AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 8, 1997

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SALEM COMMUNICATIONS CORPORATION
AND OTHER REGISTRANTS*
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

CALIFORNIA	4832,4899	77-0121400
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

4880 SANTA ROSA ROAD
SUITE 300
CAMARILLO, CALIFORNIA 93012
(805) 987-0400
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S AND CO-REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

JONATHAN L. BLOCK, ESQ.
SALEM COMMUNICATIONS CORPORATION
4880 SANTA ROSA ROAD
SUITE 300
CAMARILLO, CALIFORNIA 93012
(805) 987-0400
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

WITH COPIES TO:

ERIC H. HALVORSON, ESQ.	THOMAS D. MAGILL, ESQ.
SALEM COMMUNICATIONS CORPORATION	GIBSON, DUNN & CRUTCHER LLP
4880 SANTA ROSA ROAD, SUITE 300	4 PARK PLAZA, SUITE 1400
CAMARILLO, CALIFORNIA 93012	IRVINE, CALIFORNIA 92614

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
9 1/2% Series B Senior Subordinated Notes Due 2007 (the "Notes")......	$150,000,000	100%	$150,000,000	$44,250
Guarantees of the Notes*...........	$150,000,000	(2)	(2)	(2)

</TABLE>

(1) Estimated pursuant to Rule 457(f) solely for the purposes of computing the

registration fee.
(2) No separate consideration will be received for the Guarantees.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

(Continued on next page)

(Continued from previous page)

*OTHER REGISTRANTS

<TABLE>
<CAPTION>

EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION	PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBERS	I.R.S. EMPLOYER IDENTIFICATION NUMBER
<S>	<C>	<C>	<C>
ATEP Radio, Inc.	California	4832	77-0132973
Beltway Media Partners	Virginia	4832	77-0293196
Bison Media, Inc.	Colorado	4832	77-0434654
Caron Broadcasting, Inc.	Ohio	4832	77-0439370
Common Ground Broadcasting, Inc.	Oregon	4832	93-1079989
Golden Gate Broadcasting Company, Inc.	California	4832	94-3082936
Inland Radio, Inc.	California	4832	77-0114987
Inspiration Media, Inc.	Washington	4832	77-0132974
Inspiration Media of Texas, Inc.	Texas	4832	75-2615876
New England Continental Media, Inc.	Massachusetts	4832	04-2625658
New Inspiration Broadcasting Company, Inc.	California	4832	95-3356921
Oasis Radio, Inc.	California	4832	77-0061780
Pennsylvania Media Associates, Inc.	Pennsylvania	4832	94-3134636
Radio 1210, Inc.	California	4832	77-0052616
Salem Communications Corporation	Delaware	4832, 4899	77-0363592
Salem Media Corporation	New York	4832	95-3482072
Salem Media of California, Inc.	California	4832	95-1581210
Salem Media of Colorado, Inc.	Colorado	4832	84-1239646
Salem Media of Louisiana, Inc.	Louisiana	4832	77-0114983
Salem Media of Ohio, Inc.	Ohio	4832	95-3690954
Salem Media of Oregon, Inc.	Oregon	4832	77-0114986
Salem Media of Pennsylvania, Inc.	Pennsylvania	4832	77-0237182
Salem Media of Texas, Inc.	Texas	4832	77-0379125
Salem Music Network, Inc.	Texas	4899	77-0434655
Salem Radio Network Incorporated	Delaware	4899	77-0305542
Salem Radio Representatives, Inc.	Texas	4899	77-0281576
South Texas Broadcasting, Inc.	Texas	4832	77-0388924
SRN News Network, Inc.	Texas	4899	77-0426090
Vista Broadcasting, Inc.	California	4832	77-0389639

</TABLE>

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

++

SUBJECT TO COMPLETION, DATED DECEMBER 8, 1997

PROSPECTUS

[LOGO OF SALEM COMMUNICATIONS CORPORATION]

$150,000,000

SALEM COMMUNICATIONS CORPORATION

OFFER FOR OUTSTANDING 9 1/2% SERIES A SENIOR SUBORDINATED NOTES DUE 2007
IN EXCHANGE FOR 9 1/2% SERIES B SENIOR SUBORDINATED NOTES DUE 2007

Salem Communications Corporation, a California corporation (the "Company") hereby offers (the "Exchange Offer"), upon the terms and subject to the conditions set forth herein and in the related Letter of Transmittal, to exchange up to $150,000,000 aggregate principal amount of its 9 1/2% Series B Senior Subordinated Notes due 2007 (the "Notes") of the Company for a like amount of the privately placed 9 1/2% Series A Senior Subordinated Notes Due 2007 (the "Old Notes") of the Company issued on September 25, 1997, from the holders thereof.

The Notes are being offered hereunder in order to satisfy the obligations of the Company under a Registration Rights Agreement dated September 17, 1997 (the "Registration Rights Agreement") by and among the Company, the Guarantors (as defined herein), and Furman Selz LLC, Smith Barney Inc., BancBoston Securities, Inc., and BNY Capital Markets, Inc. (the "Initial Purchasers"). The Exchange Offer is designed to provide to holders an opportunity to acquire the Notes which, unlike the Old Notes, are expected to be freely transferable at all times, subject to state "blue sky" law restrictions, provided that the holder is not an "affiliate" of the Company within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and represents that the Notes are being acquired in the ordinary course of such holder's business and the holder is not engaged in, and does not intend to engage in, a distribution of the Notes. With the exception of the freely transferable nature of the Notes, the Notes are substantially identical to the Old Notes. See "The Exchange Offer--Purpose of the Exchange Offer."

The Company will accept for exchange any and all validly tendered Old Notes on or prior to 5:00 P.M., New York time, on   , 1998, unless extended (the "Expiration Date"). Tenders of Old Notes made pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date. In the event the Company terminates the Exchange Offer and does not accept any Old Notes with respect to the Exchange Offer, the Company will promptly return such Old Notes to the holders thereof. The Company will not receive any proceeds from the Exchange Offer.

Interest on the Notes will accrue from the date of issuance and will be payable semi-annually on each April 1 and October 1, commencing April 1, 1998. The Notes will mature on October 1, 2007. The Notes are redeemable at the option of the Company, in whole or in part, at any time on or after October 1, 2002, at the redemption prices set forth herein, plus accrued and unpaid interest to the redemption date. In addition, the Company, at its option, may redeem up to $50.0 million in aggregate principal amount of the Notes at any time on or prior to October 1, 2000 at 109.50% of the aggregate principal amount so redeemed, plus accrued and unpaid interest thereon to the redemption date, with the proceeds of one or more Public Equity Offerings (as defined herein), provided that at least $100.0 million in aggregate principal amount of the Notes remain outstanding immediately after the occurrence of any such redemption. See "Description of the Notes--Optional Redemption." Upon a Change of Control (as defined herein), each holder of the Notes will be entitled to require the Company to purchase such holder's Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the purchase date. There can be no assurance that the Company will have sufficient funds to repurchase the Notes upon a Change of Control. See "Description of the Notes--Certain Covenants--Purchase of Notes Upon a Change of Control."

The Notes will be general unsecured obligations of the Company, subordinated in right of payment to all existing and future Senior Indebtedness (as defined herein), including the Company's obligations under the Credit Agreement (as defined herein), and senior in right of payment to all existing and future Subordinated Indebtedness (as defined herein) of the Company. See "Description of Certain Indebtedness" and "Description of the Notes--Subordination." The Notes will be guaranteed, jointly and severally (the "Guarantees"), on a senior subordinated basis by all of the Company's current subsidiaries (the "Guarantors"). See "Description of the Notes--Guarantees." The Guarantees will be general unsecured obligations of the Guarantors, subordinated in right of payment to all Guarantor Senior Indebtedness (as defined herein), including any guarantees by Guarantors of the Company's obligations under the Credit Agreement and senior in right of payment to any Subordinated Indebtedness of the Guarantors. As of September 30, 1997, the Company and the Guarantors had an aggregate of approximately $10.1 million of Senior Indebtedness outstanding

under the Credit Agreement and no other Indebtedness (as defined herein) outstanding other than the Notes.

(Continued on following page)

SEE "RISK FACTORS" BEGINNING ON PAGE 14 HEREIN FOR A DISCUSSION OF CERTAIN RISKS THAT HOLDERS OF OLD NOTES SHOULD CONSIDER IN CONNECTION WITH THE EXCHANGE OFFER.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is   , 1998.

The Old Notes were sold by the Company on September 25, 1997 to the Initial Purchasers in a transaction not registered under the Securities Act in reliance upon an exemption under the Securities Act (the "Offering"). The Initial Purchasers subsequently placed the Old Notes with qualified institutional buyers in reliance upon Rule 144A under the Securities Act. The Old Notes may not be reoffered, resold or otherwise transferred in the United States unless registered under the Securities Act or unless an applicable exemption from the registration requirements of the Securities Act is available.

Based on certain interpretive letters issued by the staff of the Securities and Exchange Commission (the "Commission") to third parties, the Company believes that a holder of Notes (other than (i) a broker-dealer who purchases such Notes directly from the Company to resell pursuant to Rule 144A or any other available exemption under the Securities Act or (ii) a person who is an affiliate of the Company within the meaning of Rule 405 under the Securities Act) who exchanges Old Notes for Notes in the ordinary course of business and who is not participating, does not intend to participate, and has no arrangement or understanding with any person to participate, in the distribution of the Notes, will be allowed to resell the Notes to the public without further registration under the Securities Act and without delivering to the purchasers of the Notes a prospectus that satisfies the requirements of the Securities Act. See "The Exchange Offer--Purpose of the Exchange Offer" and "Resales of Notes." However, a broker-dealer who holds Old Notes that were acquired for its own account as a result of market-making or other trading activities may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act. If any other holder is deemed to be an "underwriter" within the meaning of the Securities Act or acquires Notes in the Exchange Offer for the purpose of distributing or participating in a distribution of the Notes, such holder must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction, unless an exemption from registration is otherwise available. For a period of 180 days from the Expiration Date, the Company will make copies of this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resales. See "Plan of Distribution."

If a holder of Old Notes does not exchange such Old Notes for Notes pursuant to the Exchange Offer, such Old Notes will continue to be subject to the restrictions on transfer contained in the legend thereon. In general, the Old Notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

The Old Notes are currently eligible for trading in the Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") market. Following commencement of the Exchange Offer but prior to its consummation, the Old Notes may continue to be traded in the PORTAL market. Following consummation of the Exchange Offer, the Notes will not be eligible for PORTAL trading.

It is not currently anticipated that an active public market for the Notes will develop. The Company currently does not intend to apply for the listing of the Notes on any securities exchange or to seek approval for quotation through any automated quotation system. No assurance can be given as to the liquidity of the trading market for the Notes.

The Exchange Offer is not conditioned upon any minimum principal amount of Old Notes being tendered for exchange. However, the Exchange Offer is subject to certain customary conditions. See "The Exchange Offer--Conditions to the Exchange Offer." Old Notes may be tendered only in integral multiples of $1,000.

AVAILABLE INFORMATION AND INCORPORATION BY REFERENCE

The Company and the Guarantors have filed with the Securities and Exchange Commission (the "Commission") a registration statement relating to the Notes offered hereby (herein, together with all amendments and exhibits, referred to as the "Registration Statement") under the Securities Act. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to such exhibit for a more complete description thereof, and each such statement shall be deemed qualified in its entirety by such reference.

Upon effectiveness of the Registration Statement, the Company and the Guarantors will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith must file periodic reports and other information with the Commission, unless granted relief from such requirements. All documents filed by the Company or any of the Guarantors pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the Exchange Offer shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the respective dates of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Registration Statement and the exhibits and schedules thereto and any periodic reports or other information filed pursuant to the Exchange Act may be inspected without charge and copies at prescribed rates at the Public Reference Section of the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices at 7 World Trade Center, Suite 1300, New York, New York 10048, and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. The Commission maintains a website that contains reports, proxy and information statements and other information filed electronically with the Commission at http://www.sec.gov.

The Company and the Guarantors have agreed to furnish to holders of the Notes and Old Notes and prospective purchasers and securities analysts, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE ATTORNEY GENERAL OR THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE ATTORNEY GENERAL OR THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, including statements regarding, among other items, (i) the realization of the Company's business strategy, (ii) the sufficiency of cash flow to fund the Company's debt service requirements and working capital needs and (iii) the anticipated trends in the radio broadcasting industry. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and similar expressions. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control. Actual results could differ materially from those contemplated by these forward-looking statements. There can be no assurance that the results and events contemplated by the forward-looking information contained in this Prospectus will in fact transpire. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company does not undertake any obligation to update or

revise any forward-looking statements.

MARKET DATA SOURCES

All metropolitan statistical area ("MSA") rank information set forth in this Prospectus has been obtained from the Spring 1997 Radio Market Survey Schedule & Population Ranking published by The Arbitron Company. According to the Survey, the population estimates used were based upon 1990 U.S. Bureau Census estimates updated and projected to January 1, 1997 by Market Statistics, based on the data from Sales & Marketing Management's 1996 Survey of Buying Power. Information regarding the number of radio stations in the United States featuring religious talk and music formats, including formats identified as Religious, Gospel, Christian, Inspirational or Sacred, the growth in the number of stations featuring religious formats from 1989 to 1996, the religious format as the fourth largest radio format in the United States and the size of the listening audience for religious programming have been obtained from the 1997 Broadcasting & Cable Yearbook, The M Street Journal (November 26, 1997) and Religion & Media Quarterly (July 1997).

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. As used in this Prospectus, the term the "Company" refers to Salem Communications Corporation and its subsidiaries, unless the context otherwise requires. Edward G. Atsinger III and Stuart W Epperson are referred to herein as the "Principal Shareholders" and together with Nancy A. Epperson, the wife of Mr. Epperson and the sister of Mr. Atsinger, as the "Shareholders." The Shareholders reorganized the Company in August 1997 such that certain entities owned by the Shareholders became wholly owned by the Company. In addition to the historical information contained herein, certain statements in this Prospectus constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 (the "Reform Act") which involve risks and uncertainties. The Company's actual results may differ significantly from those discussed herein. Factors that might cause such a difference include, but are not limited to, those discussed under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as those discussed elsewhere in this Prospectus. See "Special Cautionary Notice Regarding Forward-Looking Statements."

THE COMPANY

Salem Communications Corporation is the leading radio broadcast company in the United States, measured by number of stations owned and audience coverage, that focuses on serving the religious/conservative listening audience. The Company's two primary businesses include the ownership and operation of religious format radio stations and the development and expansion of a national radio network (the "Network") offering talk programming, news and music to affiliated stations. The Company owns and/or operates 43 radio stations concentrated in 28 geographically diverse markets across the United States.

The Company offers a variety of specialized talk programming emphasizing Bible study and Judeo-Christian values applied to family and community issues as well as contemporary and traditional religious music. The 1997 Broadcasting & Cable Yearbook identifies over 1,800 radio stations throughout the United States that feature religious talk and music formats, including formats identified as Religious, Gospel, Christian, Inspirational or Sacred. According to statistics appearing in The M Street Journal, a broadcast industry newsletter, the number of radio stations featuring religious formats has grown approximately 69% between 1989 and 1997 and the religious format is the fourth largest radio format in the United States after country, news/talk and adult contemporary. According to Religion & Media Quarterly, religious format radio stations have an audience of approximately 20.6 million listeners.

The Company focuses on serving the top 25 markets in terms of audience size in the United States and has radio stations in nine of the top ten and 19 of the top 25 of those markets. Since January 1, 1992, the Company has grown significantly by acquiring ownership of, or operating rights to, 29 radio stations in 20 markets, including 17 stations in 14 markets since January 1, 1996. Many of these recently acquired radio stations were previously broadcasting in non-religious formats and have been re-formatted by the Company. The Company's experience has been that changing the format of an acquired station typically requires a transition period during which the Company develops its program customer and listener base. During such transition period, these stations typically do not generate significant cash flow from operations. The Company's total gross revenue, broadcast cash flow and EBITDA (as defined herein) were $65.1 million, $25.5 million and $20.9 million, respectively, for the year ended December 31, 1996 and were $54.5 million, $20.6 million and $16.2 million, respectively, for the nine months ended September 30, 1997. The Company's results of operations for the year ended December 31, 1996 and the nine months ended September 30, 1997 include the results of many stations in transition periods, which have not generated

significant cash flow from operations in the aggregate.

Owned and/or Operated Stations. The following table sets forth information about the number of radio stations owned and/or operated by the Company and the markets served in order of market size:

<TABLE>
<CAPTION>

MARKET(1):	MSA RANK(2)	NUMBER OF STATIONS FM	AM	MARKET(1):	MSA RANK(2)	NUMBER OF STATIONS FM	AM
<C>	<C>	<C>	<C>	<S>	<C>	<C>	<C>
New York, NY...........	1	0	2	Pittsburgh, PA.........	20	1	1
Los Angeles, CA.........	2	2	1	Cleveland, OH..........	22	0	2
Chicago, IL............	3	1	0	Denver-Boulder, CO......	23	1	2
San Francisco, CA.......	4	0	1	Portland, OR...........	24	1	1
Philadelphia, PA........	5	0	2	Cincinnati, OH.........	25	0	1
Dallas-Ft. Worth, TX....	7	1	0	Riverside-San Bernardino, CA.........	26	0	1(5)
Washington, D.C.	8	1	0	Sacramento, CA.........	28	0	2
Houston-Galveston, TX...	9	1	1	Columbus, OH...........	32	0	1
Boston, MA.............	10	0	1	San Antonio, TX.........	34	0	1
Seattle-Tacoma, WA......	13	0	3(3)	Akron, OH..............	67	0	1
San Diego, CA..........	14	0	1	Spokane, WA............	87	1	0
Minneapolis-St. Paul, MN	16	0	1	Colorado Springs, CO....	95	3	0
Phoenix, AZ............	18	0	1	Oxnard, CA.............	109	1	0
Baltimore, MD..........	19	0	1(4)	Canton, OH.............	120	1(6)	0
				TOTAL............................		15	28

</TABLE>

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(1) Actual city of license may differ from metropolitan market served.

