and William A. Wilson, the principal financial or accounting officer, of the Company to the effect that:

(i) the representations and warranties of the Company in this Agreement are true and correct as if made on and as of the Firm Closing Date; the Registration Statement, as amended as of the Firm Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and the Prospectus, as amended or supplemented as of the Firm Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company has performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Firm Closing Date;

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(ii) no stop order suspending the effectiveness of the Registration Statement or any amendment thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best of the Company's knowledge, are contemplated by the Commission; and

(iii) subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, the Company and its subsidiaries have not sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding, and there has not been any material adverse change, or any development involving a prospective material adverse change, in the condition (financial or otherwise), management, business, prospects, net worth or results of operations of the Company and its subsidiaries, except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto).

(i) The Representatives shall have received a certificate from each Selling Stockholder, signed by such Selling Stockholder, or in the case of a corporation, the principal executive officer, and the principal financial or accounting officer, of such Selling Stockholder, dated the Closing Date, to the effect that:

(i) the representations and warranties of such Selling Stockholder in this Agreement are true and correct as if made on and as of the Closing Date;

(ii) such Selling Stockholder has performed all covenants and agreements on its part to be performed or satisfied at or prior to the Closing Date;

(iii) to the extent that any statements or omissions are made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company <sup>By</sup> such Selling Stockholder specifically for use therein, the Registration Statement, as amended as of the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and the Prospectus, as amended or supplemented as of the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iv) nothing has come to the attention of such Selling Stockholder that has caused such Selling Stockholder to believe that (i) when the Registration Statement or any amendment thereto was declared effective, it included any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein not misleading; or (ii) when the Prospectus or any amendment or supplement thereto was filed with the Commission pursuant to Rule 424(b) (or, if the Prospectus or such amendment or supplement was not required to be so filed, when the Registration Statement or the amendment thereto containing such amendment or supplement to the Prospectus was declared effective), on the date when the Prospectus was otherwise amended or supplemented and on the Firm Closing Date, the Prospectus, as amended or supplemented at any such time, included or includes any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the foregoing representations in this paragraph (iv) do not apply to any statements or omissions made in the Registration Statement or any amendment thereto or the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

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(j) The Representatives shall have received from Memorial Drive Trust, each of the Selling Stockholders and each person who is a director or officer of the Company an agreement to the effect that such person will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters, offer, sell, offer to sell, contract to sell, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, grant of an option to purchase or other sale or disposition) of any shares of Common Stock or other capital stock of the Company or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock or other capital stock of the Company for, in the case of the Selling Stockholders, a period of 180 days after the date of this Prospectus or, in the case of the Company's officers and directors (other than an officer who is also a Selling Stockholder) and Memorial Drive Trust, a period of 90 days after the date of this Agreement.

(k) Prior to the commencement of the offering of the Securities, the Securities shall have been approved for inclusion on the Nasdaq National Market.

(l) On or before the Firm Closing Date, the Representatives and counsel for the Underwriters shall have received such further certificates, documents or other information as they may have reasonably requested from the Company and the Selling Stockholders.

All opinions, certificates, letters and documents delivered pursuant to this Agreement will comply with the provisions hereof only if they are reasonably satisfactory in all material respects to the Representatives and counsel for the Underwriters. The Company and the Selling Stockholders shall furnish to the Representatives such conformed copies of such opinions, certificates, letters and documents in such quantities as the Representatives and counsel for the Underwriters shall reasonably request.

The respective obligations of the several Underwriters to purchase and pay for any Option Securities shall be subject, in their discretion, to each of the foregoing conditions to purchase the Firm Securities, except that all references to the Firm Securities and the Firm Closing Date shall be deemed to refer to such Option Securities and the related Option Closing Date, respectively.

10. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or such controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement made by the Company in Section 2 of this Agreement.

(ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto or (B) any application or other document, or any amendment or supplement thereto, executed by the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify the Securities under the securities or blue sky laws thereof or filed with the Commission or any securities association or securities exchange (each an "Application").

(iii) the omission or alleged omission to state in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application a material fact required to be stated therein or necessary to make the statements therein not misleading, or

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(iv) any untrue statement or alleged untrue statement of any material fact contained in any audio or visual materials prepared and used by the Company in connection with the marketing of the Securities, including, without limitation, slides, videos, films or tape recordings,

and will reimburse, as incurred, each Underwriter and each such controlling person for any legal or other expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto or any Application in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein; and provided, further, that the Company will not be liable to any Underwriter or any person controlling such Underwriter with respect to any such untrue statement or omission made in any Preliminary Prospectus that is corrected in the Prospectus (or any amendment or supplement thereto) if the person asserting any such loss, claim, damage or liability purchased Securities from such Underwriter but was not sent or given a copy of the Prospectus (as amended or supplemented), other than the documents incorporated by reference therein, at or prior to the written confirmation of the sale of such Securities to such person in any case where such delivery of the Prospectus (as amended or supplemented) is required by the Act, unless such failure to deliver the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 6(d) or 6(e) of this Agreement. This indemnity agreement will be in addition to any liability which the Company may otherwise have. The Company will not, without the prior written consent of the Underwriter or Underwriters purchasing, in the aggregate, more than fifty percent (50%) of the Securities, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any such Underwriter or any person who controls any such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of all of the Underwriters and each such controlling person from all liability arising out of such claim, action, suit or proceeding.

(b) Each Selling Stockholder severally agrees to indemnify and hold harmless each Underwriter and each person who controls any Underwriter within the meaning of the Act or the Exchange Act against any losses, claims, damages or liabilities to which such Underwriter or any such controlling person may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

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(i) any untrue statement or alleged untrue statement of any material fact contained in Section 3 of this Agreement,

(ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or (B) any Application executed by such Selling Stockholder or

(iii) the omission or the alleged omission to state therein a material fact required to be stated in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or necessary to make the statements therein not misleading;

provided that, in the case of (ii) and (iii) to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with

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written information furnished by such Selling Stockholder for use therein; and, subject to the limitation set forth immediately preceding this clause, such Selling Stockholder will reimburse, as incurred, any legal or other expenses reasonably incurred by such Underwriter or any such controlling person in connection with investigating or defending any such loss, claim, damage, liability or any action in respect thereof. This indemnity agreement will be in addition to any liability which any Selling Stockholder may otherwise have. Any Selling Stockholder will not, without the prior written consent of the Underwriter or Underwriters purchasing, in the aggregate, more than fifty percent (50%) of the Securities, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any such Underwriter or any person who controls any such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of all of the Underwriters and each such controlling person from all liability arising out of such claim, action, suit or proceeding.

(c) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, each Selling Stockholder and each person, if any, who controls the Company or such Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any laws, claims, damages or liabilities to which the Company, any such director, officer or controlling person or such Selling Stockholder may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or (ii) the omission or the alleged omission to state therein a material fact required to be stated in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for • SIO therein; and, subject to the limitation set forth immediately preceding this clause, will reimburse, as incurred, my legal or other expenses reasonably incurred by the Company, any such director, officer or controlling person or such Selling Stockholder in connection with investigating or defending any such loss, claim, damage, liability or any action in respect thereof. This indemnity agreement will be in addition to any liability which such Underwriter may otherwise have.

(d) Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 10, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 10. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 10 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the

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defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Representatives in the case of paragraph (a) of this Section 10, representing the indemnified parties under such paragraph (a) who are parties to such action or actions) or (ii) the indemnifying party does not promptly retain counsel satisfactory to the indemnified party or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the consent of the indemnifying party.