(2) "MSA" means metropolitan statistical area.

(3) The Company operates one of the stations, which is licensed to a corporation owned by the Principal Shareholders of the Company, under the terms of a local marketing agreement. See "Federal Regulation of Radio Broadcasting--Local Marketing Agreements" and "Certain Transactions."

(4) The station is simulcast with WAVA-FM, Washington, D.C.

(5) The station is simulcast with KKLA-FM, Los Angeles.

(6) The station is simulcast with WHK-AM, Cleveland.

For the year ended December 31, 1996 and the nine months ended September 30, 1997, the Company derived 57.5% and 53.4% of its gross revenue, or $37.5 million and $29.1 million, respectively, from the sale of nationally syndicated and local block program time. The Company believes that sales of block program time lessen its exposure to swings in general economic activity and thus make its revenue stream less volatile. The Company derives its nationally syndicated program revenue from a programming customer base consisting primarily of geographically diverse, well-established non-profit religious and educational organizations that purchase time on stations in a large number of markets in the United States. These nationally syndicated program producers typically purchase 13, 26 or 52 minute blocks on a Monday through Friday basis and may offer supplemental programming for weekend release. The recognized leading daily radio program featured on religious talk format stations is Focus on the Family, which according to the 1997 Directory of Religious Media is syndicated on 943 radio stations in the United States, including 35 Company stations as of November 1997. Other leading radio programs currently include Insight for Living (590 stations, including 26 Company stations), In Touch (490 stations, including 27 Company stations) and Grace to You (294 stations, including 22 Company stations).

For the year ended December 31, 1996 and the nine months ended September 30, 1997, the Company derived 26.7% and 27.6% of its gross revenue, or $17.4 million and $15.0 million, respectively, from the sale of local spot advertising and 6.3% and 9.4% of its gross revenue, or $4.1 million and $5.1 million (including $2.7 million of reclassified infomercial advertising revenue), respectively, from the sale of national spot advertising. The Company in recent years has begun to place greater emphasis on the development of local spot sales in all of its markets. The Company believes that the listening audience for its radio stations is responsive to

affinity advertisers that promote products targeted to the religious/conservative audience and is receptive to direct response appeals

such as those offered through infomercials. The Company's stations all have affinity advertising customers in their respective markets. The Company also generates spot advertising revenue from general market retailers, including automobile dealers and grocery store chains, in many of its markets. Because the Company does not sell advertising based on market share, it does not subscribe to traditional audience measuring services, but instead sells advertising based upon the proven success of its other advertising customers. The Company's radio stations also receive revenue from national advertisers desiring to include selected Company stations in national buys covering multiple markets. These national advertising buys are placed through Salem Radio Representatives ("SRR"), a wholly owned subsidiary of the Company, which sells all national commercial advertising placed on the Network's commercial affiliate radio stations.

The Network. In 1993, the Company established the Network in connection with its acquisition of certain assets of the former CBN Radio Network. Establishment of the Network was a part of the Company's overall business strategy to develop a national network of affiliated radio stations anchored by the Company's owned and operated radio stations in major markets. The Network, which is headquartered in Dallas, is focused on the development, production and syndication of a broad range of programming specifically targeted to religious talk and music stations as well as general market news/talk stations. Currently, the Company has rights to six full-time satellite channels and all Network product is delivered to affiliates via satellite.

As of November 30, 1997, the Network had approximately 750 affiliate stations, including the Company's owned and operated stations, that broadcast one or more of the offered programming options. These programming options feature talk shows, such as The Oliver North Show and The Alan Keyes Show, news and music. Network operations also include commission revenue of SRR from unaffiliated customers and an allocation of operating expenses estimated to relate to such commission revenue. The Network's gross revenue for the year ended December 31, 1996 and the nine months ended September 30, 1997 were $5.3 million and $4.5 million, respectively. While the Network earned net operating income of $274,000 for the year ended December 31, 1996, it incurred a net operating loss of $542,000 for the nine months ended September 30, 1997, due primarily to continued costs associated with the development of a news programming production and distribution capability and reduced advertising revenue associated with syndicated talk programming.

The Company is a California corporation. Its principal offices are located at 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012 and its telephone number is (805) 987-0400.

OPERATING STRATEGY

Maintain and Enhance Leadership Position in Religious Talk Format. The Company believes that an important factor in its ability to attract and retain quality programming customers is its demonstrated long-term commitment to the religious talk format. Program customers tend to be sophisticated purchasers of air time that recognize that building a listener base capable of generating revenue sufficient to cover programming costs may take several years. The Company's experience has been that such programmers are accordingly reluctant to make the commitment to building a new listener base unless they have a reasonable expectation that the format will remain in place. Management of the Company therefore intends to continue its long-term commitment to the religious talk format. Management believes its commitment to growing the religious talk format, increasing the number of owned and operated stations and developing network operations and national sales activities allows for future growth opportunities for the Company.

Identify and Develop New Program Producers. The Company recognizes that the ongoing success of its religious talk format is largely dependent on the continued availability of quality programs. Management of the Company is committed to assisting promising new program producers with advice on content and structuring of programs in addition to advice on levels of support staffing, engineering and programming delivery options. Station managers are encouraged to evaluate local talk programs with a view toward expansion of promising programs into national syndication. The Company continues to emphasize this important development area with

the goal of maintaining a backlog of quality programs available for placement in new markets and existing markets where the Company may add additional stations.

Emphasize Signal Quality and Market Coverage. The Company is committed to the ongoing evaluation and improvement of its technical facilities, including power increases, tower/antenna relocations and investment in state of the art equipment. The Company believes that its success is attributable in part to its ownership of broadcast facilities that provide broad signal coverage in its markets.

Build Station Identity Through Development of Strong Production Values. The

Company believes that an important element in retaining and increasing the listening audience and expanding the base of potential advertisers for its stations is the development of local station identity. The Company believes that its emphasis on development of a station's identity during those times when the Company is not broadcasting its customers' block programming will allow it to compete with general format stations for listening audience and advertising customers. Station employees with responsibility for programming are encouraged to build identity through continual improvement of production values and to share their ideas with other Company stations. The Company assists local personnel and coordinates development of increased production values through its director of programming located at the corporate headquarters. Certain of the Company's stations have successfully adopted techniques that have built identity through the development of local on-air personalities associated with segments of the broadcast day, and these techniques are being implemented at other Company stations.

Expand and Diversify National Network. The Company is committed to expanding the Network by adding to its menu of Network product offerings and by actively promoting these products to Network affiliates. The Company believes that by continually increasing the quality of its Network product it will add to its affiliate base, thereby providing more audience reach that will attract more national advertising customers and potentially generate business from national advertising agencies. The Company competes aggressively for talk show talent it believes will be attractive to existing and potential affiliates, refines existing music formats and develops political commentary and public affairs programming that are complementary to the product offerings of the Network. The Company will continue to explore ways to better serve its customers and the religious/conservative listening audience by using the combined resources of its owned and operated stations and the Network. For example, unused Network inventory can be used as an incentive to potential or existing program producers to purchase block program time on the Company's radio stations. The Company has successfully implemented this strategy in the past and will continue to devote significant time and resources to find additional synergistic uses of its radio stations and the Network.

ACQUISITION STRATEGY

Expand Into New Markets. The Company continues to pursue an acquisition strategy of acquiring radio stations in the top 25 markets in which it currently does not have a presence and acquiring selected stations in mid-sized markets. The Company believes that its presence in large markets makes it attractive to national program syndicators and national advertisers. In addition, the geographic diversity of the Company's markets reduces its dependence on any single local economy. Over the past 20 years, the Company has developed and implemented a model for evaluating the desirability of entering a new market. Management considers the number of stations already serving the target market with religious formats, the programming within that format (music or talk), the quality of talk programs offered and the signal strength of the competing stations. The signal strength of any station that becomes available for purchase is a critical factor in the evaluation process.

Expand in Existing Markets. The Company pursues the acquisition of additional stations in markets in which it already has a presence. The experience of the Company with existing duopolies and triopolies has been positive. Multiple stations making use of one general manager and sales staff and one broadcast facility have resulted in operational efficiencies in certain markets. In addition, the Company intends to develop more talk and music product at the Network level that will be available for use on additional stations in a market. The Company believes new religious music formats are gaining increased popularity and are complementary to the Company's

religious talk format. Three separate music formats are produced by the Network and are available for use by Company stations. This strategy has been implemented successfully in Colorado Springs, where the Company owns three FM stations, two of which offer religious music formats and one of which features a religious talk format.

Upgrades in Existing Markets. The Company is continually looking for upgrade opportunities in existing markets to expand its audience reach. This strategy of acquiring upgraded facilities in existing markets has been an area of emphasis for senior management for many years and has been successfully demonstrated in such markets as Seattle and New York in prior years. More recently, the Company has significantly improved its position in Boston and Dallas through the acquisition of more powerful stations that have allowed the Company to continue its business strategy of operating stations that provide broad signal coverage in its markets.

Acquisition Financing. In the past, the Company has principally financed acquisitions of radio stations through borrowings, including borrowings under credit agreements with banks and, to a lesser extent, from cash flow from operations and selected asset dispositions. Taking into account certain restrictions under the Credit Agreement, however, the Company is not currently able to borrow for acquisitions. See "Management's Discussion and Analysis of

Financial Condition and Results of Operations--Liquidity and Capital Resources."

RECENT DEVELOPMENTS

The Company has completed the purchase of the following radio stations in 1997:

DATE	MARKET	STATION	MSA RANK	PURCHASE PRICE
January 1997................	Dallas, TX	KWRD-FM	7	$40,100,000(1)
January 1997................	Cleveland, OH	WHK-AM	22	6,220,000
February 1997..............	Canton, OH	WHK-FM	120	5,903,000
February 1997..............	Akron, OH	WHLO-AM	67	1,995,000
February 1997..............	Boston, MA	WEZE-AM	10	7,030,000
April 1997..................	Sacramento, CA	KTKZ-AM	28	1,485,000
July 1997...................	Baltimore, MD	WITH-AM	19	1,114,000
July 1997...................	Cincinnati, OH	WTSJ-AM	25	1,114,000
October 1997................	Cleveland, OH	WCCD-AM	22	700,000

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(1) This acquisition was consummated on December 30, 1996, but operational control was not transferred until January 1997.

In November 1997, the Company sold substantially all of the assets of radio station WPZE-AM, Boston, Massachusetts, for $5 million. Proceeds from the sale are being held by a qualified intermediary under a like-kind exchange agreement to preserve the Company's ability to effect a tax-deferred exchange. If the Company does not identify replacement property it will use the proceeds to reduce outstanding borrowings under the Credit Agreement.

THE EXCHANGE OFFER

Securities Offered.........................	Up to $150,000,000 aggregate principal amount of 9 1/2% Series B Senior Subordinated Notes due 2007.
The Exchange Offer.........................	The Notes are being offered in exchange for a like principal amount of the Company's Old Notes. Old Notes may be exchanged only in integral multiples of $1,000. The issuance of the Notes is intended to satisfy the obligations of the Company under the terms of the Registration Rights Agreement.
Tenders; Expiration Date; Withdrawal.......	The Exchange Offer will expire at 5:00 P.M., New York City time on , 1998, or such later date and time to which it is extended by the Company (the "Expiration Date"). Tenders of Old Notes pursuant to the Exchange Offer may be withdrawn at any time prior to the Expiration Date. In the event the Company terminates the Exchange Offer and does not accept for exchange any Old Notes pursuant to the Exchange Offer, the Company will promptly return such Old Notes to the Holders thereof.
Accrued Interest on the Notes..............	The Notes will bear interest from and including the date of issuance of the Old Notes. Accordingly, Holders who receive Notes in exchange for Old Notes will forego accrued but unpaid interest on their exchanged Old Notes for the period from and including the date of issuance of the Old Notes to the date of exchange, but will be entitled to such interest under the Notes.
Conditions of the Exchange Offer...........	The Exchange Offer is subject to certain customary conditions, any

	or all of which may be waived by the Company. The Company currently expects that each of the conditions will be satisfied and that no waivers will be necessary. See "The Exchange Offer--Conditions to the Exchange Offer."
Procedures for Tendering Old Notes.........	Each Holder wishing to accept the Exchange Offer must complete and sign the Letter of Transmittal, in accordance with the instructions contained therein, and submit the Letter of Transmittal to the Exchange Agent identified below. See "The Exchange Offer--Procedures for Tendering."
Guaranteed Delivery Procedures............	Holders of Old Notes who wish to tender their Old Notes and whose Old Notes are not immediately available or who cannot deliver their Old Notes and the Letter of Transmittal and any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date, must tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer--Guaranteed Delivery Procedures."

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Acceptance of Old Notes and Delivery of Notes....................................	The Company will accept for exchange any and all Old Notes which are properly tendered in the Exchange Offer prior to 5:00 P.M., New York City time, on the Expiration Date. See "The Exchange Offer--Acceptance of Old Securities for Exchange; Delivery of Securities."
Rights of Dissenting Holders..............	Holders of Old Notes do not have any appraisal or dissenters' rights under the California General Corporation Law in connection with the Exchange Offer.
Exchange Agent............................	The Bank of New York; telephone (212) 815-[TBD]. See "The Exchange Offer--Exchange Agent."

</TABLE>

TERMS OF THE NOTES

The terms of the Notes are identical in all material respects to the terms of the Old Notes, except that the Notes are expected to be freely transferable as described under "The Exchange Offer--Resales of Notes."

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Maturity Date.............................	October 1, 2007.
Interest Payment Dates....................	April 1 and October 1 of each year, commencing April 1, 1998.
Optional Redemption.......................	The Notes are redeemable at the option of the Company, in whole or in part, at any time on or after October 1, 2002, at the redemption prices set forth herein, plus accrued and unpaid interest to the redemption date. In addition, the Company, at its option, may redeem up to $50.0 million in aggregate principal amount of the Notes at any time

	on or prior to October 1, 2000 at 109.50% of the aggregate principal amount so redeemed, plus accrued and unpaid interest thereon to the redemption date, with the proceeds of one or more Public Equity Offerings, provided that at least $100.0 million in aggregate principal amount of the Notes remain outstanding immediately after the occurrence of any such redemption. See "Description of the Notes--Optional Redemption."
Change of Control..........................	Upon a Change of Control, each holder of the Notes will be entitled to require the Company to purchase such holder's Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the purchase date. See "Description of the Notes--Certain Covenants--Purchase of Notes Upon a Change of Control."
Guarantees.................................	The Notes will be guaranteed, jointly and severally, on a senior subordinated basis by the Guarantors. The Guarantees will be general unsecured obligations of the Guarantors, subordinated in right of payment to all Guarantor Senior Indebtedness, including any guarantees by Guarantors of the Company's obligations under the Credit Agreement, and senior in right of payment to any Subordinated Indebtedness of the Guarantors. See "Description of Notes--Guarantees."
Subordination..............................	The Notes will be general unsecured obligations of the Company, subordinated in right of payment to all existing and future Senior Indebtedness, including the Company's obligations under the Credit Agreement, and senior in right of payment to any Subordinated Indebtedness of the Company. See "Description of Notes--Subordination."
Certain Covenants..........................	The Indenture under which the Old Notes were and the Notes will be issued contains certain covenants that, among other things, limits the incurrence of additional indebtedness by the Company and Restricted Subsidiaries

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	(as defined herein), the payment of dividends, the use of proceeds of certain asset sales and certain transactions with affiliates and contains certain other restrictive covenants affecting the Company and Restricted Subsidiaries. See "Description of Notes--Certain Covenants."
Absence of a Public Market for the Notes...	There has been no public market for the Old Notes and it is not currently anticipated that an active public market for the Notes will develop. No assurance can be given as to the liquidity of the trading market for the Notes following the Exchange Offer.

</TABLE>

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

The summary consolidated financial information below should be read in conjunction with, and is qualified by reference to, the Company's consolidated financial statements and related notes, "Selected Consolidated Financial Information of the Company" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Prospectus. The financial results of the Company are not comparable from year to year because of the acquisition and disposition of various radio stations and radio networks by the Company.

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	YEAR ENDED DECEMBER 31					NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1994	1995	1996	1996	1997
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:							
Net revenue	$28,532	$32,423	$38,575	$48,168	$59,010	$42,465	$49,449
Operating expenses:							
Station operating expenses	14,922	17,011	22,179	27,527	33,463	23,907	28,793
Corporate expenses	2,647	3,193	3,292	3,799	4,663	3,413	4,998
Tax reimbursements to S corporation shareholders	1,029	1,311	977	2,057	2,038	1,529	1,780
Depreciation and amortization	6,441	6,601	7,633	7,884	8,394	6,148	9,382
Operating expenses	25,039	28,116	34,081	41,267	48,558	34,997	44,953
Net operating income	3,493	4,307	4,494	6,901	10,452	7,468	4,496
Other income (expense):							
Interest income/expense, net	(2,516)	(2,349)	(3,438)	(6,327)	(6,838)	(5,198)	(8,392)
Gain (loss) on disposal of assets	(1,044)	1,603	(482)	(7)	16,064	12,659	(190)
Other income (expense)	(393)	2	(135)	(255)	(270)	(209)	(288)
Total other income (expense)	(3,953)	(744)	(4,055)	(6,589)	8,956	7,252	(8,870)
Income (loss) before income taxes and extraordinary item	(460)	3,563	439	312	19,408	14,720	(4,374)
Provision (benefit) for income taxes	(415)	1,437	(247)	(204)	6,655	5,046	(1,790)
Income (loss) before extraordinary item	(45)	2,126	686	516	12,753	9,674	(2,584)
Extraordinary gain (loss)(1)	921	--	--	(394)	--	--	(1,090)
Net income (loss)	$ 876	$ 2,126	$ 686	$ 122	$12,753	$ 9,674	$(3,674)
Pro forma net income (loss)(2)	$ 1,262	$ 2,917	$ 848	$ 1,024	$12,838	$ 9,727	$(2,651)
OTHER DATA:							
Broadcast cash flow(3)	$13,610	$15,412	$16,396	$20,641	$25,547	$18,558	$20,656
Broadcast cash flow margin(4)	47.7%	47.5%	42.5%	42.9%	43.3%	43.7%	41.8%
EBITDA (excludes all other income items)(3)	$10,963	$12,219	$13,104	$16,842	$20,884	15,145	15,658
Capital expenditures	1,691	912	2,441	3,040	6,982	4,119	5,502
Purchase price of radio stations	20,000	15,500	14,935	24,550	59,621	8,302	24,861
Earnings to fixed charges ratio(5)	0.9x	2.1x	1.1x	1.0x	3.2x		.5x
PRO FORMA RATIO:							
Pro forma earnings to fixed charges ratio(5)					1.7x		.4x

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DECEMBER 31

					SEPTEMBER 30	
	1992	1993	1994	1995	1996	1997
BALANCE SHEET DATA:						
Cash and cash equivalents...........	$ 2,479	$ 1,277	$ 1,780	$ 1,007	$ 1,962	$ 2,103
Working capital.........	322	5,836	1,852	1,088	8,258	17,573
Intangible assets, net..	32,146	39,296	46,748	61,923	106,781	121,833
Total assets...........	62,106	69,656	82,041	104,817	159,185	184,133
Long-term debt (including current portion)..............	44,915	48,656	60,656	81,020	121,790	160,100
Shareholders' equity....	10,348	12,474	13,160	13,282	20,354	9,386

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(1) The extraordinary gain in 1992 represents a gain on early extinguishment of a private annuity agreement. The extraordinary loss in 1995 and 1997 relates to the write-off of loan and related fees related to the repayment of long-term debt. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 4 of the Notes to Consolidated Financial Statements.