(e) In circumstances in which the indemnity agreement provided for in the preceding paragraphs of this Section 10 is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contribution, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the offering of the Securities or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters, the parties' relative intents, knowledge, access to information and opportunity to correct or prevent such statement or omission, and any other equitable considerations appropriate in the circumstances. The Company, the Selling Stockholders and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to above in this paragraph (e). Notwithstanding any other provision of this paragraph (e), no Underwriter shall be obligated to make contributions hereunder that in the aggregate exceed the total public offering price of the Securities purchased by such Underwriter under this Agreement, less the aggregate amount of any damages that such Underwriter has otherwise been required to pay in respect of the same or any substantially similar claim, and no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute hereunder are several in proportion to their respective underwriting obligations and not joint, and contributions among Underwriters shall be governed by the provisions of the Prudential Securities Incorporated Master Agreement Among Underwriters. For purposes of this paragraph (e), each person, if any, who controls an Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company or any Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company or such Selling Stockholder, as the case may be.

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(c) The liability of each Selling Stockholder under the indemnity and contribution agreements contained in the provisions of this Section 10 shall be limited to the aggregate public offering price of the shares of Common Stock sold by such Selling Stockholder to the Underwriters (before deducting expenses).

11. Default of Underwriters In the event of a default in their obligations to purchase Firm Securities or Option Securities hereunder and the aggregate number of such Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase is ten percent or less of the aggregate number of Firm Securities or Option Securities to be purchased by all of the Underwriters at such time hereunder, the other Underwriters may make arrangements satisfactory to the Representatives for the purchase of such Securities by other persons (who may include one or more of the non-defaulting Underwriters, including the Representatives), but if no such arrangements are made by the Firm Closing Date or the related Option Closing Date, as the case may be, the other Underwriters shall be obligated severally in proportion to their respective commitments hereunder to purchase the Firm Securities or Option Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase. If one or more Underwriters so default with respect to an aggregate number of Securities that is more than ten percent of the aggregate number of Firm Securities or Option Securities, as the case may be, to be purchased by all of the Underwriters at such time hereunder, and if arrangements satisfactory to the Representatives are not made within 36 hours after such default for the purchase by other persons (who may include one or more of the non-defaulting Underwriters, including the Representatives) of the Securities with respect to which such default occurs, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders other than as provided in Section 12 hereof. In the event of any default by one or more Underwriters as described in this Section 11, the Representatives shall have the right to postpone the Firm Closing Date or the Option Closing Date, as the case may be, established as provided in Section 4 hereof for not more than seven business days in order that any necessary changes may be made in the arrangements or documents for the purchase and delivery of the Firm Securities or Option Securities, as the case may be. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section 11. Nothing herein shall relieve my defaulting Underwriter from liability for its default.

12. Survival. The respective representations, warranties, agreements, covenants, indemnities and other statements of the Company, its officers, the Selling Stockholders and the several Underwriters set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of (i) any investigation made by or on behalf of the Company, any of its officers or directors, any Selling Stockholder, any Underwriter or any controlling person referred to in Section 10 hereof and (ii) delivery of and payment for the Securities. The respective agreements, covenants, indemnities and other statements set forth in Sections 8 and 10 hereof shall remain in full force and effect, regardless of any termination or cancellation of this Agreement.

13. Termination. (a) This Agreement may be terminated with respect to the Firm Securities or any Option Securities in the sole discretion of the Representatives by notice to the Company and the Custodian given prior to the Firm Closing Date or the related Option Closing Date, respectively, in the event that the Company or any Selling Stockholder shall have failed, refused or been unable to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder at or prior thereto or, if at or prior to the Firm Closing Date or such Option Closing Date, respectively.

(i) the Company or any of its subsidiaries shall have, in the sole judgment of the Representatives, sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding or there shall have been any material adverse change, or any development involving a prospective material adverse change (including without limitation a change in management or control of the Company), in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company or its subsidiaries,

except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto):

(ii) trading in the Common Stock shall have been suspended by the Commission or the Nasdaq National Market;

(iii) trading in securities generally on the Nasdaq National Market or the New York Stock Exchange shall have been suspended or minimum or maximum prices shall have been established on such market system or exchange;

(iv) a banking moratorium shall have been declared by Massachusetts, New York or United States authorities; or

(v) there shall have been (A) an outbreak or escalation of hostilities between the United States and any foreign power, (B) an outbreak or escalation of any other insurrection or armed conflict involving the United States or (C) any other calamity or crisis or material adverse change in general economic, political or financial conditions having an effect on the financial markets that, in the sole judgment of the Representatives, makes it impractical or inadvisable to proceed with the public offering or the delivery of the Securities as contemplated by the Registration Statement, as amended as of the date hereof.

(b) Termination of this Agreement pursuant to this Section 13 shall be without liability of any party to any other party except as provided in Section 12 hereof.

14. Information Supplied by Underwriters. The statements set forth in the last paragraph on the front cover page and under the heading "Underwriting" in any Preliminary Prospectus or the Prospectus (to the extent such statements relate to the Underwriters) constitute the only information furnished by any Underwriter through the Representatives to the Company for the purposes of Sections 2(b) and 10 hereof. The Underwriters confirm that such statements (to such extent) are correct.

15. Notices. All communications hereunder shall be in writing and, if sent to any of the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission confirmed in writing to Prudential Securities Incorporated, One New York Plaza, New York, New York 10292, Attention: Equity Transactions Group (facsimile number 212-778-3621); if sent to the Company, shall be delivered or sent by mail, telex or facsimile transmission confirmed in writing to the Company at Arch Communications Group, Inc., 1300 West Park Drive, Suite 250, Westborough, Massachusetts 01581, Attention: Chief Executive Officer (facsimile number 517-836-3626); and if sent to a Selling Stockholder, shall be delivered or sent by mail, telex or facsimile transmission confirmed in writing to the Selling Stockholder.

16. Successors. This Agreement shall inure to the benefit of and shall be binding upon the several Underwriters, the Company, the Selling Stockholders and their respective successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that (i) the indemnities of the Company and the Selling Stockholders contained in Section 10 of this Agreement shall also be for the benefit of any person or persons who control any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and (ii) the indemnities of the Underwriters contained in Section 10 of this Agreement shall also be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person or persons who control the Company or any Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act. No purchaser of Securities from any Underwriter shall be deemed a successor because of such purchase.

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17. Applicable Law. The validity and interpretation of this Agreement, and the terms and conditions set forth herein, shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of laws.

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

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If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter shall constitute an agreement binding the Company, each of the several Selling Stockholders and each of the several Underwriters.

Very truly yours,

ARCH COMMUNICATIONS GROUP, INC.

By \_\_\_\_\_  
[Title]

[SELLING STOCKHOLDERS]

By \_\_\_\_\_  
u Attorney-in-Fact

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

PRUDENTIAL SECURITIES INCORPORATED  
LEHMAN BROTHERS INC.  
PAINWEBBER INCORPORATED

By Prudential Securities Incorporated

By \_\_\_\_\_  
Managing Director

For itself and on behalf of the U.S. Representatives

PRUDENTIAL-BACHE SECURITIES (U.K.) INC.  
LEHMAN BROTHERS INTERNATIONAL (EUROPE)  
PAINWEBBER INTERNATIONAL (U.K.) LTD.

By Prudential-Bache Securities (U.K.) Inc.

By \_\_\_\_\_  
Managing Director

For itself and on behalf of the International Lead Managers.

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SCHEDULE 1  
SELLING STOCKHOLDERS

<u>Name</u>	<u>Number of Shares Being Offered</u>
John B. Saynor	21,296
Dean J. Becker	720,000
Leonard N. Becker, Trustee of the Leonard N. Becker Trust	135,000
Shirley Becker, Trustee of the Shirley Becker Trust	45,000
Mark H. and Much M. Dunaway	167,254
John Paul Butorac, Trustee of the Butorac Trust	167,254
Douglas N. Benham	21,501
Steven D. Teel	20,327
David Lopez	8,407
Brian Ponte	4,919
G. James Williams, Jr.	4,344
Brian Bunch	373
Alan Holley	373
Jene Machinski	149
Linda Young	99
The University of Texas System	603,704

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<u>International Managers</u>	(a) Number of Firm Securities to be Purchased from the Company	(b) Number of Firm Securities to be Purchased from the Selling Stockholders
Prudential-Bache Securities (U.K.) Inc. ....		
Lehman Brothers International (Europe) .....		
PaineWebber International (U.K.) Ltd. ....		
[others]		
Total .....	_____	_____

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Name of Selling Stockholder:

ARCH COMMUNICATIONS GROUP, INC.

Public Offering

## Power of Attorney of Selling Stockholder

The undersigned stockholder of Arch Communications Group, inc. , a Delaware corporation (the "Company"), understands that it is contemplated that the undersigned and certain other stockholders of the Company (the undersigned and such other stockholders being hereinafter referred to as the "Selling Stockholders") will sell shares of common stock, par value \$.01 per share, of the Company (the "Common Stock") to the underwriters named in the Underwriting Agreement referred to below (hereinafter collectively referred to as the "Underwriters"). and who propose to offer such shares to the public. The undersigned also understands that, in connection with such offering, the Company filed a registration statement on Form S-3 with the Securities and Exchange Commission and has filed or may file one or more amendments thereto to register the shares to be offered under the Securities Act of 1933, as amended.

Concurrently with the execution and delivery of this Power of Attorney, the undersigned is also executing and delivering a Letter of Transmittal and Custody Agreement pursuant to which certificates for at least the number of shares of Common Stock of the Company set forth opposite the name of the undersigned at the end of this instrument are being deposited with The Bank of New York, as custodian (the "Custodian").

1. in connection with the foregoing, the undersigned hereby irrevocably appoints William A. Wilson, Gerald S. Cimmino and Garry B. Watzke or, any of them, acting singly the attorneys-in-fact (the "Attorneys-in-Fact") of the undersigned, with full power and authority in the name of and for and on behalf of the undersigned:

- (a) To sell to the Underwriters, pursuant to the Underwriting Agreement referred to in subparagraph (b) below, up to the number of shares of Common Stock of the Company set forth opposite the name of the undersigned at the end of this instrument and represented by the certificate(s) deposited by the undersigned with the Custodian, or such lesser number as the Attorneys-in-Fact, or any of them, in their sole discretion may determine, at a purchase price per share to be paid by the Underwriters as the Attorneys-in-Fact

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or any of them, in their sole discretion shall determine, provided, however, that the purchase price per share to be paid by the Underwriters for the account of the undersigned shall not be less than \$15.00 per share and shall equal the purchase price per share to be paid by the Underwriters for the account of the Company and the other Selling Stockholders pursuant to the Underwriting Agreement hereinafter referred to;

- (b) For the purpose of effecting such sale, to execute and deliver an underwriting agreement (the "Underwriting Agreement") among the Company, the Selling Stockholders and/or the Representatives of the Underwriters containing such terms and conditions as the Attorneys-in-Fact, or any of them, in their sole discretion shall determine, including the purchase price per share to be paid by the Underwriters which shall not be less than \$15.00 per share, including provisions concerning the public offering of such shares by the Underwriters and including provisions restricting the undersigned from selling or otherwise disposing of any shares of Common Stock (other than those sold pursuant to the Underwriting Agreement) within 180 days after the date of the public offering without written consent on behalf of the Underwriters, and to endorse (in blank or otherwise) on behalf of the undersigned the certificate or certificates representing the shares to be sold by the undersigned, or a stock power or powers attached to such certificate or certificates;
- (c) To give such orders and instructions to the Custodian as the Attorneys-in-fact, or any of them, in their sole discretion may determine, with respect to: (i) the transfer on the books of the Company of the shares of Common Stock to be sold by the undersigned to the Underwriters in order to effect such sale (including the names in which new certificates for such shares are to be issued and the denominations thereof); (ii) the delivery to or for the account of the Underwriters of the certificates for such shares against receipt by the Custodian of the purchase price to be paid therefor; (iii) the remittance to the undersigned of the balance of the proceeds from the sale of the shares to be sold by the undersigned; and (iv) the return to the undersigned of new certificates representing the number of shares of Common Stock, if any, represented by certificates deposited with the Custodian that are in excess of the number of shares to be sold by the undersigned to the Underwriters;
- (d) To represent to the Securities and Exchange Commission that the undersigned is selling the shares of Common

Stock owned by him for the purpose of realizing profit upon or diversifying the investment of the undersigned or for both reasons; and

- (a) To make, execute, acknowledge, and deliver all such other contracts, orders, receipts, notices, requests, instructions, certificates, letters and other writings, including communications to the Securities and Exchange Commission and amendments to the Underwriting Agreement, and in general to do all things and to take all action, which the Attorneys-in-Fact, or any of them, in their sole discretion may consider necessary or desirable in connection with or to carry out the aforesaid sale of shares to the Underwriters as contemplated by the Underwriting Agreement:

as fully as could the undersigned if personally present and acting.

2. This Power of Attorney and all authority conferred hereby are granted and conferred subject to the interests of the Underwriters, the Company and the other Selling Stockholders, and in consideration of those interests, and for the purpose of completing the transactions contemplated by the Underwriting Agreement and this Power Of Attorney, this Power of Attorney and all authority conferred hereby shall be irrevocable and shall not be terminated by the undersigned or by operation of law, whether by the death or incapacity of the undersigned or the occurrence of any other event (including, without limitation, the termination of any trust or estate or custodianship for which the undersigned is acting as fiduciary or the death or incapacity of any trustee or trustees or any executor or executors or administrator or administrators or any custodian or custodians, respectively, of such trust or estate or custodianship). If the undersigned should die or become incapacitated, or if any other such event shall occur, before the delivery of the shares to be sold by the undersigned under the Underwriting Agreement certificates for such shares shall be delivered by or on behalf of the undersigned in accordance with the terms and conditions of the Underwriting Agreement and Letter of Transmittal and Custody Agreement executed by the undersigned, and actions taken by the Attorneys-in-Fact, or any of them, pursuant to this Power of Attorney shall be as valid as if such death or incapacity or other event had not occurred, regardless of whether or not the Custodian or the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, or other event.

Notwithstanding the foregoing, if all of the transactions contemplated by the Underwriting Agreement and this Power of Attorney are not completed prior to March 15, 1995, then from and after such date the undersigned shall have the power, by giving written notice to the Attorneys-in-Fact, in care of the Custodian,

to terminate this Power of Attorney, subject, however, to all lawful action done or performed by the Attorneys-in-Fact, or any of them, pursuant to this Power of Attorney prior to the actual receipt of this notice.