(2) The Company's consolidated financial data for the periods presented include the results of operations, assets and liabilities of New Inspiration Broadcasting Company, Inc. ("New Inspiration") and Golden Gate Broadcasting Company, Inc. ("Golden Gate"), which were both S corporations under common ownership and control with the Company prior to the Reorganization (as defined herein). Federal and state income taxes (except for a 1.5% state franchise tax) are not provided for New Inspiration and Golden Gate in the consolidated statements of operations of the Company for the periods presented because the tax attributes of S corporations are passed through to their shareholders. Prior to the Reorganization, New Inspiration and Golden Gate reimbursed the S corporation shareholders for their individual income tax liabilities on the earnings of the S corporations. These tax reimbursements to S corporation shareholders are reflected as an operating expense in the Company's consolidated financial statements.

In August 1997, the Company, New Inspiration and Golden Gate effected the Reorganization pursuant to which the S corporations became wholly owned by the Company. The S corporation status of New Inspiration and Golden Gate was terminated in the Reorganization. To give effect to the Reorganization, including the termination of the S corporation status of New Inspiration and Golden Gate, pro forma net income excludes the tax reimbursements to S corporation shareholders (because such amounts would not have been paid had New Inspiration and Golden Gate been subject to income taxes) and includes a pro forma tax provision at an estimated combined federal and state income tax rate of approximately 40% (to reflect an estimated income tax provision (benefit) of the Company) as if the Reorganization had occurred at the beginning of each period presented in the Company's consolidated financial data. See "Business--Corporate Structure and Reorganization."

The following table reflects the pro forma adjustments to historical net income:

	YEAR ENDED DECEMBER 31					NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1994	1995	1996	1996	1997
Pro Forma Information:							
Income (loss) before income taxes and extraordinary item as reported above..............	$ (460)	$3,563	$ 439	$ 312	$19,408	$14,720	$(4,374)
Add back tax reimbursements to S corporation shareholders........	1,029	1,311	977	2,057	2,038	1,529	1,780
Pro forma income (loss) before income taxes and extraordinary item .	569	4,874	1,416	2,369	21,446	16,249	(2,594)
Pro forma income tax provision (benefit).	228	1,957	568	951	8,608	6,522	(1,033)
Pro forma income							

(loss) before extraordinary item..	341	2,917	848	1,418	12,838	9,727	(1,561)
Extraordinary gain (loss).............	921	--	--	(394)	--	--	(1,090)
Pro forma net income (loss).............	$1,262	$2,917	$ 848	$1,024	$12,838	$ 9,727	$(2,651)

</TABLE>

(3) "Broadcast cash flow" consists of net operating income before tax reimbursements to S corporation shareholders, depreciation and amortization and corporate expenses. "EBITDA" consists of net operating income before tax reimbursements to S corporation shareholders and depreciation and amortization. Although broadcast cash flow and EBITDA are not measures of performance calculated in accordance with GAAP, management believes that they are useful to an investor in evaluating the Company because they are measures widely used in the broadcast industry to evaluate a radio company's operating performance. However, broadcast cash flow and EBITDA should not be considered in isolation or as substitutes for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP as a measure of liquidity or profitability.

(4) Broadcast cash flow margin is broadcast cash flow as a percentage of net revenue.

(5) For purposes of computing the ratio of earnings to fixed charges, "earnings" consist of income from operations before income taxes plus fixed charges, and "fixed charges" consist of interest expense plus an allocation of a portion of rent expense representing interest. The pro forma earnings to fixed charges ratio assumes the issuance of the Notes and the repayment in full of the Company's outstanding indebtedness under the Company's prior credit agreement which was repaid in full upon issuance of the Old Notes on September 25, 1997 as if each occurred at the beginning of each period presented. For the years ended December 31, 1992 and 1995, and for the nine months ended September 30, 1997, the Company's earnings were inadequate to cover fixed charges; the coverage deficiency for the years ended December 31, 1992 and 1995 was $460,000 and $313,000, respectively, and for the nine months ended September 30, 1997 was $4.4 million (actual) and $7.2 million (pro forma).

RISK FACTORS

In addition to the other information set forth elsewhere in this Prospectus, the following risk factors should be carefully considered before making an investment in the Notes offered hereby.

SUBSTANTIAL LEVERAGE; SUBORDINATION; RESTRICTIONS IMPOSED BY CREDIT AGREEMENT; ASSET ENCUMBRANCE

The Company is highly leveraged with approximately $160.1 million of total Indebtedness outstanding and approximately $9.4 million of shareholders' equity. The degree to which the Company is leveraged could have important consequences to holders of the Notes, including the following: (i) the Company's ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired; (ii) the Company must pay interest on the Notes and interest and principal on its other indebtedness, leaving less funds for other purposes, (iii) the Company may be at a competitive disadvantage to its less leveraged competitors; and (iv) the Company could be more vulnerable to a downturn in general economic conditions.

The Notes are unsecured and thus, in effect, will rank junior to any secured indebtedness of the Company and the Guarantors. The payment of any amount owing in respect of the Notes will be subordinated to the prior payment in full of all existing and future Senior Indebtedness of the Company, including all amounts owing under the Credit Agreement. In addition, the Guarantees of the Notes will be subordinated to the prior payment in full of all existing and future Guarantor Senior Indebtedness of the Guarantors. Consequently, in the event of the liquidation, dissolution, reorganization or similar proceeding with respect to the Company or the Guarantors, assets of the Company and the Guarantors will be available to pay obligations on the Notes only after all Senior Indebtedness or Guarantor Senior Indebtedness, as applicable, has been paid in full, and there can be no assurance that sufficient assets to pay amounts due on all or any of the Notes will remain. See "Description of the Notes--Subordination." As of September 30, 1997, the Company and the Guarantors had an aggregate of $10.1 million of Senior Indebtedness outstanding under the Company's $75.0 million senior secured reducing revolving credit facility (the "Credit Agreement") and no other Indebtedness outstanding other than the Notes. Subject to restrictions in the Indenture and the Credit Agreement, the Company will be able to incur additional Senior Indebtedness, including indebtedness under the Credit

Agreement.

The indebtedness outstanding under the Credit Agreement is secured by liens on substantially all of the assets of the Company and the Guarantors, constitutes Senior Indebtedness and will come due prior to the maturity of the Notes. Indebtedness under the Credit Agreement is at variable rates of interest, which will cause the Company to be vulnerable to increases in interest rates (except to the extent the Company has entered into certain Interest Rate Agreements (as defined herein) with respect thereto). The Credit Agreement includes certain restrictive covenants that, among other things and with certain exceptions, limit the Company's ability to incur additional indebtedness, enter into affiliate transactions, pay dividends, consolidate, merge or effect certain asset sales, make certain investments or loans and change the nature of its business. The Credit Agreement also requires satisfaction by the Company of certain financial covenants, which will require maintenance of specified financial ratios and compliance with certain financial tests, including ratios for maximum leverage, minimum interest coverage, minimum debt service coverage and minimum fixed charge coverage. The ability of the Company to comply with these and other provisions of the Credit Agreement may be affected by events beyond the Company's control. The breach of any of these covenants could result in a default under the Credit Agreement, in which case, depending on the actions taken by the lenders thereunder or their successors in interest, such lenders would be entitled to declare all amounts borrowed under the Credit Agreement, together with accrued interest, to be due and payable. If the Company were unable to repay such borrowings, such lenders could proceed against their collateral. See "Description of Certain Indebtedness--Credit Agreement." If the indebtedness under the Credit Agreement were accelerated, there can be no assurance that the assets of the Company would be sufficient to repay in full such indebtedness and the other indebtedness of the Company, including the Notes. See "Description of the Notes."

OPERATING AND GROWTH STRATEGY

Because the Company maintains a religious format at nearly all its owned and operated radio stations and offers religious programming options through the Network, the success of the Company is dependent upon the

popularity of religious formats, the financial success of the organizations purchasing block program time and spot advertising on the Company's stations and the financial success of religious format radio stations that purchase programming through the Network. The Company recognizes that this commitment may result in the foregoing of certain opportunities, such as switching to non-religious formats in certain markets that appear, or may appear in the future, to offer better profit opportunities. The Company believes, however, that this commitment is necessary in order to continue to obtain commitments from those quality program producers whose presence on the Company's stations will attract and retain the religious/conservative listening audience. While the Company has been successful in the past with the religious formats of its stations and Network programming, no assurance can be given that this format will be successful in the future.

Since January 1, 1992, the Company has grown significantly by acquiring ownership of, or operating rights to, 29 radio stations in 20 markets, nine of which were acquired after January 1, 1997. Typically the Company has acquired radio stations that operate under a different format than the religious/talk format the Company employs. The Company is committed to the religious/talk format and considers its commitment to have brought it success by allowing quality programmers to commit their resources to development of their programming based on the comfort that the format will exist long enough for such programmers to succeed in building an audience on the Company's stations. The Company intends to continue its growth and operating strategies through continued acquisitions of radio station groups and individual radio stations in selected markets and expects that, consistent with past practices, it will reformat most of these radio stations. See "Business--Acquisition Strategy." The Company's growth and operating strategy has a number of inherent risks including: (i) the Company may be unable to generate cash flow in reformatted stations as effectively as it has in the past, (ii) the Company's management team may be unable to manage a larger organization or may be unable to integrate newly acquired stations into its management structure as effectively as when it had fewer stations to manage, (iii) the acquisitions that the Company makes may not benefit the Company as expected, (iv) the Company may be unable to locate attractive acquisition opportunities or may be forced to pay higher prices due to increased competition for such radio stations and (v) to continue its acquisition strategy, the Company may need and be unable to obtain additional financing on terms acceptable to its management and in compliance with the Indenture and the Credit Agreement or at all. Taking into account certain restrictions under the Credit Agreement, the Company is not currently able to borrow for acquisitions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources." The Company currently is evaluating certain acquisitions but has no binding acquisition commitments other than as described in "Summary--Recent Developments."

DEPENDENCE ON KEY CUSTOMERS AND KEY MARKETS; MARKET GROWTH CONSTRAINTS

A substantial portion of the Company's historical revenue has been realized from the sale of block program time to independent producers of religious programming. While no single programming customer represented more than 7.5% of total program revenue for the year ended December 31, 1996 or the six months ended June 30, 1997, the top five revenue-producing program customers accounted for 20.7% and 22.2%, respectively, of gross program revenue and 11.9% of gross revenue for such periods. These top programmers purchase block program time on many of the Company's stations. The Company's contracts with program providers are not exclusive and, with limited exceptions, may be terminated by either party on 30 days' notice. The Company's operating results and business could be materially and adversely affected should any of its significant programmers experience financial difficulties or determine to move their programs to other radio broadcasters or media.

A substantial portion of the Company's historical revenue has been realized from the results of operations of several of its radio stations in certain key markets. The Company's top four revenue-producing stations accounted for 38.3% and 36.1%, respectively, of the Company's net revenue for the year ended December 31, 1996 and the nine months ended September 30, 1997 and 59.5% and 59.7%, respectively, of the Company's EBITDA for the same periods. A significant decline in net revenue from the Company's stations in these markets could have a material adverse effect on the Company's financial position and results of operations.

In addition, the Company's ability to enter new markets has been dependent to a significant degree upon the willingness of its core group of national programming customers to purchase air time in these new markets and thus expand the distribution of their programs. There can be no assurance that such core group will continue to support the Company's further expansion into new markets. Because of the substantial investment required to purchase block program time in new markets and the significant time lag involved in creating a listener base capable of generating revenue sufficient to cover these programming costs, these programming customers may not be willing to make the financial commitment associated with expanding into new markets, which may in turn affect the Company's ability to expand into new markets. In addition, the Company's ability to expand into new markets could be limited by programming customers having pre-existing relationships with other stations in such markets.

HOLDING COMPANY STRUCTURE; POSSIBLE UNENFORCEABILITY OF GUARANTEES; FRAUDULENT CONVEYANCES AND PREFERENTIAL TRANSFERS

The Company is a holding company that derives substantially all of its operating income from the Guarantors, including income used for the payment of principal of and interest on the Notes. The ability of the Guarantors to make such payments is restricted by, among other things, applicable state corporate laws, other laws and regulations or terms of agreements to which they may become party.

The Guarantees provided by the Guarantors may be subject to legal challenge in the event of the bankruptcy of a Guarantor. To the extent that the Guarantees are not enforceable, the rights of holders of the Notes to participate in any distribution of assets of any Guarantor upon liquidation, bankruptcy, reorganization or otherwise may, as is the case with other unsecured creditors of the Company, be subject to prior claims of creditors of the Guarantor.

Enforcement of the Guarantees may be limited by certain fraudulent conveyance laws. Various fraudulent conveyance and similar laws have been enacted for the protection of creditors and may be utilized by a court of competent jurisdiction to avoid the Guarantees. The requirements for establishing a fraudulent conveyance vary depending on the law of the jurisdiction that is being applied. Generally, if in a bankruptcy, reorganization, rehabilitation or similar proceeding in respect to the Company or a Guarantor, or in a lawsuit by or on behalf of creditors against the Company or a Guarantor, a court were to find that (i) the Company or a Guarantor, as the case may be, incurred indebtedness in connection with the Notes (including the Guarantees) with the intent of hindering, delaying or defrauding current or future creditors of the Company or the Guarantor, as the case may be, or (ii) the Company or a Guarantor, as the case may be, received less than reasonably equivalent value or fair consideration for incurring such indebtedness (including the Guarantees), as the case may be, and either (a) was insolvent at the time of the incurrence of such indebtedness (including the Guarantees), (b) was rendered insolvent by reason of incurring such indebtedness (including the Guarantees), (c) was at such time engaged or about to engage in a business or transaction for which its assets constituted unreasonably small capital or (d) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, such court could, with respect to the Company or the Guarantor, as the case may be, declare void in whole or in part the obligations of the Company or such

Guarantor in connection with the Notes (including the Guarantees). Generally, an entity will be considered insolvent if the sum of its respective debts was greater than the fair saleable value of all of its property at a fair valuation or if the present fair saleable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts, as they become absolute and mature.

Additionally, under federal bankruptcy or applicable state insolvency law, if certain bankruptcy or insolvency proceedings were initiated by or against the Company or any Guarantor within 90 days after any payment by the Company or such Guarantor with respect to the Notes or a Guarantee, respectively, or if the Company or such Guarantor anticipated becoming insolvent, all or a portion of such payment could be avoided as a preferential transfer and the recipient of such payment could be required to return such payment.

DEPENDENCE ON KEY PERSONNEL; CONTROL OF COMPANY

The Company's business is dependent upon the performance of certain key individuals, particularly Edward G. Atsinger III, the President, Chief Executive Officer and a director, and Stuart W. Epperson, the Chairman of the Board. The loss of the services of either Mr. Atsinger or Mr. Epperson, each of whom has been involved in the radio broadcasting industry for more than 25 years, could have a material adverse effect upon the Company. The Company has entered into Employment Agreements with Mr. Atsinger and Mr. Epperson which expire July 31, 2000. See "Management--Employment Agreements." In addition, the Company has purchased key-man life insurance covering Mr. Atsinger and Mr. Epperson in the amount of $5.0 million each.

The Principal Shareholders hold 86.8% of the outstanding common stock of the Company. See "Securities Ownership of Certain Beneficial Owners." As a result, the Principal Shareholders are effectively able to elect all of the members of the Board of Directors of the Company and therefore direct the management and policies of the Company. The Principal Shareholders may have interests different from those of holders of the Notes.

COMPETITION

The radio broadcasting industry, including the religious format segment of this industry, is a highly competitive business. The financial success of each of the Company's radio stations that features talk programming is dependent, to a significant degree, upon its ability to generate revenue from the sale of block program time to national and local religious and educational organizations. The Company competes for this program revenue with a number of different commercial and noncommercial radio station licensees. While no group owner specializing in the religious format approaches the Company in size and major market penetration, religious format stations exist and enjoy varying degrees of prominence and success in all markets. While management believes that its commitment to acquiring full market coverage facilities, its reputation for quality programming and its relationships with key customers position it well for continued growth and stability of program revenue, there can be no assurance that the Company will be able to maintain or increase its current program revenue.

The Company also competes for revenue in the spot advertising market with other commercial religious format and general format radio station licensees. There can be no assurance that the Company will be able to maintain or increase its current advertising revenue. The Company competes in the spot advertising market with other media as well, including broadcast television, cable television, newspapers, magazines, direct mail coupons and billboard advertising. Competition may also come from new media technologies currently being developed or introduced, such as the delivery of audio programming by cable television systems, by satellite and by digital audio broadcasting ("DAB"). DAB may deliver by satellite to national and regional audiences, multi-channel, multiformat digital radio services with quality equivalent to compact discs. The delivery of information through the Internet also could create new competition. The Federal Communications Commission (the "FCC") has recently authorized spectrum for the use of a new technology, satellite digital audio radio services ("DARS"), to deliver audio programming. DARS may provide a medium for the delivery by satellite or terrestrial means of multiple new audio programming formats to local and national audiences. The Company cannot predict at this time the effect, if any, that any such new technologies may have on the radio broadcasting industry.

The Network also faces competition. The Network competes with other commercial radio networks that offer news and talk programming to religious format stations and two noncommercial networks that offer religious music formats. The Network also competes with other radio networks for the services of talk show personalities. While management believes that the variety of products offered by the Network and its presence in major markets through affiliation with Company owned and operated stations gives the Network a strong competitive position, there can be no assurance that existing and new competitors will not adversely affect the Network's growth potential and profitability.

REGULATORY MATTERS

Each of the Company's radio stations operates pursuant to one or more licenses issued by the FCC that expire at different times. Although the Company can and intends to apply to renew these licenses, third parties may challenge the Company's renewal applications. There can be no assurance that the Company's licenses to operate its radio stations will be renewed.

The radio broadcasting industry is subject to extensive and changing regulation. Among other things, the Communications Act of 1934 (the "Communications Act") and FCC rules and policies require FCC approval for transfers of control of FCC licenses and assignments of FCC licenses. The filing of complaints against the Company or other FCC licensees could result in the FCC's delaying the grant of, or refusing to grant, its consent to the assignment of licenses to or from an FCC licensee against whom a complaint is pending. See "Business--Federal Regulation of Radio Broadcasting."

Further, in addition to the other risks associated with the acquisition of radio stations, the Company also is aware that the FCC and the Department of Justice (the "DOJ"), which evaluate transactions to determine whether those transactions should be challenged under the federal antitrust laws, have recently been increasingly active in their review of radio station acquisitions, particularly where an operator proposes to acquire additional stations in its existing markets. There can be no assurance that the DOJ or the Federal Trade Commission ("FTC") will not require the restructuring of future acquisitions. See "Business--Federal Regulation of Radio Broadcasting."

POTENTIAL INABILITY TO PURCHASE TENDERED NOTES UPON A CHANGE OF CONTROL

Each holder has the option to cause the Company to purchase its Notes, in whole or in part, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon through the date of repurchase, following a Change of Control (as defined herein). In addition, a Change of Control would be an event of default under the Credit Agreement. The Company currently does not have sufficient funds available to it to purchase all of the outstanding Notes were they to be tendered in the event of a Change of Control. There can be no assurance that the Company will be able to repay all outstanding Senior Indebtedness and repurchase the Notes in the future upon a Change of Control. See "Description of the Notes--Certain Covenants--Purchase of Notes Upon a Change of Control."

LACK OF PUBLIC MARKET; RESTRICTIONS ON RESALE

The Notes are new securities for which there is currently no market. The Old Notes are currently eligible for trading by qualified buyers in the PORTAL market. Following commencement of the Exchange Offer but prior to its consummation, the Old Notes may continue to be traded in the PORTAL market. Following consummation of the Exchange Offer, the Notes will not be eligible for PORTAL trading. Although the Initial Purchasers have informed the Company that they currently intend to make a market for the Notes, they are not obligated to do so and any such market may be discontinued at any time without notice. There can be no assurance that an active public market for the Notes will develop or, if developed, will continue to exist. If a public trading market for the Notes develops, future trading prices will depend on many factors, including, among other things, general market conditions, prevailing interest rates, the Company's results of operations and the market for similar securities. Depending upon such factors, the Notes may trade at a discount from their original issue price. Further, in the case of non-tendering holders of Old Notes, no assurance can be given as to the liquidity of the trading market for the Old Notes following the Exchange Offer.

USE OF PROCEEDS

The Company will receive no proceeds from the exchange of the Notes for the Old Notes pursuant to the Exchange Offer.

THE EXCHANGE OFFER

PURPOSE OF THE EXCHANGE OFFER

The Exchange Offer is designed to provide holders of the Old Notes with an opportunity to acquire Notes which, unlike the Old Notes, will be freely tradable at all times, subject to any restrictions on transfer imposed by state "blue sky" laws and provided that the holder is not an affiliate of the Company within the meaning of the Securities Act and represents that the Notes are being acquired in the ordinary course of such holder's business and the holder is not engaged in, and does not intend to engage in a distribution of the Notes. The outstanding Old Notes in the aggregate principal amount at maturity of $150.0 million were originally issued and sold on September 25, 1997 (the "Original Issue Date") in order to repay outstanding indebtedness.

The original sale to the Initial Purchasers was not registered under the Securities Act in reliance upon the exemption provided by Section 4(2) of the Securities Act and the concurrent resale of the Old Notes to investors was not registered under the Securities Act in reliance upon the exemption provided by Rule 144A promulgated under the Securities Act. The Old Notes may not be reoffered, resold or transferred other than pursuant to a registration statement filed pursuant to the Securities Act or unless an exemption from the registration requirements of the Securities Act is available. Pursuant to Rule 144, Old Notes may generally be resold (a) commencing one year after the Original Issue Date, in an amount up to, for any three-month period, the greater of 1% of the Old Notes then outstanding or the average weekly trading volume of the Old Notes during the four calendar weeks immediately preceding the filing of the required notice of sale with the Commission and (b) commencing two years after the Original Issue Date, in any amount and otherwise without restriction by a holder who is not, and has not been for the preceding 90 days, an affiliate of the Company. The Old Notes are eligible for trading in the PORTAL Market, and may be resold to certain qualified institutional buyers pursuant to Rule 144A. Certain other exemptions may also be available under other provisions of the federal securities laws for the resale of the Old Notes.

In connection with the original issue and sale of the Old Notes, the Company and the Guarantors entered into a Registration Rights Agreement, pursuant to which they agreed to use their best efforts to file with the Commission and cause to become effective a registration statement covering the exchange of the Notes for the Old Notes (the "Exchange Offer Registration Statement").

In the event that (i) due to a change in applicable law or current interpretations by the Commission, the Company and the Guarantors are not permitted to effect the Exchange Offer for all of the Old Notes, (ii) the Exchange Offer is not for any other reason consummated within 180 days after the Original Issuance Date of the Old Notes, (iii) any holder of the Old Notes shall, within 30 days after commencement of the Exchange Offer, notify the Company that such holder (x) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, (y) may not resell Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and that the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such holder or (z) is a broker-dealer and holds Old Notes acquired directly from the Company or any Guarantor or an "affiliate" of the Company or any Guarantor, then in addition to or in lieu of conducting the Exchange Offer, or (iv) at the request of any of the Initial Purchasers, the Company and the Guarantors will be required to file a registration statement (a "Shelf Registration Statement") covering resales (a) by the holders of the Old Notes in the event the Company and the Guarantors are not permitted to effect the Exchange Offer pursuant to the foregoing clause (i) or the Exchange Offer is not consummated within 180 days after the Original Issuance Date of the Old Notes, pursuant to the foregoing clause (i) or (ii) or (b) by the holders of Old Notes with respect to which the Company receives notice pursuant to the foregoing clauses (iii) or (iv), and will use its best efforts to cause any such Shelf Registration Statement to become effective and to keep such Shelf Registration Statement continuously effective for two years from the effective date thereof or such shorter period that will terminate when all of the Notes covered by the Shelf Registration

Statement have been sold pursuant to the Shelf Registration Statement. The Company and the Guarantors shall, if they file a Shelf Registration Statement, provide to each holder of the Old Notes copies of the related prospectus and notify each such holder when the Shelf Registration Statement has become effective. A holder that sells Old Notes pursuant to a Shelf Registration Statement generally will be required to be named as a selling securityholder in the related prospectus and to deliver a current prospectus to purchasers, and will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales.

Under the Registration Rights Agreement, the Company and the Guarantors have agreed to use their best efforts to: (i) file the Exchange Offer Registration Statement or a Shelf Registration Statement with the Commission as soon as practicable after the Original Issuance Date of the Old Notes or notice from holders in the event of clauses (iii) or (iv) of the prior paragraph, (ii) have such Exchange Offer Registration Statement or Shelf Registration Statement declared effective by the Commission as soon as practicable after the filing thereof, and (iii) commence the Exchange Offer and issue the Exchange Notes in exchange for all Old Notes validly tendered in accordance with the terms of the Exchange Offer prior to the close of the Exchange Offer, or, in addition or in the alternative, cause such Shelf Registration Statement to remain continuously effective for two years from the effective date thereof or such shorter period that will terminate when all of the Old Notes covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement. Each holder of the Old Notes is bound by the provisions of the Registration Rights Agreement which may require the holder to furnish notice or other information to the Company as a condition to certain obligations of the Company and the Guarantors to file a Shelf

Registration Statement by a particular date or to maintain its effectiveness for the prescribed two-year period.

If the Company or the Guarantors fail to comply with the above provisions, the Company and the Guarantors agree to pay liquidated damages to each holder of Old Notes or Notes as follows:

(i) (A) if an Exchange Offer Registration Statement (or, in the event of a change in applicable law or due to current interpretations by the Commission, the Company and the Guarantors are not permitted to effect the Exchange Offer, a Shelf Registration Statement) is not filed within 75 days following the Original Issuance Date of the Old Notes, (B) in the event that within the 30 days after commencement of the Exchange Offer, any holder of Old Notes shall notify the Company that such holder (x) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, (y) may not resell Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and that the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such holder or (z) is a broker-dealer and holds Old Notes acquired directly from the Company or any Guarantor or an "affiliate" of the Company or any Guarantor and a Shelf Registration Statement is not filed within 75 days after such notice, or (C) upon the request of an Initial Purchaser, a Shelf Registration Statement is not filed within 75 days after such request, then commencing on either the 76th day after the Original Issuance Date of the Old Notes or the expiration of the 75-day time periods set forth in clauses (B) and (C) above (either a "Prescribed Time Period"), as the case may be, penalty amounts shall be accrued on the Old Notes over and above the stated payment rates thereon at a rate of 0.25% per annum for the first 90 days immediately following the 76th day after either the Closing Date or the expiration of the Prescribed Time Period, as the case may be (the "Penalty Amounts"), such Penalty Amount rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(ii) if an Exchange Offer Registration Statement or a Shelf Registration Statement is filed pursuant to clause (i) above and is not declared effective within either 150 days following the Original Issuance Date of the Old Notes or 75 days following the expiration of the Prescribed Time Period, as the case may be, then commencing on the 151st day after the Original Issuance Date or the 76th day following the expiration of the Prescribed Time Period, as the case may be, Penalty Amounts shall be accrued on the Old Notes over and above the accrued stated payment rates thereon at a rate of 0.25% per annum for the first 90 days immediately following the 151st day after the Closing Date or the 76th day after the expiration of the Prescribed Time Period, as the case may be, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; and

(iii) if either (A) the Company and the Guarantors have not exchanged Exchange Notes for all Old Notes validly tendered in accordance with the terms of the Exchange Offer on or prior to 180 days after the Original Issuance Date or (B) if applicable, a Shelf Registration Statement has been declared effective and such Shelf Registration Statement ceases to be effective prior to two years from its original effective date or such shorter period that will terminate when all of the Old Notes covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, then, subject to certain exceptions, Penalty Amounts shall be accrued on the Old Notes over and above the stated payment rates at a rate of 0.25% per annum for the first 90 days immediately following (x) the 181st day after the Original Issuance Date in the case of (A) above, or (y) the day such Shelf Registration Statement ceases to be effective in the case of (B) above, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; provided, however, that the Penalty Amounts rate on the applicable Old Notes may not exceed 1.0% per annum; and provided further that (1) upon the filing of the Exchange Offer Registration Statement or a Shelf Registration Statement (in the case of (i) above), (2) upon the effectiveness of the Exchange Offer Registration Statement or a Shelf Registration Statement (in the case of (ii) above), or (3) upon the exchange of Notes for all Old Notes tendered in the Exchange Offer or upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective prior to two years from its original effective date (in the case of (iii) above), Penalty Amounts as a result of such clause (i), (ii) or (iii) shall cease to accrue.

Any Penalty Amounts due pursuant to clause (i), (ii) or (iii) above will be payable in cash on the various payment dates related to the Old Notes. The Penalty Amounts will be determined by multiplying the applicable Penalty Amounts rate by the principal amount of the Old Notes, multiplied by a fraction, the numerator of which is the number of days such Penalty Amount rate was applicable during such period, and the denominator of which is 360.

The foregoing summary of certain provisions of the Registration Rights

Agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Registration Rights Agreement filed as an exhibit to the Registration Rights Agreement. Copies of the Registration Rights Agreement are available from the Company or the Initial Purchasers upon request.

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth herein and in the accompanying Letter of Transmittal, the Company will exchange $1,000 principal amount of Notes for each $1,000 principal amount of its outstanding Old Notes. Notes will be issued only in integral multiples of $1,000 to each tendering holder of Old Notes whose Old Notes are accepted in the Exchange Offer.

The Notes will bear interest from and including the Original Issue Date. Accordingly, holders who receive Notes in exchange for Old Notes will forego accrued but unpaid interest on their exchanged Old Notes for the period from and including the Original Issue Date to the date of exchange, but will be entitled to such interest under the Notes.

As of   , 1998, $150.0 million aggregate principal amount at maturity of Old Notes were outstanding. This Prospectus, the Letter of Transmittal and Notice of Guaranteed Delivery are being sent to all registered holders of Old Notes as of that date. Tendering holders will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of Old Notes pursuant to the Exchange Offer. The Company will pay all charges and expenses, other than certain transfer taxes which may be imposed, in connection with the Exchange Offer. See "--Payment of Expenses."

Holders of Old Notes do not have any appraisal or dissenters' rights under the California General Corporation Law in connection with the Exchange Offer.

EXPIRATION DATE; EXTENSIONS; TERMINATION

The Exchange Offer will expire at 5:00 P.M., New York City time, on   , 1998, subject to extension by the Company by notice to the Exchange Agent as herein provided. The Company reserves the right to extend the Exchange Offer at its discretion, in which event the term "Expiration Date" shall mean the time and date on which the Exchange Offer as so extended shall expire. The Company shall notify the Exchange Agent of any extension by oral or written notice and shall mail to the registered holders of Old Notes an announcement thereof, each prior to 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date.

The Company reserves the right to extend or terminate the Exchange Offer and not accept for exchange any Old Notes if any of the events set forth below under "--Conditions to the Exchange Offer" occur and are not waived by the Company, by giving oral or written notice of such delay or termination to the Exchange Agent. See "--Conditions to the Exchange Offer." The rights reserved by the Company in this paragraph are in addition to the Company's rights set forth below under the caption "--Conditions to the Exchange Offer."

PROCEDURES FOR TENDERING

The tender to the Company of Old Notes by a holder thereof pursuant to one of the procedures set forth below and the acceptance thereof by the Company will constitute an agreement between such holder and the Company in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal.

Except as set forth below, a holder who wishes to tender Old Notes for exchange pursuant to the Exchange Offer must transmit a properly completed and duly executed Letter of Transmittal, including all other documents required by such Letter of Transmittal, to the Exchange Agent at the address set forth below under "Exchange Agent" on or prior to the Expiration Date. In addition, either (i) certificates for such Old Notes must be received by the Exchange Agent along with the Letter of Transmittal, or (ii) a timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Old Notes, if such procedure is available, into the Exchange Agent's account at The Depository Trust Company pursuant to the procedure of book-entry transfer described below, must be received by the Exchange Agent prior to the Expiration Date, or (iii) the holder must comply with the guaranteed delivery procedures described below. LETTERS OF TRANSMITTAL AND OLD NOTES SHOULD NOT BE SENT TO THE COMPANY.

Signatures on a Letter of Transmittal must be guaranteed unless the Old Notes tendered pursuant thereto are tendered (i) by a registered holder of Old Notes who has not completed the box entitled "Special Issuance and Delivery Instructions" on the Letter of Transmittal or (ii) for the account of any firm that is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. (the "NASD") or a commercial bank or trust company having an office in the United States (an

"Eligible Institution"). In the event that signatures on a Letter of Transmittal are required to be guaranteed, such guarantee must be by an Eligible Institution.

The method of delivery of Old Notes and other documents to the Exchange Agent is at the election and risk of the holder, but if delivery is by mail it is suggested that the mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Exchange Agent before the Expiration Date.

If the Letter of Transmittal is signed by a person other than a registered holder of any Old Note tendered therewith, such Old Note must be endorsed or accompanied by appropriate bond powers, in either case signed exactly as the name of the registered holder appears on the Old Note.

If the Letter of Transmittal or any Old Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tendered Old Notes will be resolved by the Company, whose determination will be final and binding. The Company reserves the absolute right to reject any or all tenders that are not in proper form or the acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right to waive any irregularities or conditions of tender as to particular Old Notes. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in the Letter of Transmittal) will be final and binding. Unless waived, any irregularities in connection with tenders must be cured within such time as the Company shall determine. Neither the Company nor the Exchange Agent shall be under any duty to give notification of defects in such tenders or shall incur liabilities for failure to give such notification. Tenders of Old Notes will not be deemed to have been made until such irregularities have been cured or waived. Any Old Notes received by the Exchange Agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holder, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

The Company's acceptance for exchange of Old Notes tendered pursuant to the Exchange Offer will constitute a binding agreement between the tendering person and the Company upon the terms and subject to the conditions of the Exchange Offer.

BOOK-ENTRY TRANSFER

The Exchange Agent will make a request to establish an account with respect to the Old Notes at The Depository Trust Company for purposes of the Exchange Offer within two business days after the date of this Prospectus, and any financial institution that is a participant in The Depository Trust Company's systems may make book-entry delivery of Old Notes by causing The Depository Trust Company to transfer such Old Notes into the Exchange Agent's account at The Depository Trust Company in accordance with such Depository Trust Company's procedures for transfer. However, although delivery of Old Notes may be effected through book-entry transfer at The Depository Trust Company, the Letter of Transmittal or facsimile thereof with any required signature guarantees and any other required documents must, in any case, be transmitted to and received by the Exchange Agent at one of the addresses set forth below under the caption "--Exchange Agent" on or prior to the Expiration Date or the guaranteed delivery procedures described below must be complied with.