3. The undersigned represents, warrants, covenants to, and agrees with the Attorneys-in-Fact that:

- (a) No consent, approval, authorization, registration or qualification of or with any governmental authority is required for the execution and delivery by the undersigned of the Underwriting Agreement, this Power of Attorney and the Letter of Transmittal and Custody Agreement and the consummation by the undersigned of the transactions contemplated by the Underwriting Agreement in connection with the shares to be sold by the undersigned, except such as have been obtained under the Act and such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the shares by the Underwriters;
- (b) The sale of the shares to be sold by the undersigned pursuant to the Underwriting Agreement, this Power of Attorney, and the Letter of Transmittal and Custody Agreement, and the consummation of the transactions contemplated herein and therein, will not result in a breach or violation of any terms or provisions of, or constitute a default under, any statute, or any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the undersigned is a party or by which the undersigned is bound, or any order, rule or regulation of any court or governmental authority having jurisdiction over the undersigned or the property of the undersigned;
- (c) The undersigned has full right to enter into the Underwriting Agreement, this Power of Attorney and the Letter of Transmittal and Custody Agreement and to sell, assign, transfer and deliver the shares to be sold by the undersigned pursuant to the Underwriting Agreement; and
- (d) The undersigned is the lawful owner of the shares to be sold by the undersigned pursuant to the Underwriting Agreement and, upon sale and delivery of, and payment for such shares pursuant to the Underwriting Agreement, the undersigned will convey good and valid title to such shares, free and clear of any security interests, liens, encumbrances, equities, claims or other defects.

4. The undersigned ratifies all that the Attorneys-in-Fact, or any of them, shall do by virtue of this Power of Attorney. Any

of the Attorneys-in-Fact may act on behalf of the Attorneys-in-Fact. Each Attorney-in-Fact shall be entitled to act and rely upon any Statement, request, notice or instructions respecting this power of Attorney given to it by the undersigned, not only as to the authorization, validity and effectiveness thereof, but also as to the truth and acceptability of any information therein contained.

It is understood that each Attorney-in-Fact assumes no responsibility or liability to any person other than in accordance with the provisions hereof. Each Attorney-in-Fact makes no representations with respect to and shall have no responsibility for the Registration Statement, the Prospectus or any preliminary prospectus nor, except as herein expressly provide.. for any aspect of the offering of Common Stock, and shall not be liable for any error of judgment or for any act done or omitted or for any mistake of fact or law except for his own gross negligence or bad faith. The undersigned agrees to indemnify each Attorney-in-Fact: for and to hold each Attorney-in-Fact harmless against any loss, claim, damage or liability incurred on his part arising out of or in connection with acting as the Attorney-in-Fact under this Power of Attorney, as well as the cost and expense of investigating and defending against any such loss, claim, damage or liability, except to the extent such loss, claim, damage or liability is due to the gross negligence or bad faith of the Attorney-in-Fact seeking indemnification. The undersigned agrees that each Attorney-in-Fact may consult with counsel of his own choice (who may be counsel for the Company) and shall have full and complete authorization and protection for any action taken or suffered by him hereunder in good faith and in accordance with the opinion of such counsel.

5. Counsel for the Selling Stockholders shall be entitled in connection with rendering any legal opinions required under the Underwriting Agreement to rely upon any representations, warranties or agreements made by the undersigned in this Power of Attorney or made on behalf of the undersigned by any Attorney-in-Fact in the Underwriting Agreement.

6. This Power of Attorney shall be construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts of laws.

DATED: January \_\_, 1995.

Number of shares of Common Stock to be sold hereunder:

As set forth on Exhibit: A

\_\_\_\_\_  
Print Name of Selling Stockholder

\_\_\_\_\_  
Signature of Selling Stockholder\*

\_\_\_\_\_  
You should sign in exactly the same manner as the shares of common stock of the Company owned by you are registered.

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**EXHIBIT A**

**Name of Selling Stockholder:**

**Number of Shares:**

40656496

Name of Selling Stockholder:

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ARCH COMMUNICATIONS GROUP, INC.

Public Offering

Letter of Transmittal and Custody Agreement

The Bank of New York  
101 Barclay Street  
New York, New York 10286

Attention: Corporate Trust Administration

Ladies and Gentlemen:

There are delivered to you herewith certificates, in negotiable form (with signature guaranteed by a national bank or trust company or by a member firm of the New York Stock Exchange), representing the number of issued and outstanding shares of common stock, par value \$.01 per share (the "Common Stock"), of Arch Communications Group, Inc., a Delaware corporation (the "Company"), set forth immediately following the signature of the undersigned at the end of this Letter. These certificates are to be held by you as Custodian for the account of the undersigned and are to be disposed of by you in accordance with this Letter of Transmittal and Custody Agreement.

Concurrently with the execution and delivery of this Letter of Transmittal and Custody Agreement, the undersigned has executed a Power of Attorney (the "Power of Attorney") appointing William A. Wilson, Gerald J. Cimmino and Garry B. Watzke (individually an "Attorney-in-Fact" and collectively the "Attorneys-in-Fact"), authorizing the Attorneys-in-Fact, or any of them, to sell from the number of shares represented by the certificates deposited that number of shares indicated following the signature of the undersigned at the end of this letter, or such lesser number as the Attorneys-in-Fact, or any of them, may determine, and for that purpose to enter into an underwriting agreement (the "Underwriting Agreement") among the Company, certain selling stockholders including the undersigned (the "Selling Stockholders") and the underwriter or underwriters named in the Underwriting Agreement (the "Underwriters").

You are authorized and directed to hold the certificates deposited in your custody, and at the time of delivery specified

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in the Underwriting Agreement you are (i) to cause the number of shares that are to be sold to be transferred on the books of the Company into such names as the Attorneys-in-Fact, or any of them, shall have instructed you pursuant to the Power of Attorney and to issue, as Custodian for the shares of Common Stock, against surrender of the certificates representing such shares, new certificates (free of any restrictive legend) for such shares registered in such names and in such denominations as the Attorneys-in-Fact, or any of them, shall have instructed you, and (ii) upon the instructions of the Attorneys-in-Fact, or any of them, to deliver such new certificates to the Underwriters, against payment for such shares, and to give receipt for such payment and, when instructed by the Attorneys-in-Fact, or any of them, to do so, but in any event within twenty-four (24) hours of being so instructed, you are to remit by wire transfer, when collected, the amount received by you as payment for such shares to the account of the undersigned designated at the end of this letter or otherwise designated by the Attorney-in-Fact. With such remittance you shall also return to the undersigned new certificates representing the number of shares of Common Stock, if any, represented by the certificates deposited that are in excess of the number of shares sold by the undersigned to the Underwriters.

If the Underwriting Agreement shall not be entered into, or if all of the transactions contemplated by the Underwriting Agreement and the Powers of Attorney are not completed prior to March 15, 1995, then, upon the written request of the undersigned to you (accompanied by written notice of termination of the Power of Attorney addressed to the Attorneys-in-Fact, in your care) or upon written notice or request by the Attorneys-in-Fact, or any of them, on or after that date, you are to return to the undersigned the certificates deposited.

Under the terms of the Power of Attorney, the authority conferred hereby is subject to the interests of the Underwriters, the Company and the other Selling Stockholders, and, prior to the date set forth in the preceding paragraph, is irrevocable and not subject to termination by the undersigned or by operation of law, whether by death or incapacity or otherwise, and the obligations of the undersigned under the Underwriting Agreement are to be similarly not subject to termination. Accordingly, the certificates deposited and this Letter of Transmittal and Custody Agreement and your authority are subject to the interests of the company, the Underwriters and the other Selling Stockholders, and this Letter of Transmittal and Custody Agreement and your authority hereunder shall be irrevocable and shall not be subject to termination by the undersigned or by operation of law, whether by the death or incapacity of the undersigned or the occurrence of any other event (including, without limitation, the termination of any trust or estate or custodianships for which the undersigned is acting as fiduciary or the death or incapacity of any trustee or

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-2-

trustees or any executor or executors or administrator or administrators or any custodian or custodians, respectively, of such trust or estate or custodianships). If the undersigned should die or become incapacitated, or if any other such event should occur, before the delivery of the shares to be sold by the undersigned under the Underwriting Agreement, certificates for such shares shall be delivered by or on behalf of the undersigned in accordance with the terms and conditions of the Underwriting Agreement and this Letter of Transmittal and Custody Agreement, and actions taken by the Attorneys-in-Fact, or any of them, pursuant to the Power of Attorney executed by the undersigned shall be as valid as if such death or incapacity or other event had not occurred, regardless of whether or not you or the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, or other event.

Until payment of the purchase price for the shares to be sold by the undersigned to the Underwriters has been made to you by or for the account of the Underwriters, the undersigned shall remain the owner of such shares and shall have the right to vote such shares and all other shares, if any, represented by the certificates deposited and to receive all dividends and distributions thereon.

YOU shall be entitled to act and rely upon any statement, request, notice, or instructions respecting this Letter of Transmittal and Custody Agreement given to you by the Attorneys-in-Fact, or any of them, provided, however, that any statement or notice to you with respect to the time of delivery under the Underwriting Agreement, or with respect to the non-effectiveness or termination of the Underwriting Agreement, or advising that the Underwriting Agreement has not been executed and delivered shall have been confirmed in writing to you by the Representatives named in the Underwriting Agreement (or the Underwriters, if there are no Representatives).

It is understood that you assume no responsibility or liability to any person other than to deal with the certificates deposited and the proceeds from the sale of the shares represented thereby in accordance with the provisions of this Letter of Transmittal and Custody Agreement, and the undersigned agrees to indemnify you jointly and severally, along with other persons entering into a Letter of Transmittal and Custody Agreement, and hold you harmless for any loss, damage or liability (including reasonable attorneys' fees) with respect to any action, claim, litigation or other proceeding or any allegation relating to this Letter of Transmittal and Custody Agreement, except to the extent caused by your gross negligence or willful misconduct.

This instrument constitutes a representation of the authority of the undersigned to execute and deliver this Letter of Transmittal and Custody Agreement, the Power of Attorney, and the Underwriting Agreement and to sell the shares represented by the certificates deposited and that good and valid title to such shares, free and clear of all liens and encumbrances, will be passed to the Underwriters,

This Letter of Transmittal and Custody Agreement shall be construed in accordance with the laws of the State of New York, without giving effect to principals of conflicts of laws.

Please acknowledge your acceptance hereof as Custodian and receipt of the certificates deposited by executing and returning the enclosed copy hereof to the undersigned.

DATED: January \_\_, 1995

Very truly yours,

\_\_\_\_\_  
Print Name of Selling Stockholder

\_\_\_\_\_  
Signature of Selling Stockholder\*

ADDRESS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*You should sign in exactly the same manner as the Shares are registered.

Account of Selling Stockholder to which Net Proceeds are to be Remitted:

\_\_\_\_\_  
Name(s) in which Account is Held

0656512

.4-

Number of Account \_\_\_\_\_

Name of Bank or Other Institution - - -

Address of Bank or Other Institution \_\_\_\_\_

Name and Telephone of Contact Person at Bank or Other Institution \_\_\_\_\_

Number of Shares of Common Stock Represented by Certificates Deposited

\_\_\_\_\_ Shares

Number of Shares to be Sold

AS specified on Exhibit A

Number of Shares to be returned

\_\_\_\_\_ Shares

Serial Numbers Of Certificates

Number of Shares Represented by Each Certificate

Number of Shares to be Sold from Certificates if Less Than All Shares Represented Thereby Are to be Sold\*

\*If no indication is made, selection to be at the Custodian's discretion.

40656512

ACKNOWLEDGMENT AND RECEIPT

The Bank of New York, as Custodian, acknowledges acceptance of the duties of Custodian under the foregoing Letter of Transmittal and Custody Agreement and receipt of the certificates referred to therein.

Dated: January \_\_, 1995

The Bank of New York

By: \_\_\_\_\_  
Its \_\_\_\_\_

40656512

December 16, 1994

Prudential **Securities** Incorporated  
Lehman **Brothers** Inc.  
**PaineWebber** Incorporated  
As U.S. **Representatives** of the several U.S. **Underwriters**  
c/o Prudential **Securities** Incorporated  
One **New York** Plaza  
New York, New York 10292

Prudential-Bathe **Securities** (U.K.) Inc.  
Lehman Brothers International (Europe)  
**PaineWebber** International (U.K.) Ltd.  
**As** International Lead Managers of the several  
International **Managers**  
c/o Prudential **Securities** Incorporated  
One New York Plaza  
New York, **New York** 10292

**Re: Arch Communications** Group, Inc.

Gentlemen:

The undersigned **is** or may become the beneficial owner of  
sharer of **common stock, par value \$.01 per share** ("Common  
Stock'), of **Arch** Communication8 Group, Inc. (the ● Comp8nyu).  
The undersigned understand8 that the Company has filed a  
**Registration** Statement on Form S-3 (the "Registration  
Statement') **wfth** the **Securities** and **Exchange Commission** (the  
● Commi88ion.) for the **registration of approximately 3,450,000**  
rharee of common stock (including **450,000** rharee ● bject to an  
over-allotment option) (the "**Offerings**"). The undersigned  
further **understands** that you are **contemplating** entering into an  
Underwriting Agreement with the **Company** and *certain* Selling  
Stockholder8 in connection **with** the **Offerings**. **All items not**  
**otherwise** defined herein shall have **the** same **meaning as** in the  
**Underwriting** Agreement.

40650573

In order to induce the Company, you and the other Underwriters to enter into the Underwriting Agreement and to proceed with the Offerings, the undersigned agrees, for the benefit of the Company, you and the other Underwriters, that should the Offerings be effected, the undersigned will not, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters to be named in the Underwriting Agreement, directly or indirectly, offer, offer to sell, sell, contract to sell or grant any option to purchase or otherwise dispose or transfer (or announce any offer, offer of sale, sale, contract of sale or grant of any option to purchase or other disposition or transfer) of (i) any shares of Common stock or securities substantially similar thereto or (ii) any other securities convertible into, or exchangeable or exercisable for, shares of Common Stock or such similar securities, beneficially owned (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) by the undersigned on the date hereof or hereafter acquired for a period of 180 days subsequent to the date of the final Prospectus filed with the Commission pursuant to Rule 421(b) of the Securities Act of 1933, as amended (the 'Act') promulgated by the Commission or if no filing under Rule 424(b) is made, the date of the final Prospectus included in the Registration Statement when declared effective under the Act.