GUARANTEED DELIVERY PROCEDURES

Holders who wish to tender their Old Notes and (i) whose Old Notes are not immediately available, or (ii) who cannot deliver their Old Notes, the Letter of Transmittal or any other required documents to the Exchange Agent prior to the Expiration Date, may effect a tender if:

(a) The tender is made through an Eligible Institution;

(b) Prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the holder of the Old Notes, the certificate number or numbers of such Old Notes and the principal amount of Old Notes tendered, stating that the tender is being made thereby and guaranteeing that, within five New York Stock Exchange trading days after the Expiration Date, the Letter of Transmittal (or facsimile thereof) together with the certificate(s) representing the Old Notes, or a Book-Entry Confirmation, as the case may be, and any other documents required by

the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent; and

(c) Such properly completed and executed Letter of Transmittal (or facsimile thereof), as well as the certificate(s) representing all tendered Old Notes in proper form for transfer, or a Book-Entry Confirmation, as the case may be, and all other documents required by the Letter of Transmittal are received by the Exchange Agent within three New York Stock Exchange trading days after the Expiration Date.

Upon request of the Exchange Agent, a Notice of Guaranteed Delivery (as well as a copy of this Prospectus and the Letter of Transmittal) will be sent to holders who wish to tender their Old Notes according to the guaranteed delivery procedures set forth above.

CONDITIONS TO THE EXCHANGE OFFER

Notwithstanding any other provision of the Exchange Offer, the Company shall not be required to accept for exchange, or to issue Notes in exchange for, any Old Notes and may terminate or amend the Exchange Offer if at any time before the acceptance of such Old Notes for exchange or the exchange of the Notes for such Old Notes, the Company determines that the Exchange Offer violates applicable law, and applicable interpretation of the staff of the Commission or any order of any governmental agency or court of competent jurisdiction.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company regardless of the circumstances giving rise to any such condition or may be waived by the Company in whole or in part at any time and from time to time in its reasonable discretion. The failure by the Company at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time.

In addition, the Company will not accept for exchange any Old Notes tendered, and no Notes will be issued in exchange for any such Old Notes, if at such time any stop order shall be threatened or in effect with respect to the Registration Statement of which this Prospectus constitutes a part or the qualification of the Indenture under the Trust Indenture Act of 1939. In any such event, the Company is required to use its reasonable best efforts to obtain the withdrawal of any stop order at the earliest possible time.

ACCEPTANCE OF OLD NOTES FOR EXCHANGE; DELIVERY OF NOTES

Upon the terms and subject to the conditions of the Exchange Offer, the Company will accept all Old Notes validly tendered prior to 5:00 P.M., New York City time, on the Expiration Date. The Company will deliver Notes in exchange for Old Notes promptly following the Expiration Date.

For purposes of the Exchange Offer, the Company shall be deemed to have accepted validly tendered Old Notes when, as and if the Company has given oral or written notice thereof to the Exchange Agent. The Exchange Agent will act as agent for the tendering holders for the purpose of receiving the Notes. Under no circumstances will interest be paid by the Company or the Exchange Agent by reason of any delay in making such payment or delivery.

If any tendered Old Notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events set forth herein or otherwise, any such unaccepted Old Notes will be returned, at the Company's expense, to the tendering holder thereof as promptly as practicable after the expiration or termination of the Exchange Offer.

WITHDRAWAL RIGHTS

Tenders of Old Notes may be withdrawn at any time prior to the Expiration Date.

For a withdrawal to be effective, a written notice of withdrawal must be received by the Exchange Agent at the address set forth below under "--Exchange Agent." Any such notice of withdrawal must specify the name of the person having tendered the Old Notes to be withdrawn, identify the Old Notes to be withdrawn (including the principal amount of such Old Notes), and (where certificates for Old Notes have been transmitted) specify the name in which such Old Notes are registered, if different from that of the withdrawing holder. If certificates for Old Notes have been delivered or otherwise identified to the Exchange Agent, then, prior to the release of such certificates the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an Eligible Institution unless such holder is an Eligible Institution. If Old Notes have been tendered to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn Old Notes and otherwise comply with the procedures of such facility. All questions as to the validity, form and eligibility (including

time of receipt) of such notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Old Notes so

withdrawn will be deemed not to have been validly tendered for exchange for purposes of the Exchange Offer. Any Old Notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder (or, in the case of Old Notes tendered by book-entry transfer into the Exchange Agent's account at The Depository Trust Company pursuant to the book-entry transfer procedures described above, such Old Notes will be credited to an account maintained with The Depository Trust Company for the Old Notes) as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Old Notes may be retendered by following one of the procedures described under "--Procedures for Tendering" above at any time on or prior to the Expiration Date.

EXCHANGE AGENT

The Bank of New York has been appointed as Exchange Agent for the Exchange Offer. All correspondence in connection with the Exchange Offer and the Letter of Transmittal should be addressed to the Exchange Agent as follows:

BY REGISTERED OR CERTIFIED MAIL:	BY HAND DELIVERY OR OVERNIGHT COURIER:
The Bank of New York	The Bank of New York
Reorganization Section	Reorganization Section
101 Barclay Street-Floor 7E	101 Barclay Street-Ground Level
New York, NY 10286	Corporate Trust Services Window
Attn: [ ]	New York, NY 10286
	Attn: [ ]

FACSIMILE TRANSMISSION:
(212) 815-6339

CONFIRM BY TELEPHONE:
(212) 815-[TBD]

Requests for additional copies of the Prospectus or the Letter of Transmittal should be directed to the Exchange Agent.

PAYMENT OF EXPENSES

The Company has not retained any dealer-manager or similar agent in connection with the Exchange Offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the Exchange Offer. The Company, however, will pay reasonable and customary fees and reasonable out-of-pocket expenses to the Exchange Agent in connection therewith. The Company will also pay the cash expenses to be incurred in connection with the Exchange Offer, including accounting, legal, printing, and related fees and expenses.

ACCOUNTING TREATMENT

The Notes will be recorded at the same carrying value as the Old Notes, as reflected in the Company's accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized.

RESALES OF NOTES

The staff of the Commission has issued certain interpretive letters that concluded, in circumstances similar to those contemplated by the Exchange Offer, that new debt securities issued in a registered exchange for outstanding debt securities, which new securities are intended to be substantially identical to the securities for which they are exchanged, may be offered for resale, resold and otherwise transferred by a holder thereof (other than (i) a broker-dealer who purchases such securities from the issuer to resell pursuant to Rule 144A or any other available exemption under the Securities Act or (ii) a person who is an affiliate of the issuer within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provision of the Securities Act, provided that the new securities are acquired in the ordinary course of such holder's business and such holder has no arrangement with any person to participate in the distribution of the new securities. However, a broker-dealer who holds outstanding debt securities that were acquired for its own account as a result of market-making or other trading activities may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the new securities received by the broker-dealer in any such exchange. For a period of 180 days from the Expiration Date, the Company will make a reasonable number of additional copies of this Prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

The Company has not requested or obtained an interpretive letter from the Commission staff with respect to this Exchange Offer, and the Company and the holders are not entitled to rely on interpretive advice provided by the staff to other persons, which advice was based on the facts and conditions represented in such letters. However, the Exchange Offer is being conducted in a manner intended to be consistent with the facts and conditions represented in such letters. If any holder has any arrangement or understanding with respect to the distribution of the Notes to be acquired pursuant to the Exchange Offer, such holder (i) could not rely on the applicable interpretations of the staff of the Commission and (ii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. In addition, each broker-dealer that receives Notes for its own account in exchange for the Old Notes, where such Old Notes were acquired by such broker-dealers as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Notes. See "Plan of Distribution." By delivering the Letter of Transmittal, a holder tendering Old Notes for exchange will be required to make certain representations, including among others, (i) that such holder is not an "affiliate" of the Company or any Guarantor within the meaning of Rule 405 under the Securities Act, (ii) that the Notes being acquired pursuant to the Exchange Offer are being obtained in the ordinary course of business of the person receiving such Notes and (iii) that the holder has no arrangement or understanding with any Person to participate in the distribution of the Notes. Any holder using the Exchange Offer to participate in a distribution of the Notes to be acquired in the Exchange Offer must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction. Holders who do not exchange their Old Notes pursuant to this Exchange Offer will continue to hold Old Notes that are subject to restrictions on transfer.

In addition, to comply with the securities laws of certain jurisdictions, if applicable, the Notes may not be offered or sold unless they have been registered or qualified for sale in such jurisdiction or an exemption from registration or qualification is available and the conditions thereto have been met. The Company has agreed, pursuant to the Registration Rights Agreement and subject to certain specified limitations therein, to register or qualify the Notes for offer or sale under the securities or blue sky laws of such jurisdictions as any holder of the Notes or the Old Notes reasonably requests in writing.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE COMPANY

The selected consolidated financial information of the Company presented below as of and for the years ended December 31, 1992, 1993, 1994, 1995, and 1996 is derived from the consolidated financial statements of the Company, which consolidated financial statements have been audited by Ernst & Young LLP, independent certified public accountants. The selected consolidated financial information of the Company presented below as of September 30, 1997, and for the nine months ended September 30, 1996 and 1997, is derived from unaudited consolidated financial statements of the Company which, in the opinion of management, contain all necessary adjustments of a normal recurring nature to present the financial statements in conformity with generally accepted accounting principles ("GAAP"). The consolidated financial statements of the Company as of December 31, 1995 and 1996 and for each of the years in the three-year period ended December 31, 1996, and the independent auditors' report thereon, as well as the unaudited consolidated financial statements of the Company as of September 30, 1997, and for the nine months ended September 30, 1996 and 1997, are included elsewhere in this Prospectus. The financial results of the Company are not comparable from year to year because of the acquisition and disposition of various radio stations and radio networks by the Company. The selected consolidated financial information below should be read in conjunction with, and is qualified by reference to, the Company's consolidated financial statements and related notes, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Prospectus.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31					NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1994	1995	1996	1996	1997
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:							
Net revenue............	$28,532	$32,423	$38,575	$48,168	$59,010	$42,465	$49,449
Operating expenses:							
Station operating							

expenses	14,922	17,011	22,179	27,527	33,463	23,907	28,793
Corporate expenses	2,647	3,193	3,292	3,799	4,663	3,413	4,998
Tax reimbursements to S corporation shareholders	1,029	1,311	977	2,057	2,038	1,529	1,780
Depreciation and amortization	6,441	6,601	7,633	7,884	8,394	6,148	9,382
Operating expenses	25,039	28,116	34,081	41,267	48,558	34,997	44,953
Net operating income	3,493	4,307	4,494	6,901	10,452	7,468	4,496
Other income (expense):							
Interest income/expense, net	(2,516)	(2,349)	(3,438)	(6,327)	(6,838)	(5,198)	(8,392)
Gain (loss) on disposal of assets	(1,044)	1,603	(482)	(7)	16,064	12,659	(190)
Other income (expense)	(393)	2	(135)	(255)	(270)	(209)	(288)
Total other income (expense)	(3,953)	(744)	(4,055)	(6,589)	8,956	7,252	(8,870)
Income (loss) before income taxes and extraordinary item	(460)	3,563	439	312	19,408	14,720	(4,374)
Provision (benefit) for income taxes	(415)	1,437	(247)	(204)	6,655	5,046	(1,790)
Income (loss) before extraordinary item	(45)	2,126	686	516	12,753	9,674	(2,584)
Extraordinary gain (loss)(1)	921	--	--	(394)	--	--	(1,090)
Net income (loss)	$ 876	$ 2,126	$ 686	$ 122	$12,753	$ 9,674	$(3,674)
Pro forma net income (loss)(2)	$ 1,262	$ 2,917	$ 848	$ 1,024	$12,838	$ 9,727	$(2,651)

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	YEAR ENDED DECEMBER 31					NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1994	1995	1996	1996	1997
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OTHER DATA:							
Broadcast cash flow(3)	$13,610	$15,412	$16,396	$20,641	$25,547	$18,558	$20,656
Broadcast cash flow margin(4)	47.7%	47.5%	42.5%	42.9%	43.3%	43.7%	41.8%
EBITDA (excludes all other income items)(3)	$10,963	$12,219	$13,104	$16,842	$20,884	$15,145	$15,658
Capital expenditures	1,691	912	2,441	3,040	6,982	4,119	5,502
Purchase price of radio stations	20,000	15,500	14,935	24,550	59,621	8,302	24,861
Earnings to fixed charges ratio(5)	0.9x	2.1x	1.1x	1.0x	3.2x		0.5x
PRO FORMA RATIO:							
Pro forma earnings to fixed charges ratio(5)					1.7x		0.4x

</TABLE>

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	DECEMBER 31					SEPTEMBER 30
	1992	1993	1994	1995	1996	1997
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE SHEET DATA:						
Cash and cash equivalents	$ 2,479	$ 1,277	$ 1,780	$ 1,007	$ 1,962	$ 2,103
Working capital	322	5,836	1,852	1,088	8,258	17,573
Intangible assets, net	32,146	39,296	46,748	61,923	106,781	121,833
Total assets	62,106	69,656	82,041	104,817	159,185	184,133
Long-term debt (including current portion)	44,915	48,656	60,656	81,020	121,790	160,100
Shareholders' equity	10,348	12,474	13,160	13,282	20,534	9,386

</TABLE>

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(1) The extraordinary gain in 1992 represents a gain on early extinguishment of a private annuity agreement. The extraordinary loss in 1995 and 1997 relates to the write-off of loan and related fees related to the repayment of long-term debt. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 4 of the Notes to Consolidated Financial Statements.

(2) The Company's consolidated financial data for the periods presented include the results of operations, assets and liabilities of New Inspiration and Golden Gate, which were both S corporations under common ownership and control with the Company prior to the Reorganization. The S corporation status of New Inspiration and Golden Gate was terminated in the Reorganization. Federal and state income taxes (except for a 1.5% state franchise tax) are not provided for New Inspiration and Golden Gate in the consolidated statements of operations of the Company for the periods presented because the tax attributes of S corporations are passed through to their shareholders. Prior to the Reorganization, New Inspiration and Golden Gate reimbursed the S corporation shareholders for their individual income tax liabilities on the earnings of the S corporations. These tax reimbursements to S corporation shareholders are reflected as an operating expense in the Company's consolidated financial statements.

In August 1997, the Company, New Inspiration and Golden Gate effected the Reorganization pursuant to which the S corporations became wholly owned by the Company. To give effect to the Reorganization, including the termination of the S corporation status of New Inspiration and Golden Gate, pro forma net income excludes the tax reimbursements to S corporation shareholders (because such amounts would not have been paid had New Inspiration and Golden Gate been subject to income taxes) and includes a pro forma tax provision at an estimated combined federal and state income tax rate of approximately 40% (to reflect an estimated income tax provision (benefit) of the Company) as if the Reorganization had occurred at the beginning of each period presented in the Company's consolidated financial data. See "Business--Corporate Structure and Reorganization."

The following table reflects the pro forma adjustments to historical net income:

<TABLE>
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	YEAR ENDED DECEMBER 31					NINE MONTHS ENDED SEPTEMBER 30,	
	1992	1993	1994	1995	1996	1996	1997
Pro Forma Information:							
Income (loss) before income taxes and extraordinary item as reported above	$ (460)	$3,563	$ 439	$ 312	$19,408	$14,720	$(4,374)
Add back tax reimbursements to S corporation shareholders	1,029	1,311	977	2,057	2,038	1,529	1,780
Pro forma income (loss) before income taxes and extraordinary item	569	4,874	1,416	2,369	21,446	16,249	(2,594)
Pro forma income tax provision (benefit)	228	1,957	568	951	8,608	6,522	(1,033)
Pro forma income (loss) before extraordinary item	341	2,917	848	1,418	12,838	9,727	(1,561)
Extraordinary gain (loss)	921	--	--	(394)	--	--	(1,090)
Pro forma net income (loss)	$1,262	$2,917	$ 848	$1,024	$12,838	$ 9,727	$(2,651)

</TABLE>

(3) "Broadcast cash flow" consists of net operating income before tax reimbursements to S corporation shareholders, depreciation and amortization and corporate expenses. "EBITDA" consists of net operating

income before tax reimbursements to S corporation shareholders and depreciation and amortization. Although broadcast cash flow and EBITDA are not measures of performance calculated in accordance with GAAP, management believes that they are useful to an investor in evaluating the Company because they are measures widely used in the broadcast industry to evaluate a radio company's operating performance. However, broadcast cash flow and EBITDA should not be considered in isolation or as substitutes for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP as a measure of liquidity or profitability.

(4) Broadcast cash flow margin is broadcast cash flow as a percentage of net revenue.

(5) For purposes of computing the ratio of earnings to fixed charges, "earnings" consist of income from operations before income taxes plus fixed charges, and "fixed charges" consist of interest expense plus an allocation of a portion of rent expense representing interest. The pro forma earnings to fixed charges ratio assumes the issuance of the Notes and the repayment in full of the Company's outstanding indebtedness under the Company's prior credit agreement which was repaid in full upon issuance of the Old Notes on September 25, 1997 as if each occurred at the beginning of each period presented. For the years ended December 31, 1992 and 1995, and for the nine months ended September 30, 1997, the Company's earnings were inadequate to cover fixed charges; the coverage deficiency for the years ended December 31, 1992 and 1995 was $460,000 and $313,000, respectively, and for the nine months ended September 30, 1997 was $4.4 million (actual) and $7.2 million (pro forma).

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The following discussion and analysis of the financial condition and results of operations of the Company should be read in conjunction with the Company's consolidated financial statements and notes thereto included elsewhere in this Prospectus.