Further, the undersigned agrees that prior to the effective date of the Registration Statement, the undersigned will not, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters to be named in the Underwriting Agreement, directly or indirectly, offer, offer to sell, sell, contract to sell or grant any option to purchase or otherwise dispose or transfer (or announce any offer, offer of sale, sale contract of sale or grant of any option to purchase or other disposition or transfer) of (i) any shares of Common Stock or securities substantially similar thereto or (ii) any other securities convertible into, or exchangeable or exercisable for, any sharer of common stock or such similar securities, beneficially owned (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) by the undersigned on the date hereof or hereafter acquired without first requiring any such offering or acquiring parties to execute and deliver to you an agreement of substantially the tenor hereof.

The provisions of this agreement shall not preclude the undersigned from transferring shares of Common Stock or other securities of the Company by gift to any person or entity who agrees in writing to be bound by the provisions of this agreement.

The obligations of the undersigned under this Agreement shall terminate (i) in the event the **Registration** Statement is withdrawn by the Company or (ii) if the Offerings are not consummated by April 15, 1995.

The undersigned, whether or not participating in the Offerings, **confirms** that he, she or it undertakes that the **Underwriters** and the Company will rely upon the **representations** set forth in this agreement in proceeding with the Offerings. This agreement shall be binding on the undersigned and his, her or its respective successors, heirs, personal representatives and assigns.

Very truly yours,

By: THE BOARD OF REGENTS OF THE  
UNIVERSITY OF TEXAS SYSTEM AND  
THE PERMANENT UNIVERSITY FUND OF  
**Print Stockholder's Name**  
THE STATE OF TEXAS

  
\_\_\_\_\_  
Stockholder **Signature**

The foregoing is accepted and agreed to as of the date first above written:

PRUDENTIAL SECURITIES INCORPORATED  
**for itself** and on behalf of the  
Underwriters

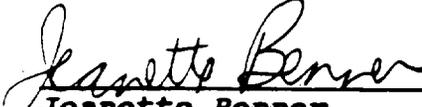
By: \_\_\_\_\_  
Managing Director

**THE UNIVERSITY OF TEXAS SYSTEM**  
Office of **Endowment** Administration  
210 West Sixth Street, Austin, Texas 78701  
Telephone (512) 499-4359

**Mary Conrad**  
Texas Commerce Bank - Houston N.A.  
Houston Club Bldg. - 16th Floor  
Trust Securities Clearance  
811 Rusk  
Houston, Texas 77002

**Dear Mary:**

Per Texas Commerce Bank's telephone and fax request please find enclosed 1 original resolution and 5 stock powers for Arch Communications Group, Inc. Please have these certificates sent to DTC immediately. Thank you for your assistance with this matter.

  
\_\_\_\_\_  
**Jeanette Benner**  
Data Systems Coordinator  
Asset Information and Treasury  
Operations

ccs: **Bill Edwards**  
**Debbie Childers**  
**Craig Nickels**

Academic Component Institutions:  
The University of Texas at Arlington  
The University of Texas at Austin  
The University of Texas at Brownsville  
The University of Texas at Dallas  
The University of Texas at El Paso  
The University of Texas-Pan American  
The University of Texas of the Permian Basin  
The University of Texas at San Antonio  
The University of Texas Institute of Texan Cultures at San Antonio  
The University of Texas at Tyler



1-G1 8/12/93

Health Component Institutions:  
The University of Texas Southwestern Medical Center at Dallas  
The University of Texas Medical Branch at Galveston  
The University of Texas Health Science Center at Houston  
The University of Texas Health Science Center at San Antonio  
The University of Texas M.D. Anderson Cancer Center  
The University of Texas Health Center at Tyler

BOARD OF REGENTS  
of  
THE UNIVERSITY OF TEXAS SYSTEM

201 w. 7th street Austin, Texas 78701

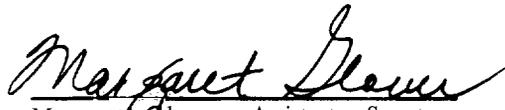
Arthur H. Dilly, *Executive Secretary*  
Box N  
Austin, Texas 78713-7328  
(512) 499-4402

EXTRACT FROM  
PART TWO • CHAPTER IX • SECTION 2  
RULES AND REGULATIONS ADOPTED BY  
BOARD OF **REGENTS**, THE UNIVERSITY OF TEXAS SYSTEM

“Sec. 2.3 Authority to Assign and Transfer Securities Owned by the PUF and the **Board**.--**The** Chancellor, or his or her delegate, the Vice Chancellor for Asset Management, the Executive Director for Endowment Management and Administration, and the Director of the Office of Budget and Fiscal Policy may each assign and transfer any and all securities of **any** description whatever and from any source, including gifts and bequests, and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of any securities registered in the name of the PUF or the Board, or in any other form of registration of such securities held for the account of the PUF or the Board in whatever manner, including all fiduciary capacities and including those registered in the names of trusts or foundations managed and controlled by said Board. In addition, custodian banks appointed by the Vice Chancellor for Asset Management may assign and transfer securities and execute any and all documents necessary to the consummation of any sale, assignment, or transfer of **any** security owned by the Board.”

I, Margaret Glover, Assistant **Secretary** to the Board of Regents of The University of Texas System, do hereby certify that the above and foregoing is a true and correct extract from the Rules and Regulations adopted by such Board; that such provisions have not been repealed or amend&, and are still in full force and effect; that the term “PUF is defined in the Rules and Regulations adopted by such Board to mean the Permanent University Fund of The University of Texas System; further that William H. Cunningham is the duly qualified and acting Chancellor; that Thomas G. Ricks is the duly **qualified** and acting Vice Chancellor for Asset Management; that Kerry **Kennedy** is the duly **qualified** and acting Director of the Office of Budget and Fiscal Policy that Bill Edwards is the duly **qualified** and acting Manager of Asset Information and Treasury Operations and is a delegate of the Chancellor, all of The University of Texas System; and further certify that Texas Commerce Bank and NationsBank-Dallas, Texas are duly appointed custodian banks.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the Seal of The University of Texas System to be impressed hereon at my office in the City of Austin, Texas, this 12th day of December, 1994.

  
Margaret Glover, Assistant Secretary  
Board of **Regents** o f  
The University of Texas System

**IRREVOCABLE STOCK OR BOND POWER**

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to

\_\_\_\_\_  
\_\_\_\_\_

(Social Security or Taxpayer Identifying Number)

**IF STOCK,  
COMPLETE  
THIS PORTION**

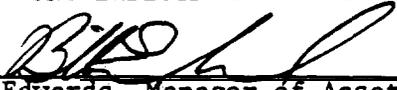
{ 84,480 shares of the Common stock of Arch Communications Group, Inc.  
represented by certificate(s) No(s). ACG035 1 inclusive,  
standing in the name of the undersigned **on** the books of said Company.

**IF BONDS,  
COMPLETE  
THIS PORTION**

{ \_\_\_\_\_ bonds of \_\_\_\_\_  
\_\_\_\_\_ in the principal amount of \$ \_\_\_\_\_ No(s). \_\_\_\_\_ inclusive,  
**standing in the name of the undersigned on the books of said Company.**

**The undersigned does (do) hereby irrevocably constitute and appoint**

\_\_\_\_\_ attorney to transfer  
the said stock or bond(s), as the case may be, on the books of said Company, with full power of substitution  
in the premises. **THE PERMANENT UNIVERSITY FUND OF THE STATE OF TEXAS**

  
\_\_\_\_\_  
Bill Edwards, Manager of Asset Information and  
Treasury Operations

(Person(s) Executing This Power Sign(s) Here)

Dated \_\_\_\_\_

**IMPORTANT**

The signature(s) to this power must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration.

**IRREVOCABLE STOCK OR BOND POWER**

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, **assign** and transfer to

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Social Security or Taxpayer Identifying Number)

**IF STOCK,  
COMPLETE  
THIS PORTION**

{ 337,920 shares of the Common stock of Arch Communications Group, Inc.  
represented by **certificate(s) No(s)** ACG0352 inclusive,  
**standing in the name of the undersigned on the books of said Company.**

**IF BONDS,  
COMPLETE  
THIS PORTION**

{ \_\_\_\_\_ **bonds of** \_\_\_\_\_  
\_\_\_\_\_ inclusive,  
**standing in the name of the undersigned on the book of said Company.**

**The undersigned does (do) hereby irrevocably constitute and appoint**

\_\_\_\_\_ attorney to transfer  
the said stock or bond(s), as the case may be, on the books of said Company, with full power of substitution  
in the premises. **THE PERMANENT UNIVERSITY FUND OF THE STATE OF TEXAS**

  
\_\_\_\_\_  
**Bill Edwards, Manager of Asset Information and**  
**Treasury Operations**  
\_\_\_\_\_  
(Person(s) Executing This Power Sign(s) Here)

**Dated** \_\_\_\_\_

**IMPORTANT**

The signature(s) to this per must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration

**IRREVOCABLE STOCK OR BOND POWER-**

**FOR VALUE RECEIVED**, the undersigned does (do) hereby sell, assign and transfer to

\_\_\_\_\_  
\_\_\_\_\_

(Social Security or Taxpayer Identifying Number)

**IF STOCK,  
COMPLETE.  
THIS PORTION**

{ 7 1.142 shares of the Common stock of Arch **Communications** Group, Inc.  
represented by certificate(s) No(s). ACG0353 inclusive,  
standing in the name of the undersigned on the books of said Company.

**IF BONDS,  
COMPLETE  
THIS PORTION**

{ \_\_\_\_\_ bonds of \_\_\_\_\_  
\_\_\_\_\_ inclusive.  
**in the principal amount of \$** \_\_\_\_\_ **No(s).** \_\_\_\_\_ inclusive.  
standing in the name of the undersigned **on the books of said** Company.

The undersigned does (do) hereby irrevocably constitute and appoint

\_\_\_\_\_ attorney to transfer  
**the said stock or bond(s), as the case may be, on the books of said Company, with full po**wer of substitution  
in the **premises. THE PERMANENT UNIVERSITY FUND OF THE STATE OF TEXAS**

  
\_\_\_\_\_  
**Bill Edwards, Manager of Asset Information and  
Treasury Operations**

(Person(s) Executing This Power Sign(s) Here)

Dated \_\_\_\_\_

IMPORTANT

The signature(s) to this power must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration.

**IRREVOCABLE STOCK OR BOND POWER**

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to

\_\_\_\_\_  
\_\_\_\_\_

(Social Security or Taxpayer Identifying Number)

**IF STOCK,  
COMPLETE  
THIS PORTION**

{ 7,815 shares of the Common stock of Arch Communications Group, Inc.  
represented by certificate(s) No(s). ACG0354 inclusive,  
standing in the **name of the** undersigned on the books of said **Company**.

**IF BONDS,  
COMPLETE  
THIS PORTION**

{ \_\_\_\_\_ **bonds of** \_\_\_\_\_  
\_\_\_\_\_ in the principal amount of \$ \_\_\_\_\_ No(s). \_\_\_\_\_ inclusive,  
**standing in the name of the undersigned on the books of said Company.**

**The undersigned does (do) hereby irrevocably constitute and appoint**

\_\_\_\_\_ attorney to transfer  
the said stock or bond(s), as the case may be, on the books of said Company, with full power of substitution  
in the premises. **THE PERMANENT UNIVERSITY FUND OF THE STATE OF TEXAS**

  
\_\_\_\_\_  
**Bill Edwards, Manager of Asset Information and  
Treasury Operations**

(Person(s) Executing This Power Sign(s) Here)

Dated: \_\_\_\_\_

**IMPORTANT**

The signature(s) to this power must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration.

# IRREVOCABLE STOCK OR BOND POWER

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to

---

---

---

(Social Security or Taxpayer Identifying Number)

**IF STOCK,  
COMPLETE  
THIS PORTION**

{ 226,889 shares of the Common stock of i c a t i o n s Group, Inc.  
represented by certificate(s) No(s). ACG0355 inclusive.  
standing in the name of the undersigned on the books of said Company.

**IF BONDS,  
COMPLETE  
THIS PORTION**

{ \_\_\_\_\_ bonds of \_\_\_\_\_  
\_\_\_\_\_ inclusive,  
in the principal amount of \$ \_\_\_\_\_ No(s). \_\_\_\_\_ inclusive,  
standing in the name of the undersigned on the **books** of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint

\_\_\_\_\_ attorney to transfer  
the **said stock or bond(s)**, as the **case may** be, on the books of said Company, with full power of substitution  
in the premises. **THE PERMANENT UNIVERSITY FUND OF THE STATE OF TEXAS**

  
\_\_\_\_\_  
Bill Edwards, Manager of Asset Information and  
Treasury Operations  
\_\_\_\_\_  
(Person(s) Executing This Power Sign(s) Here)

Dated. \_\_\_\_\_

### IMPORTANT

The signature(s) to this power must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration.

# TEXAS COMMERCE BANK

NATIONAL ASSOCIATION

ASSET SERVICES DIVISION/SE1

FACSIMILE TRANSMITTAL

DATE: 12/12/94

TIME: \_\_\_\_\_

PAGES (INCL. COVER SHEET): 6

TO: Permanent University Fund

ATTN: Jeanette Benner

FROM: Esther Lozano

PH.+ (713) 216-1768

FAX#: (713) 216-1875

NOTES & INSTRUCTIONS:

JEANETTE, Please Provide me with  
Stock Powers for the attached copies  
of certificates - Arch Communications Group Inc

*THANKS Esther L.*

PLEASE CALL (713) 216-1701 IF THIS TRANSMISSION WAS NOT RECEIVED

CLEARLY.