The principal sources of the Company's revenue are (i) the sale of block program time, both to national and local program producers, (ii) the sale of broadcast time on its radio stations for advertising, both to national and local advertisers, and (iii) the sale of broadcast time on the Network for advertising. The following table shows gross revenue and the percentage of gross revenue for each revenue source.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31						NINE MONTHS ENDED SEPTEMBER 30,	
	1994		1995		1996		1997	
	(DOLLARS IN THOUSANDS)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Block program time:								
National.............	$19,182	45.0%	$23,390	43.9%	$26,610	40.8%	$20,557	37.8%
Local................	5,409	12.7	8,219	15.4	10,869	16.7	8,516	15.6
	24,591	57.7	31,609	59.3	37,479	57.5	29,073	53.4
Advertising:								
National.............	2,460	5.8	3,165	5.9	4,088	6.3	5,128	9.4
Local................	12,154	28.5	14,072	26.4	17,416	26.7	15,014	27.6
	14,614	34.3	17,237	32.3	21,504	33.0	20,142	37.0
Network................	2,619	6.1	3,423	6.4	5,270	8.1	4,486	8.2
Other..................	767	1.9	1,034	2.0	888	1.4	770	1.4
Gross revenue..........	42,591	100.0%	53,303	100.0%	65,141	100.0%	54,471	100.0%
Less agency commissions.	4,016		5,135		6,131		5,022	
Net revenue............	$38,575		$48,168		$59,010		$49,449	

</TABLE>

The Company's revenue is affected primarily by the program and advertising rates its radio stations and the Network charge. Correspondingly, the rates for block program time are based upon the stations' ability to attract audiences that will support the program producers through contributions and purchases of their products. Advertising rates are based upon the demand for on-air inventory, which in turn is based on the stations' and the Network's

ability to produce results for its advertisers. Each of the Company's stations and the Network have a general pre-determined level of on-air inventory that it makes available for block programs and advertising, which may vary at different times of the day and tends to remain stable over time. Much of the Company's selling activity is based on demand for its radio stations' and the Network's on-air inventory.

The Company's revenue and cash flow are also affected by the transition period experienced by stations acquired by the Company that previously operated with formats other than religious formats. During the transition period when the Company develops its program customer and listener base, such stations typically do not generate significant cash flow from operations. The Company's quarterly revenue varies throughout the year, as is typical in the radio broadcasting industry. Quarterly revenue from the sale of block program time does not tend to vary, however, since program rates are generally set annually.

In the broadcasting industry, radio stations often utilize trade (or barter) agreements to exchange advertising time for goods or services (such as other media advertising, travel or lodging), in lieu of cash. In order to preserve most of its on-air inventory for cash advertising, the Company generally enters into trade agreements only if the goods or services bartered to the Company will be used in the Company's business. The Company has minimized its use of trade agreements and has generally sold over 90% of its advertising time for cash. In addition, it is the Company's general policy not to preempt advertising spots paid for in cash with advertising spots paid for in trade.

The primary operating expenses incurred in the ownership and operation of the Company's radio stations include employee salaries and commissions, and facility expenses (e.g., rent and utilities). The Company also incurs and will continue to incur significant depreciation, amortization and interest expense as a result of completed and future acquisitions of stations, and due to existing borrowings and future borrowings, including the Offering and borrowings under the Credit Agreement. The Company's consolidated financial statements tend not to be directly comparable from period to period due to the Company's acquisition activity.

The consolidated statements of operations of the Company include an operating expense called "tax reimbursements to S corporation shareholders." These amounts represent the income tax liability of the Shareholders created by the income of New Inspiration and Golden Gate, which prior to the recent Reorganization were each S corporations. See "Business--Corporate Structure and Reorganization." Management considers the nature of this operating expense to be essentially equivalent to an income tax provision and has excluded this expense from the calculation of broadcast cash flow and EBITDA. Commencing 1997, pretax income of New Inspiration and Golden Gate will be included in the Company's consolidated income tax return and in the Company's computation of the income tax provision included in its consolidated statement of operations.

The Company anticipates a net loss for the fourth quarter of 1997 in an amount substantially similar to the amount of net loss experienced in the third quarter of 1997 of $1.2 million.

RESULTS OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 1997 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1996

Net Revenue. Net revenue increased approximately $6.9 million or 16.2% to $49.4 million for the nine months ended September 30, 1997 from $42.5 million for the nine months ended September 30, 1996. The inclusion of revenue from the acquisitions of radio stations and networks and revenue generated from the local marketing agreements ("LMAs"), see "Business--Federal Regulation of Radio Broadcasting--Local Marketing Agreements," entered into during 1996 and 1997 provided approximately $4.3 million of the increase. For stations and networks owned and operated over the comparable period in 1996 and 1997, net revenue improved approximately $2.6 million or 6.3% to $43.9 million in 1997 from $41.3 million in 1996 primarily due to program rate increases, increases in on-air inventory and improved selling efforts.

Station Operating Expenses. Station operating expenses increased approximately $4.9 million or 20.5% to $28.8 million for the nine months ended September 30, 1997 from $23.9 million for the nine months ended September 30, 1996, primarily due to the inclusion of operating expenses of the station and network acquisitions and the LMAs entered into in 1996 and 1997, and to a lesser extent, to expenses incurred to produce the increased revenue described above.

Broadcast Cash Flow. Broadcast cash flow increased approximately $2.0 million or 10.8% to $20.6 million for the nine months ended September 30, 1997 from $18.6 million for the nine months ended September 30, 1996. As a percentage of net revenue, broadcast cash flow decreased to 41.8% for the nine months ended September 30, 1997 from 43.7% for the nine months ended September

30, 1996. The decrease is primarily attributable to lower margins achieved during the transition period of the stations and networks acquired in 1996 and 1997 that previously operated with formats other than religious formats.

Corporate Expenses. Corporate expenses increased approximately $1.6 million or 47.1% to $5.0 million for the nine months ended September 30, 1997 from $3.4 million for the nine months ended September 30, 1996, primarily due to additional personnel and overhead costs associated with station and network acquisitions in 1996 and 1997, bonuses paid to corporate officers in 1997, the write-off of costs incurred for potential station acquisitions which were abandoned, and expenses incurred for officers' life insurance, in 1997.

EBITDA. EBITDA increased approximately $1.0 million or 6.6% to $16.2 million for the nine months ended September 30, 1997 from $15.2 million for the nine months ended September 30, 1996.

Tax Reimbursements to S Corporation Shareholders. Tax reimbursements to S corporation shareholders increased approximately $0.3 million or 20.0% to $1.8 million for the nine months ended September 30, 1997 from $1.5 million for the nine months ended September 30, 1996, primarily due to increased taxable income of the S corporations.

Depreciation and Amortization. Depreciation and amortization expense increased approximately $3.3 million or 54.1% to $9.4 million for the nine months ended September 30, 1997 from $6.1 million for the nine months ended September 30, 1996, primarily due to radio station and network acquisitions consummated during 1996 and 1997.

Other Income (Expense). Interest income decreased $156,000 to $156,000 for the nine months ended September 30, 1997 from $312,000 for the nine months ended September 30, 1996, primarily due to interest income earned in 1996 on a $14.0 million deposit from the sale of KDBX-FM, Portland. Gain (loss) on disposal of assets decreased $12.8 million from $12.7 million for the nine months ended September 30, 1996 to ($190,000) for the nine months ended September 30, 1997. The gain in 1996 was primarily due to the sale of KDBX-FM, Portland and WTJY-FM, Columbus. Interest expense increased approximately $3.0 million or 54.5% to $8.5 million for the nine months ended September 30, 1997 from $5.5 million for the nine months ended September 30, 1996, primarily due to interest expense associated with additional borrowings to fund acquisitions consummated during 1996 and 1997. Other expense was essentially unchanged for the 1997 period compared to the 1996 period.

Provision (Benefit) for Income Taxes. Income tax provision (benefit) as a percentage of income before income taxes (i.e., effective tax rate) was (40.9)% for the nine months ended September 30, 1997 and 34.3% for the nine months ended September 30, 1996. The effective tax rates may differ from the federal statutory income tax rate of 34.0% because of the effect of state income taxes and the exclusion of federal income taxes relating to the S corporations. The decrease in the effective tax rate for the nine months ended September 30, 1997 as compared to the nine months ended September 30, 1996 is due to losses generated by the non-S corporation entities.

Net Income (Loss). The Company recognized a net loss of approximately ($3.7) million for the nine months ended September 30, 1997, compared to net income of $9.7 million for the nine months ended September 30, 1996. Included in net loss for 1997 is a $1.1 million extraordinary loss for the write off of deferred financing costs and termination fees related to the repayment of the Company's prior credit agreement (the "Old Credit Agreement") which was repaid in full upon issuance of the Old Notes on September 25, 1997.

YEAR ENDED DECEMBER 31, 1996 COMPARED TO YEAR ENDED DECEMBER 31, 1995

Net Revenue. Net revenue increased approximately $10.8 million or 22.4% to $59.0 million in 1996 from $48.2 million in 1995. The inclusion of revenue from the acquisitions of radio stations and networks and revenue generated from LMAs entered into during 1996 and 1995 provided approximately $5.2 million of the increase. For stations and networks owned and operated over the comparable period in 1995 and 1996, net revenue improved approximately $5.6 million or 12.3% to $51.1 million in 1996 from $45.5 million in 1995 primarily due to program rate increases, increases in on-air inventory and improved selling efforts at both the national and local level.

Station Operating Expenses. Station operating expenses increased approximately $6.0 million or 21.8% to $33.5 million in 1996 from $27.5 million in 1995, primarily due to the inclusion of operating expenses of the station and network acquisitions and the LMAs entered into during 1996 and 1995, and to a lesser extent, to expenses incurred to produce the increased revenue described above.

Broadcast Cash Flow. Broadcast cash flow increased approximately $4.9 million or 23.8% to $25.5 million in 1996 from $20.6 million in 1995. As a percentage of net revenue, broadcast cash flow increased to 43.3% in 1996 from 42.9% in 1995.

Corporate Expenses. Corporate expenses increased approximately $0.9 million or 23.7% to $4.7 million in 1996 from $3.8 million in 1995, primarily due to additional personnel and overhead costs associated with station and network acquisitions in 1996.

EBITDA. EBITDA increased approximately $4.1 million or 24.4% to $20.9 million in 1996 from $16.8 million in 1995.

Tax Reimbursements to S Corporation Shareholders. Tax reimbursements to S corporation shareholders was essentially unchanged for the year ended December 31, 1996 compared to 1995.

Depreciation and Amortization. Depreciation and amortization expense increased approximately $0.5 million or 6.3% to $8.4 million in 1996 from $7.9 million in 1995, primarily due to radio station and network acquisitions consummated during 1996 and 1995.

Other Income (Expense). Interest income increased $204,000 to $523,000 in 1996 from $319,000 in 1995, primarily due to interest income earned on a $14.0 million deposit from the sale of KDBX-FM, Portland. Gain (loss) on disposal of assets increased $16.1 million from ($7,000) in 1995 to $16.1 million in 1996. The gain in 1996 was primarily due to the sales of KDBX-FM, Portland, KDFX-AM, Dallas and WTJY-FM, Columbus. Interest expense increased approximately $0.8 million or 12.1% to $7.4 million in 1996 from $6.6 million in 1995, primarily due to interest expense associated with additional borrowings to fund acquisitions consummated during 1996 and 1995. Other expense was essentially unchanged for the year ended December 31, 1996 compared to 1995.

Provision (Benefit) for Income Taxes. Income tax provision (benefit) as a percentage of income before income taxes (i.e., effective tax rate) was 34.3% for 1996 and (65.4%) for 1995. The effective tax rates may differ from the federal statutory income tax rate of 34.0% because of the effect of state income taxes and the exclusion of federal income taxes relating to the S corporations. The increase in the effective tax rate for 1996 as compared to 1995 is primarily due to the increase in income of the non-S corporation entities, including gains recognized on the sale of radio stations during 1996. In connection with the Reorganization of the Company, which resulted in the termination of the S corporation status of New Inspiration and Golden Gate, the Company will record a deferred tax liability and provision of approximately $600,000.

Net Income. The Company recognized net income of approximately $12.8 million in 1996, compared to net income of $122,000 in 1995. Included in net income for 1995 is a $394,000 extraordinary loss for the write off of deferred financing costs related to the repayment in March 1995 of outstanding indebtedness under certain credit agreements with banks, including the Old Credit Agreement, and a make-whole premium in connection with the repayment of certain senior subordinated notes to insurance companies.

YEAR ENDED DECEMBER 31, 1995 COMPARED TO YEAR ENDED DECEMBER 31, 1994

Net Revenue. Net revenue increased approximately $9.6 million or 24.9% to $48.2 million in 1995 from $38.6 million in 1994 primarily due to the inclusion of revenue from the acquisitions of radio stations during 1995 and 1994, and to a lesser extent, to program rate increases, and improved selling efforts at both the national and local level.

Station Operating Expenses. Station operating expenses increased approximately $5.3 million or 23.9% to $27.5 million in 1995 from $22.2 million in 1994, primarily due to the inclusion of operating expenses of the station acquisitions during 1995 and 1994, and to a lesser extent, to expenses incurred to produce the increased revenue described above.

Broadcast Cash Flow. Broadcast cash flow increased approximately $4.2 million or 25.6% to $20.6 million in 1995 from $16.4 million in 1994. As a percentage of net revenue, broadcast cash flow increased to 42.9% in 1995 from 42.5% in 1994.

Corporate Expenses. Corporate expenses increased approximately $0.5 million or 15.2% to $3.8 million in 1995 from $3.3 million in 1994, primarily due to additional personnel and overhead costs associated with station acquisitions in 1995.

EBITDA. EBITDA increased approximately $3.7 million or 28.2% to $16.8 million in 1995 from $13.1 million in 1994.

Tax Reimbursements to S Corporation Shareholders. Tax reimbursements to S corporation shareholders increased approximately $1.1 million or 110.0% to $2.1 million in 1995 from $1.0 million in 1994, primarily due to increased taxable income of the S corporations.

Depreciation and Amortization. Depreciation and amortization expense increased approximately $0.3 million or 3.9% to $7.9 million in 1995 from $7.6 million in 1994, primarily due to radio station acquisitions consummated during 1995 and 1994.

Other Income (Expense). Interest income increased $89,000 to $319,000 in 1995 from $230,000 in 1994. Loss on disposal of assets decreased $475,000 from $482,000 in 1994 to $7,000 in 1995, primarily due to the write-off of leasehold improvements at abandoned office/studio locations in 1994. Interest expense increased approximately $2.9 million or 78.4% to $6.6 million in 1995 from $3.7 million in 1994, primarily due to interest expense associated with additional borrowings to fund acquisitions consummated during 1995 and 1994, and increases in interest rates. Other expense increased $120,000 to $255,000 in 1995 from $135,000 in 1994, primarily due to increased expenses related to bank loan fees in 1995.

Provision (Benefit) for Income Taxes. Income tax provision (benefit) as a percentage of income before income taxes (i.e., effective tax rate) was (135.4%) for 1995 and (56.3%) for 1994. The effective tax rates may differ from the federal statutory income tax rate of 34.0% because of the effect of state income taxes and the exclusion of federal income taxes relating to the S corporations. The decrease in the effective tax rate for 1995 as compared to 1994 is primarily due to losses of the non-S corporation entities, including an increase in interest expense in 1995.

Net Income. The Company recognized net income of approximately $122,000 in 1995, compared to net income of $686,000 in 1994. Included in net income for 1995 is a $394,000 extraordinary loss for the write off of deferred financing costs related to the repayment in March 1995 of outstanding indebtedness under certain credit agreements with banks, including the Old Credit Agreement, and a make-whole premium in connection with the repayment of certain senior subordinated notes to insurance companies.

LIQUIDITY AND CAPITAL RESOURCES

In the past, the Company principally financed acquisitions of radio stations through borrowings, including borrowings under credit agreements with banks, and, to a lesser extent, from cash flow from operations and selected asset dispositions. The Company used the net proceeds from the sale of the Notes to repay substantially all of its outstanding indebtedness under a line of credit agreement, at which time such facility was canceled and the Company entered into the current Credit Agreement.

The Company anticipates funding future acquisitions from operating cash flow and borrowings, including borrowings under the Credit Agreement. As of September 30, 1997, $10.1 million was outstanding under the Company's Credit Agreement. The maximum amount that the Company may borrow under the Credit Agreement is limited by the Company's debt to cash flow ratio, adjusted for recent radio station acquisitions as defined in the Credit Agreement (the "Adjusted Debt to Cash Flow Ratio"). At September 30, 1997, the maximum Adjusted Debt to Cash Flow Ratio allowed under the Credit Agreement was 7.0 to 1. The Company's ability to borrow for the purpose of acquiring a radio station is further limited by the Credit Agreement in that the Company may not borrow for an acquisition if the Adjusted Debt to Cash Flow Ratio is greater than 6.0 to 1. At September 30, 1997, the Adjusted Debt to Cash Flow Ratio was 6.07 to 1, resulting in total borrowing availability of approximately $19.9 million, none of which can currently be used for radio station acquisitions. In addition to debt service requirements under the Credit Agreement, the Company will be required to pay $14.3 million per annum in interest on the Notes. Management believes that cash flow from operations and borrowings under the Credit Agreement should be sufficient to permit the Company to meet its financial obligations and to fund its operations for at least the next twelve months.

For the nine months ended September 30, 1997, net cash provided by operations decreased to $1.9 million, compared to $9.3 million for the 1996 period due to the Company recording a net loss in the 1997 period primarily as a result of higher interest expense and changes in working capital items in 1997. Net cash provided

by operations increased to $10.5 million for the year ended December 31, 1996, compared to $7.7 million in 1995 due primarily to increased net operating income in 1996. Net cash provided by operations was essentially unchanged for the year ended December 31, 1995 compared to 1994.