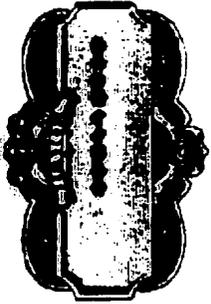
\* JEANETTE, WE ALSO NEED  
A CORPORATE RESOLUTION

*Thanks  
Esther*



# Arch Communications Group, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE  
THIS CERTIFICATE IS TRANSFERABLE IN NEW YORK, NEW YORK



COMMON STOCK  
PAR VALUE \$101

CUSIP 037301 10 0  
SEE REVERSE FOR OTHER IDENTIFIERS  
OR OTHER LEGENDS

84480

THIS CERTIFIES THAT

THE PERMANENT UNIVERSITY FUND OF THE  
STATE OF TEXAS

\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*

is the owner of

SEVENTY-FOUR THOUSAND FOUR HUNDRED EIGHTY-00

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

ARCH COMMUNICATIONS GROUP, INC. (hereinafter referred to as the "Corporation") inasfar as the books of the Corporation by the holder hereof  
in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and  
registered by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

DEC 06, 1994

*William C. ...*

Vice President, Finance  
Chief Financial Officer and Treasurer



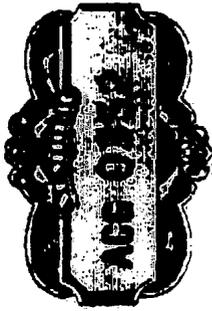
AUTHORIZED SIGNATURE

*Ernest ...*

Chairman and Chief Executive Officer

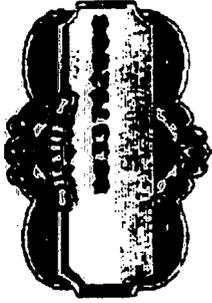
COUNTERSIGNED AND REGISTERED  
BY THE BANK OF NEW YORK  
TRANSFER AGENT AND REGISTRAR

000501773



# Arch Communications Group, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE  
THIS CERTIFICATE IS TRANSFERABLE IN NEW YORK, NEW YORK



COMMON STOCK  
PAR VALUE \$0.01

CUSIP 037381 10 8  
SEE REVERSE FOR OTHER DEFINITIONS  
OR OTHER LISTINGS

337,920

THIS CERTIFIES THAT

THE PERMANENT UNIVERSITY FUND OF THE  
STATE OF TEXAS

0003379200000000  
0003379200000000  
0003379200000000  
0003379200000000  
0003379200000000

is the owner of

00THREE HUNDRED THIRTY-SEVEN THOUSAND NINE HUNDRED TWENTY000

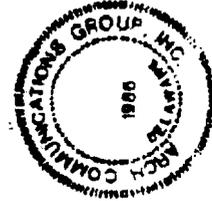
FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

ARCH COMMUNICATIONS GROUP, INC. (hereinafter referred to as the "Corporation") transferable on the books of the Corporation by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: DEC 08, 1954

*William J. ...*  
Vice President, Finance  
Legal, Financial Officer and Treasurer



AUTHORIZED SIGNATURE

*Esther ...*  
Chairman and Chief Executive Officer

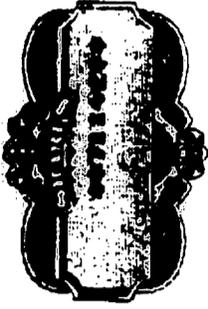
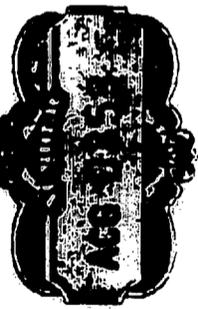
COUNTERSIGNED AND REGISTERED  
BY THE BANK OF NEW YORK  
TRANSFER AGENT AND REGISTRAR

000501773



# Arch Communications Group, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE  
THIS CERTIFICATE IS TRANSFERABLE IN NEW YORK, NEW YORK



COMMON STOCK  
PAR VALUE \$0.01

CUSIP 037361 10 8  
SEE REVERSE FOR CERTAIN DEFINITIONS  
OR OTHER NOTES

711172

THIS CERTIFIES THAT

THE PERMANENT UNIVERSITY FUND OF THE  
STATE OF TEXAS

9997110200000000  
9997110200000000  
9999711042000000  
9999971114200000  
9999997111020000

is the owner of

~~SEVENTY-ONE THOUSAND ONE HUNDRED FORTY-TWO~~

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

ARCH COMMUNICATIONS GROUP, INC. (hereinafter referred to as the "Corporation") transferable in the books of the Corporation by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

DEC 08, 1994

*William J. ...*

Vice President, Finance  
Chief Financial Officer and Treasurer



A  
AUTHORIZED SIGNATURE

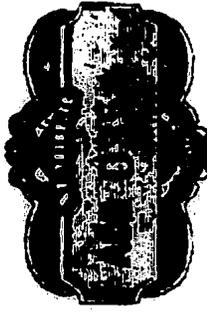
*Ernest ...*

Chairman and Chief Executive Officer

COUNTERSIGNED AND REGISTERED  
BY  
THE BANK OF NEW YORK  
TRANSFER AGENT AND REGISTRAR

000501773

DEC-12-1984 13:46 TCB TRUST OPERATIONS 713 26 1875 P.005/006



COMMON STOCK  
PAR VALUE \$5.00

THIS CERTIFIES THAT

THE PERMANENT UNIVERSITY FUND OF THE  
STATE OF TEXAS

is the owner of

**SEVENTEEN THOUSAND EIGHT HUNDRED FIFTY-NINE**

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

ARCH COMMUNICATIONS GROUP, INC. (hereinafter referred to as the "Corporation") (transferable on the books of the Corporation by the holder hereof in person, or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.  
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated: DEC 06, 1984

*Willie L. ...*  
Vice President, Finance  
Chief Financial Officer and Treasurer



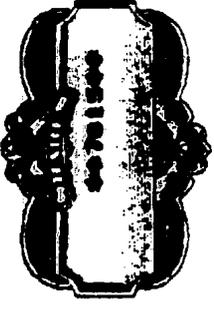
AUTHORIZED SIGNATURE

*Ernest ...*  
Chairman and Chief Executive Officer



# Arch Communications Group, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE  
THIS CERTIFICATE IS TRANSFERABLE IN NEW YORK, NEW YORK



CUSIP 037381 10 8  
SEE REVERSE FOR CERTAIN OPERATIONS  
ON WHICH LEGIONS

7,815

999976180000000000  
999997818000000000  
999999781800000000  
999999978180000000  
999999997818000000

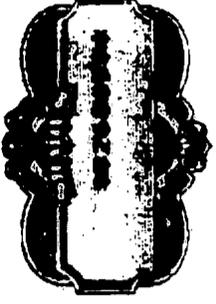
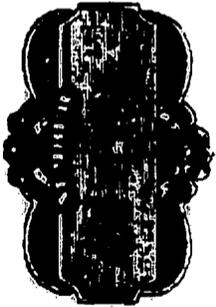
COUNTERSIGNED AND REGISTERED  
BY THE BANK OF NEW YORK  
TRANSFER AGENT AND REGISTRAR.

000501773



# Arch Communications Group, Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE  
THIS CERTIFICATE IS TRANSFERABLE IN NEW YORK, NEW YORK



COMMON STOCK  
PAR VALUE \$5.00

CUSIP 0343A1 10 8  
SEE REVERSE FOR CERTAIN INFORMATION  
ON OTHER ISSUANCES

26,889

THIS CERTIFIES THAT

THE PERMANENT UNIVERSITY FUND OF THE  
STATE OF TEXAS

00020000000000000000  
00042000000000000000  
00060000000000000000  
00080000000000000000  
00100000000000000000

is the owner of

SEVENTY-SIX THOUSAND EIGHT HUNDRED EIGHTY-NINE

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK OF

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WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

DEC 08, 1994

*Luith Ollrich*  
Vice President, Finance  
Chief Financial Officer and Treasurer



AUTHORIZED SIGNATURE

*E. J. ...*  
Chairman and Chief Executive Officer

COUNTERSIGNED AND REGISTERED  
THE BANK OF NEW YORK  
TRANSFER AGENT AND REGISTRAR

ADJOURNMENT.--Chairman Rapoport announced that the business for which this meeting was scheduled had been completed and the meeting was duly adjourned at 11:15 a.m.

/s/ Margaret Glover  
Assistant Secretary

January 27, 1995