For the nine months ended September 30, 1997, net cash used in investing activities increased $13.3 million to $26.6 million from $13.3 million for the 1996 period due to radio station acquisitions (seven stations purchased for $18.8 million in the first nine months of 1997 compared to seven stations purchased for $8.3 million in the first nine months of 1996), and expenditures for a tower construction project held for sale, in 1997. Net cash used in investing activities decreased to $18.9 million for the year ended December 31, 1996, compared to $27.7 million for 1995 primarily due to the sale of

KDBX-FM, Portland and KDFX-AM, Dallas in 1996. The sale of these two radio stations provided $15.9 million of cash, which offset the cash used by the Company to purchase radio stations in 1996. Net cash used in investing activities increased to $27.7 million for the year ended December 31, 1995, compared to $18.8 million for 1994 primarily due to the acquisition of higher priced radio stations in 1995 compared to 1994.

For the nine months ended September 30, 1997, net cash provided by financing activities increased $21.5 million to $24.8 million from $3.3 million for the 1996 period primarily from proceeds from long-term debt incurred in 1997, offset by the $30.5 million payment of the note payable associated with the acquisition of KWRD-FM, Dallas. Net cash provided by financing activities was $9.4 million for the year ended December 31, 1996, $19.2 million for 1995, and $11.8 million for 1994, primarily due to increased long-term debt borrowings for the higher priced radio stations acquired in 1995.

BUSINESS

GENERAL

Salem Communications Corporation is the leading radio broadcast company in the United States, measured by number of stations owned and audience coverage, that focuses on serving the religious/conservative listening audience. The Company's two primary businesses include the ownership and operation of religious format radio stations and the development and expansion of its national Network offering talk programming, news and music to affiliated stations. The Company owns and/or operates 43 radio stations concentrated in 28 geographically diverse markets across the United States. The Company offers a variety of specialized talk programming emphasizing Bible study and Judeo-Christian values applied to family and community issues as well as contemporary and traditional religious music.

The Company focuses on serving the top 25 markets in terms of audience size in the United States and has stations in nine of the top ten and 19 of the top 25 of those markets. Since January 1, 1992, the Company has grown significantly by acquiring ownership of, or operating rights to, 29 radio stations in 20 markets, including 17 stations in 14 markets since January 1, 1996. Most of these recently acquired radio stations were previously broadcasting in non-religious formats and have been re-formatted by the Company. The Company's experience has been that changing the format of an acquired station typically requires a transition period during which the Company develops its program customer and listener base. During such transition period, these stations typically do not generate significant cash flow from operations. The Company's total gross revenue, broadcast cash flow and EBITDA were $65.1 million, $25.5 million and $20.9 million, respectively, for the year ended December 31, 1996 and were $54.5 million, $20.6 million and $16.2 million, respectively, for the nine months ended September 30, 1997.

The following table sets forth information about each radio station owned and/or operated by the Company in order of market size:

MARKET(1)	MSA RANK	STATION CALL LETTERS	YEAR ACQUIRED
New York, NY	1	WMCA-AM; WWDJ-AM	1989; 1994
Los Angeles, CA	2	KKLA-FM; KLTX-AM; KAVC-FM	1985; 1986; 1983
Chicago, IL	3	WYLL-FM	1990
San Francisco, CA	4	KFAX-AM	1984
Philadelphia, PA	5	WFIL-AM; WZZD-AM	1993; 1994
Dallas-Ft. Worth, TX	7	KWRD-FM	1996
Washington, D.C.	8	WAVA-FM	1992
Houston-Galveston, TX	9	KKHT-FM; KENR-AM	1995; 1995
Boston, MA	10	WEZE-AM	1997
Seattle-Tacoma, WA	13	KGNW-AM; KLFE-AM; KKOL-AM	1985; 1994; (2)
San Diego, CA	14	KPRZ-AM	1986
Minneapolis-St. Paul, MN	16	KKMS-AM	1996
Phoenix, AZ	18	KPXQ-AM	1996
Baltimore, MD	19	WITH-AM(3)	1997
Pittsburgh, PA	20	WORD-FM; WPIT-AM	1989; 1993
Cleveland, OH	22	WHK-AM; WCCD-AM	1997
Denver-Boulder, CO	23	KRKS-FM; KRKS-AM; KNUS-AM	1993; 1994; 1996
Portland, OR	24	KPDQ-FM; KPDQ-AM	1986; 1986
Cincinnati, OH	25	WTSJ-AM	1997
Riverside-San Bernardino, CA	26	KKLA-AM(4)	1986
Sacramento, CA	28	KFIA-AM; KTKZ-AM	1995; 1997
Columbus, OH	32	WRFD-AM	1982
San Antonio, TX	34	KSLR-AM	1994
Akron, OH	67	WHLO-AM	1997
Spokane, WA	87	KTSL-FM	1996
Colorado Springs, CO	95	KGFT-FM; KBIQ-FM; KPRZ-FM	1996; 1996; 1996
Oxnard, CA	109	KDAR-FM	1974

Canton, OH.....................	120	WHK-FM(5)	1997

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(1) Actual city of license may differ from metropolitan market served.

(2) The Company operates the station, which is licensed to a corporation owned by the Principal Shareholders of the Company, under the terms of a local marketing agreement. The Principal Shareholders and the Company are parties to an Option to Purchase Agreement whereunder the

Company has been granted an option to purchase KKOL-AM from the Principal Shareholders at any time on or before December 31, 1999. See "Federal Regulation of Radio Broadcasting--Local Marketing Agreements" and "Certain Transactions."

(3) The station is simulcast with WAVA-FM, Washington, D.C.

(4) The station is simulcast with KKLA-FM, Los Angeles.

(5) The station is simulcast with WHK-AM, Cleveland.

CORPORATE STRUCTURE AND REORGANIZATION

The Company was incorporated in California in 1986 in connection with a combination of most of the radio station holdings of the Principal Shareholders. Each of the Principal Shareholders owned 50% of the Company's outstanding common stock. New Inspiration, the licensee of KKLA-FM, Los Angeles, and Golden Gate, the licensee of KFAX-AM, San Francisco, were owned by the Shareholders. New Inspiration and Golden Gate were both "S corporations," as that term is defined in the Internal Revenue Code. The Company, New Inspiration and Golden Gate are the general partners of Beltway Media Partners ("Beltway"), the licensee of WAVA-FM, Washington, D.C.

On August 13, 1997, the Company, New Inspiration and Golden Gate effected a reorganization (including the Shareholder Notes as defined below, the "Reorganization") pursuant to which New Inspiration and Golden Gate became wholly owned subsidiaries of the Company, with Beltway remaining a partnership owned by the Company, New Inspiration and Golden Gate. The S corporation status of New Inspiration and Golden Gate was terminated in the Reorganization. Prior to the Reorganization, New Inspiration and Golden Gate made distributions of cash and promissory notes to their respective shareholders in the aggregate amount of $8.5 million. Of such amount, $1.8 million, equal to the estimated federal and state income tax liability of the shareholders on the earnings of New Inspiration and Golden Gate, was paid by New Inspiration and Golden Gate in cash. The remainder, $6.7 million, the balance of the net income of New Inspiration and Golden Gate that had previously been taxed but not distributed to the shareholders, was distributed in the form of promissory notes to be paid to the shareholders immediately following the closing of the offering (the "Shareholder Notes"). The Company borrowed $6.7 million under the Credit Agreement and applied this amount to the payment of certain indebtedness owed to New Inspiration and Golden Gate by the Company. The cash made available to New Inspiration and Golden Gate from the repayment of such loans was then used by New Inspiration and Golden Gate to pay the Shareholder Notes. See "Certain Transactions" and "Description of Certain Indebtedness--Shareholder Notes."

Following the Reorganization, Mrs. Epperson, who had been a 50% owner of New Inspiration, became a shareholder of the Company. All of the outstanding stock of the Company is currently owned by the Principal Shareholders and Mrs. Epperson. See "Securities Ownership of Certain Beneficial Owners."

RELIGIOUS FORMAT OVERVIEW

The 1997 Broadcasting & Cable Yearbook identifies over 1,800 radio stations throughout the United States that feature religious talk and music formats, including formats identified as Religious, Gospel, Christian, Inspirational or Sacred. Approximately two-thirds of these stations are for-profit businesses. The balance of these stations broadcast from the noncommercial educational band (88.1MHz-91.9MHz) and are licensed to non-profit organizations.

Contrary to many mainstream formats which have experienced a decline in popularity in recent years, religious formats have experienced significant growth. According to statistics appearing in The M Street Journal, a broadcast industry newsletter, the number of radio stations featuring religious formats has grown approximately 69% between 1989 and 1997 and the religious format is the fourth largest radio format in the United States after country, news/talk and adult contemporary. According to Religion & Media Quarterly, religious format radio stations have an audience of approximately 20.6 million listeners.

While a variety of music formats, including Southern Gospel, Black Gospel,

Praise and Worship, and Contemporary Christian, are offered on religious format stations, the largest single category of religious format is talk programming emphasizing Bible preaching and teaching and other programming addressing family and community issues. Music and talk formats can be found on both commercial and noncommercial stations. Commercial stations that feature religious music formats generate nearly all of their revenue from the sale of advertising time to local and national spot advertisers and national network advertisers. Commercial stations that specialize in talk programming, including substantially all of the Company's stations, generate the majority of their revenue from the sale of block program time to national and local program producers. Noncommercial stations typically obtain revenue through tax-deductible contributions from listeners, the sale of block program time to national and local program producers and grants or sponsorships of specific programming that allow the sponsor's name to be featured. Sale of spot advertising is prohibited on noncommercial stations.

OPERATING STRATEGY

Maintain and Enhance Leadership Position in Religious Talk Format. The Company believes that an important factor in its ability to attract and retain quality programming customers is its demonstrated long-term commitment to religious talk formats. Program customers tend to be sophisticated purchasers of air time that recognize that building a listener base capable of generating revenue sufficient to cover programming costs may take several years. The Company's experience has been that such programmers are accordingly reluctant to make the commitment to building a new listener base unless they have a reasonable expectation that the format will remain in place. Management of the Company therefore intends to continue its long-term commitment to the religious talk format. Management believes its commitment to growing the religious talk format, increasing the number of owned and operated stations and developing network operations and national sales activities allows for future growth opportunities for the Company.

Identify and Develop New Program Producers. The Company recognizes that the ongoing success of its religious talk format is largely dependent on the continued availability of quality programs. Management of the Company is committed to assisting promising new program producers with advice on content and structuring of programs in addition to advice on levels of support staffing, engineering and programming delivery options. Station managers are encouraged to evaluate local talk programs with a view toward expansion of promising programs into national syndication. The Company continues to emphasize this important development area with the goal of maintaining a backlog of quality programs available for placement in new markets and existing markets where the Company may add additional stations.

Emphasize Signal Quality and Market Coverage. The Company is committed to the ongoing evaluation and improvement of its technical facilities, including power increases, tower/antenna relocations and investment in state of the art equipment. The Company believes that its success is attributable in part to its ownership of broadcast facilities that provide broad signal coverage in its markets.

Build Station Identity Through Development of Strong Production Values. The Company believes that an important element in retaining and increasing the listening audience and expanding the base of potential advertisers for its stations is the development of local station identity. The Company believes that its emphasis on development of a station's identity during those times when the Company is not broadcasting its customers' block programming will allow it to compete with general format stations for listening audience and advertising customers. Station employees with responsibility for programming are encouraged to build identity through continual improvement of production values and to share their ideas with other Company stations. The Company assists local personnel and coordinates development of increased production values through its director of programming located at the corporate headquarters. Certain of the Company's stations have successfully adopted techniques that have built identity through the development of local on-air personalities associated with segments of the broadcast day, and these techniques are being implemented at other Company stations.

Expand and Diversify National Network. The Company is committed to expanding the Network by adding to its menu of Network product offerings and by actively promoting these products to Network affiliates. The

Company believes that by continually increasing the quality of its Network product it will add to its affiliate base, thereby providing more audience reach that will attract more national advertising customers and potentially generate business from national advertising agencies. The Company competes aggressively for talk show talent it believes will be attractive to existing and potential affiliates, refines existing music formats and develops political commentary and public affairs programming that are complementary to the product offerings of the Network. The Company will continue to explore ways to better serve its customers and the religious/conservative listening audience by using the combined resources of its owned and operated stations

and the Network. For example, unused Network inventory can be used as an incentive to potential or existing program producers to purchase block program time on the Company's radio stations. The Company has successfully implemented this strategy in the past and will continue to devote significant time and resources to find additional synergistic uses of its radio stations and the Network.

ACQUISITION STRATEGY

Expand Into New Markets. The Company continues to pursue an acquisition strategy of acquiring radio stations in the top 25 markets in which it currently does not have a presence and acquiring selected stations in mid-sized markets. The Company believes that its presence in large markets makes it attractive to national program syndicators and national advertisers. In addition, the geographic diversity of the Company's markets reduces its dependence on any single local economy. Over the past 20 years, the Company has developed and implemented a model for evaluating the desirability of entering a new market. Management considers the number of stations already serving the target market with religious formats, the programming within that format (music or talk), the quality of talk programs offered and the signal strength of the competing stations. The signal strength of any station that becomes available for purchase is a critical factor in the evaluation process.

Expand in Existing Markets. The Company pursues the acquisition of additional stations in markets in which it already has a presence. The experience of the Company with existing duopolies and triopolies has been positive. Multiple stations making use of one general manager and sales staff and one broadcast facility have resulted in operational efficiencies in certain markets. In addition, the Company intends to develop more talk and music product at the Network level that will be available for use on additional stations in a market. The Company believes new religious music formats are gaining increased popularity and are complementary to the Company's religious talk format. Three separate music formats are produced by the Network and are available for use by Company stations. This strategy has been implemented successfully in Colorado Springs, where the Company owns three FM stations, two of which offer religious music formats and one of which features a religious talk format.

Upgrades in Existing Markets. The Company is continually looking for upgrade opportunities in existing markets to expand its audience reach. This strategy of acquiring upgraded facilities in existing markets has been an area of emphasis for senior management for many years and has been successfully demonstrated in such markets as Seattle and New York in prior years. More recently, the Company has significantly improved its position in Boston and Dallas through the acquisition of more powerful stations that have allowed the Company to continue its business strategy of operating stations that provide broad signal coverage in its markets.

Acquisition Financing. In the past, the Company has principally financed acquisitions of radio stations through borrowings, including borrowings under credit agreements with banks and, to a lesser extent, from cash flow from operations and selected asset dispositions. Taking into account certain restrictions under the Credit Agreement, however, the Company is not currently able to borrow for acquisitions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources."

OWNED AND/OR OPERATED RADIO STATIONS

Program Revenue. For the year ended December 31, 1996 and the nine months ended September 30, 1997, the Company derived 57.5% and 53.4% of its gross revenue, or $37.5 million and $29.1 million, respectively, from the sale of nationally syndicated and local block program time. The Company derives its nationally syndicated program revenue from a programming customer base consisting primarily of geographically diverse,

well-established non-profit religious and educational organizations that purchase time on stations in a large number of markets in the United States. These nationally syndicated program producers typically purchase 13, 26 or 52 minute blocks on a Monday through Friday basis and may offer supplemental programming for weekend release. The recognized leading daily radio program featured on religious talk format stations is Focus on the Family, which according to the 1997 Directory of Religious Media is syndicated on 943 radio stations in the United States, including 35 Company stations as of November 1997. Other leading radio programs currently include Insight for Living (590 stations, including 26 Company stations), In Touch (490 stations, including 27 Company stations), and Grace to You (294 stations, including 22 Company stations). Local program revenue is obtained from community organizations and churches that typically purchase time primarily for weekend release and from local speakers who purchase daily releases. The Company has been successful in assisting quality local programs to expand into national syndication.

Purchasers of block program time derive their income from two primary

sources: (i) listener contributions, and (ii) product sales, including sales of inspirational material such as printed literature and periodicals, audio and video tapes and other miscellaneous items. Revenue from these sources is used in part to pay for the air time purchased from the Company. The nationally syndicated program producers carefully track the source of their donations and product sales and use this information to measure the return on their air time investment at each station. The Company's top five revenue-producing program customers accounted for $7.8 million of gross revenue for the year ended December 31, 1996 and $4.3 million of gross revenue for the six months ended June 30, 1997. These amounts represented 20.7% and 22.2%, respectively, of the Company's gross program revenue and 11.9% of the Company's gross revenue for such periods.

The Company's stations have enjoyed long-standing relationships with key customers. Focus on the Family and Insight for Living have been ongoing customers of the Company since 1977. Management attributes this continuity to the recognized commitment of the Company to concentrate its efforts in religious talk format stations and not to change formats or exit markets where it has acquired stations. Management believes that its key customers are willing to make the long-term commitment to build a base of support in Company markets largely because of the Company's commitment to build a religious talk format for its radio stations. As is typical in the radio industry, contracts may generally be canceled by either the station or the program producer on one month's notice. New program producers, however, are occasionally required to sign one-year contracts to demonstrate a commitment of resources to the program. Rate increases are typically negotiated on an annual basis.

The Company believes that sales of block program time lessen its exposure to swings in general economic activity and thus make its revenue stream less volatile. Because program customers derive their income primarily from various forms of listener support, and given the time period usually required for a program to obtain and develop an audience, management believes that program customers have generally found it to be in their best interest to retain a specific time slot on a long-term basis notwithstanding short-term financial results or economic conditions.

Advertising Revenue. For the year ended December 31, 1996, and the nine months ended September 30, 1997, the Company derived 26.7% and 23.0% of its gross revenue, or $17.4 million and $15.0 million, respectively, from the sale of local spot advertising and 6.3% and 9.4% of its gross revenue, or $4.1 million and $5.1 million (including $2.7 million of reclassified infomercial advertising revenue), respectively, from the sale of national spot advertising. Prior to 1997, classification of revenue (i.e. national program, national advertising, local program or local advertising) from infomercials was determined at the discretion of local station general managers. In 1997, the Company began including revenue from infomercials in the national advertising category in order to establish uniformity of classification of revenue. The Company in recent years has begun to place greater emphasis on the development of local spot sales in all of its markets. General managers and sales managers are encouraged to create more spot inventory for sale. Additional spot inventory can be created in a variety of ways, such as removing programming which generates marginal audience response and adjusting the start time of programs to add inventory in more desirable dayparts.

The Company believes that the listening audience for its radio stations, which provides the financial support for program producers purchasing time on these stations, is responsive to affinity advertisers that promote products targeted to the religious/conservative audience and is receptive to direct response appeals such as those offered through infomercials. The Company's stations all have affinity advertising customers in their respective markets. Local church groups and many community organizations such as rescue missions and family crisis support services can often effectively reach their natural constituencies by advertising on religious format stations. Significant advertising is also purchased by local and nationally affiliated religious bookstores, publishers specializing in inspirational and religious literature and other businesses that desire to specifically target the conservative adult religious community. The Company also generates spot advertising revenue from general market retailers, including automobile dealers and grocery store chains, in many of its markets. Management believes these results are consistent with an increased openness to the use of niche radio formats by general market retailers. Because the Company does not sell advertising based on market share, it does not subscribe to traditional audience measuring services, but instead sells advertising based upon the proven success of its other advertising customers.

The Company's radio stations also receive revenue from national advertisers desiring to include selected Company stations in national buys covering multiple markets. These national advertising buys are placed through SRR, which receives a commission based on the gross dollar amount of all orders generated. Infomercials run regularly on Company stations, generally on weekends. In reviewing proposed purchases of air time by advertisers and infomercial producers, the Company considers the suitability of the content of the advertising and infomercials for its audience.

Operations. Each of the radio markets in which the Company has a presence has a general manager who is responsible for day-to-day operations, local spot advertising sales and, where applicable, local program sales for all Company stations in the market. General managers earn a base salary plus a percentage of the respective station's net operating income. Each station also has a staff of full and part-time engineering, programming and sales personnel. Sales staffs are paid on a commission basis.

The Company has decentralized its operations in response to the rapid growth it has experienced in recent years. Operations vice presidents of the Company, some of whom are also station general managers, oversee several markets on a regional basis. The operations vice presidents are experienced radio broadcasters with expertise in sales, programming and production. The Company will continue to rely on this strategy of decentralization and encourage operations vice presidents to apply innovative techniques to the operations they oversee which, if successful, can be implemented in other Company stations.

Corporate headquarters personnel oversee the placement and rate negotiation for all nationally syndicated programs. Centralized oversight of this most critical component of Company revenue is necessary because the Company's key program customers purchase time on many of the Company's markets. Corporate headquarters personnel also are responsible for centralized reporting and financial functions, benefits administration, engineering oversight and other support functions designed to provide resources to local management.

NATIONAL NETWORK OPERATIONS

In 1993, the Company established the Network in connection with its acquisition of certain assets of the former CBN Radio Network. Establishment of the Network was a part of the Company's overall business strategy to develop a national network of affiliated radio stations anchored by the Company's owned and operated radio stations in major markets. The Network, which is headquartered in Dallas, is focused on the development, production and syndication of a broad range of programming specifically targeted to religious talk and music stations as well as general market news/talk stations. Currently, the Company has rights to six full-time satellite channels and all Network product is delivered to affiliates via satellite.

As of November 30, 1997, the Network had approximately 750 affiliate stations, including the Company's owned and operated stations, that broadcast one or more of the offered programming options. These

programming options feature talk shows, news and music. Network operations also include commission revenue of SRR from unaffiliated customers and an allocation of operating expenses estimated to relate to such commissions. SRR is a wholly owned subsidiary of the Company, which sells all national commercial advertising placed on the Network's commercial affiliate radio stations. The Network's gross revenue for the year ended December 31, 1996 and the nine months ended September 30, 1997 was $5.3 million and $4.5 million, respectively. While the Network earned net operating income of $274,000 for the year ended December 31, 1996, it incurred a net operating loss of $542,000 for the nine months ended September 30, 1997, due primarily to continued costs associated with the development of a news programming production and distribution capability, and reduced advertising revenue associated with syndicated talk programming.

Talk Programming. The Network offers talk programming designed to attract listeners to affiliate stations by addressing current national issues from a religious/conservative perspective. The Network currently produces 20 daily and weekly long-form and short-form programs including The Oliver North Show, The Alan Keyes Show, The Dick Staub Show, Janet Parshall's America and a sports talk program titled Sharing the Victory. As of November 30, 1997, approximately 260 affiliate radio stations carried some form of Network talk programming.

Station affiliations for talk programming are non-exclusive, allowing a station to select specific Network programs it wishes to carry. Commercial affiliates are required to clear five Network spots during each hour of Network programming carried. The Network affiliation contract generally provides a 90-day termination option for both parties.

News. The Network began the production and distribution of news in 1996 with the purchase of StandardNews. The name was subsequently changed to SRN News and the news product was repositioned to offer affiliates a family-focused news service, delivered three times each hour, providing coverage of national and international news. SRN News began operating from a new, fully-digital headquarters located in the Washington, D.C. area in early 1997. SRN News has fully-equipped broadcast facilities at the White House, United States House of Representatives and United States Senate that are staffed by full-time correspondents. As of November 30, 1997, the Network provided SRN News to approximately 295 affiliate radio stations, compared with the 167 affiliates

existing at the time the news service was acquired in 1996.

Commercial radio stations that affiliate with SRN News are required to clear 12 Network spots between the hours of 6 AM and 11 PM daily. Because they are unable to clear commercial advertisements, noncommercial radio stations that affiliate with SRN News pay a monthly access fee. Affiliation agreements for the news service are two years in length.

Music. The Network offers three syndicated religious music formats. The Morningstar format, which originates from studios in Nashville, features adult contemporary Christian music targeted to the mainstream 25-to-54 year old audience. The Network also offers a contemporary Christian music format, The Word in Music, targeted to a younger audience, and a more traditional praise and worship format, The Word in Praise. Both of these formats originate from two of the Company's owned and operated stations in Colorado Springs. All music formats are available to affiliate stations on a 24-hour basis or in selected dayparts. As of November 30, 1997, the Morningstar format and The Word in Music format had 127 and 22 affiliates, respectively. As of the same date, The Word in Praise, established in the first quarter of 1997, had eight affiliates.

Each music network requires affiliates to clear a minimum number of minutes per hour for network spots. In addition, fixed monthly affiliation fees are charged to both commercial and non-commercial stations which affiliate with the Morningstar format and non-commercial stations which affiliate with The Word in Music and The Word in Praise. In addition to these three 24-hour music formats, the Network provides weekly music programs, including CCM Countdown with Gary Chapman, CCM Radio Magazine and Rock Alive, to approximately 310 affiliate stations.

Salem Radio Representatives. The Company established SRR in 1992 as a sales representation company specializing in placing national advertising on religious format radio stations. The Network has an exclusive relationship with SRR, a wholly owned subsidiary of the Company, for the sale of available Network spot advertising. SRR receives a commission on all Network sales. SRR also contracts with individual radio stations to sell air time to national advertisers desiring to include selected Company stations in national buys covering multiple markets. See "--Owned and/or Operated Radio Stations--Advertising Revenue." SRR administrative offices are located in Dallas, and its 12 commissioned sales personnel are located in field offices in Washington, D.C., Chicago, Nashville, Dallas, Seattle and Los Angeles.

COMPETITION

The radio broadcasting industry, including the religious format segment of this industry, is a highly competitive business. The financial success of each of the Company's radio stations that features talk programming is dependent, to a significant degree, upon its ability to generate revenue from the sale of block program time to national and local religious and educational organizations. The Company competes for this program revenue with a number of different commercial and noncommercial radio station licensees. While no group owner in the United States specializing in the religious format approaches the Company in size and major market penetration, religious format stations exist and enjoy varying degrees of prominence and success in all markets.

The Company also competes for revenue in the spot advertising market with other commercial religious format and general format radio station licensees. The Company competes in the spot advertising market with other media as well, including broadcast television, cable television, newspapers, magazines, direct mail coupons and billboard advertising.

Competition may also come from new media technologies currently being developed or introduced, such as the delivery of audio programming by cable television systems, by satellite and by DAB. DAB may deliver by satellite to national and regional audiences, multi-channel, multiformat digital radio services with quality equivalent to compact discs. The delivery of information through the Internet also could create new competition. The FCC has recently authorized spectrum for the use of a new technology, satellite DARS, to deliver audio programming. DARS may provide a medium for the delivery by satellite or terrestrial means of multiple new audio programming formats to local and national audiences.

The Network competes with other commercial radio networks that offer news and talk programming to religious format stations and two noncommercial networks that offer religious music formats. The Network also competes with other radio networks for the services of talk show personalities.

SERVICEMARKS

The Company owns the federally registered service marks "Salem Communications Corporation" and "Salem Radio Network" and the related Salem Communications Corporation and Salem Radio Network logos. The Company considers these service marks to be important to its business.

EMPLOYEES

At November 30, 1997, the Company employed 513 full-time and 309 part-time employees. None of the Company's employees are covered by collective bargaining agreements, and the Company considers its relations with its employees to be good.

In certain of its larger markets, the Company employs on-air personalities with loyal audiences in their respective markets. The loss of one of these personalities could result in a short-term loss of audience share, but the Company does not believe that any such loss would have a material adverse effect on the Company's financial condition or results of operations.

FEDERAL REGULATION OF RADIO BROADCASTING

Introduction. The ownership, operation and sale of broadcast stations, including those licensed to the Company, are subject to the jurisdiction of the FCC, which acts under authority derived from the Communications Act. The Communications Act was amended by the Telecommunications Act of 1996 (the "Telecommunications Act") to make changes in several broadcast laws. Among other things, the FCC assigns frequency bands for broadcasting; determines whether to approve changes in ownership or control of station licenses; regulates equipment used by stations; adopts and implements regulations and policies that directly or indirectly affect the ownership, operation and employment practices of stations; and has the power to impose penalties for violations of its rules under the Communications Act.

The following is a brief summary of certain provisions of the Communications Act and of specific FCC regulations and policies. Failure to observe these or other rules and policies can result in the imposition of various sanctions, including monetary forfeitures, the grant of "short" (less than the maximum) license renewal terms or, for particularly egregious violations, the denial of a license renewal application, the revocation of a license or the denial of FCC consent to acquire additional broadcast properties. Reference should be made to the Communications Act, FCC rules and the public notices and rulings of the FCC for further information concerning the nature and extent of federal regulation of broadcast stations.

License Grant and Renewal. Radio broadcast licenses are granted for maximum terms of eight years. Licenses may be renewed through an application to the FCC. Prior to the Telecommunications Act, during certain periods when a renewal application was pending, competing applicants could file for the radio frequency being used by the renewal applicant. The Telecommunications Act prohibits the FCC from considering such competing applications if the FCC finds that the station has served the public interest, convenience and necessity, that there have been no serious violations by the licensee of the Communications Act or the rules and regulations of the FCC, and that there have been no other violations by the licensee of the Communications Act or the rules and regulations of the FCC that, when taken together, would constitute a pattern of abuse.

Petitions to deny license renewals can be filed by interested parties, including members of the public. Such petitions may raise various issues before the FCC. The FCC is required to hold hearings on renewal applications if the FCC is unable to determine that renewal of a license would serve the public interest, convenience and necessity, or if a petition to deny raises a "substantial and material question of fact" as to whether the grant of the renewal application would be prima facie inconsistent with the public interest, convenience and necessity. Also, during certain periods when a renewal application is pending, the transferability of the applicant's license is restricted. The Company is not currently aware of any facts that would prevent the timely renewal of its licenses to operate its radio stations, although there can be no assurance that the Company's licenses will be renewed.

The FCC classifies each AM and FM station. An AM station operates on either a clear channel, regional channel or local channel. A clear channel is one on which AM stations are assigned to serve wide areas. Clear channel AM stations are classified as either: Class A stations, which operate on an unlimited time basis and are designated to render primary and secondary service over an extended area; Class B stations, which operate on an unlimited time basis and are designed to render service only over a primary service area; and Class D stations, which operate either during daytime hours only, during limited times only or on an unlimited time basis with low nighttime power. A regional channel is one on which Class B and Class D AM stations may operate and serve primarily a principal center of population and the rural areas contiguous to it. A local channel is one on which AM stations operate on an unlimited time basis and serve primarily a community and the suburban and rural areas immediately contiguous thereto. Class C AM stations operate on a local channel and are designed to render service only over a primary service area that may be reduced as a consequence of interference.

The minimum and maximum facilities requirements for an FM station are determined by its class. FM class designations depend upon the geographic zone in which the transmitter of the FM station is located. In general, commercial FM stations are classified as follows, in order of increasing power and antenna height: Class A, B1, C3, B, C2, C1 and C.

The following table sets forth in order of market size the market, call letters, FCC license classification, antenna height above average terrain (HAAT), power and frequency of each of the stations owned or operated by the Company and the date on which each station's FCC license expires.

<TABLE>
<CAPTION>

MARKET(1)	STATION CALL LETTERS	FCC CLASS	HAAT IN METERS	POWER IN KILOWATTS(2)	FREQUENCY	EXPIRATION DATE OF LICENSE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
New York, NY...........	WMCA-AM	B	NA	5.0/5.0	570 kHz	6/1/1998
	WWDJ-AM	B	NA	5.0/5.0	970 kHz	6/1/1998
Los Angeles, CA.........	KKLA-FM	B	878	10.5	99.5 MHz	(3)
	KAVC-FM	A	94	2.9	105.5 MHz	12/1/2005
	KLTX-AM	B	NA	5.0/3.6	1390 kHz	12/1/2005
Chicago, IL............	WYLL-FM	B	91	50	106.7 MHz	12/1/2004
San Francisco, CA.......	KFAX-AM	B	NA	50/50	1100 kHz	12/1/2005
Philadelphia, PA........	WFIL-AM	B	NA	5.0/5.0	560 kHz	8/1/1998
	WZZD-AM	B	NA	50.0/10.0	990 kHz	8/1/1998
Dallas-Ft. Worth, TX....	KWRD-FM	C	460	100	94.9 MHz	8/1/2005
Washington, D.C.	WAVA-FM	B	131	50	105.1 MHz	10/1/2003
Houston-Galveston, TX...	KENR-AM	B	NA	10.0/5.0	1070 kHz	8/1/2005
	KKHT-FM	C	344	100	106.9 MHz	8/1/2005
Boston, MA.............	WEZE-AM	B	NA	5.0/5.0	590 kHz	(3)
Seattle-Tacoma, WA......	KGNW-AM	B	NA	50.0/5.0	820 kHz	(3)
	KLFE-AM	B	NA	5.0/5.0	1590 kHz	(3)
	KKOL-AM(4)	B	NA	5.0/5.0	1300 kHz	(3)
San Diego, CA..........	KPRZ-AM	B	NA	20.0/5.0	1210 kHz	12/1/2005
Minneapolis-St. Paul, MN.....................	KKMS-AM	B	NA	5.0/5.0	980 kHz	4/1/2004
Phoenix, AZ............	KPXQ-AM	B	NA	5.0/5.0	960 kHz	10/1/2005
Baltimore, MD..........	WITH-AM	C	NA	1.0/1.0	1230 kHz	10/1/2003
Pittsburgh, PA.........	WORD-FM	B	154	48	101.5 Mhz	8/1/1998
	WPIT-AM	D	NA	5.0/0.024	730 kHz	8/1/1998
Cleveland, OH..........	WCCD-AM	D	NA	0.5/0	1000 kHz	10/1/2004
	WHK-AM	B	NA	5.0/5.0	1420 kHz	10/1/2004
Denver-Boulder, CO......	KNUS-AM	B	NA	5.0/5.0	710 kHz	4/1/2005
	KRKS-AM	B	NA	5.0/0.39	990 kHz	4/1/2005
	KRKS-FM	C	387	100	94.7 MHz	4/1/2005
Portland, OR...........	KPDQ-AM	B	NA	1.0/0.51	800 kHz	(3)
	KPDQ-FM	C	387	100	93.7 MHz	(3)
Cincinnati, OH.........	WTSJ-AM	B	NA	1.0/0.28	1050 kHz	10/1/2004
Riverside-San Bernardino, CA.........	KKLA-AM	C	NA	1.0/1.0	1240 kHz	12/1/2005
Sacramento, CA.........	KFIA-AM	B	NA	25.0/1.0	710 kHz	12/1/2005
	KTKZ-AM	B	NA	5.0/5.0	1380 kHz	12/1/2005
Columbus, OH...........	WRFD-AM	D	NA	5.0/0	880 kHz	10/1/2004
San Antonio, TX.........	KSLR-AM	B	NA	5.0/4.3	630 kHz	8/1/2005
Akron/Canton, OH........	WHLO-AM	B	NA	5.4/0.54	640 kHz	10/1/2004
Spokane, WA............	KTSL-FM	C3	145	4.6	101.9 MHz	(3)
Colorado Springs, CO....	KBIQ-FM	C	616	2.0	102.7 MHz	4/1/2005
	KGFT-FM	C1	647	13	100.7 MHz	4/1/2005
	KPRZ-FM	C3	614	0.51	96.1 MHz	4/1/2005
Oxnard, CA.............	KDAR-FM	B1	393	1.5	98.3 MHz	(3)
Canton, OH.............	WHK-FM	B	175	36	98.1 MHz	10/1/2004

</TABLE>

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(1) Actual city of license may be different form the metropolitan market served.

(2) Pursuant to FCC rules and regulations, many AM radio stations are licensed to operate at a reduced power during nighttime broadcasting hours, which results in reducing the radio station's coverage during those hours of operation. Both power ratings are shown, where applicable.

(3) Indicates pending renewal application.

(4) The Company operates this station, which is licensed to a corporation owned by the Principal Shareholders, under the terms of a local marketing agreement. See "--Local Marketing Agreements" and "Certain Transactions."

Ownership Matters. The Communications Act prohibits the assignment of a broadcast license or the transfer of control of a broadcast license without the prior approval of the FCC. In determining whether to assign, transfer, grant or renew a broadcast license, the FCC considers a number of factors pertaining to the licensee, including compliance with various rules limiting

common ownership of media properties, the "character" of the licensee and those persons holding "attributable" interests therein, and compliance with the Communications Act's limitation on alien ownership, as well as compliance with other FCC policies, including equal employment opportunity requirements.

Once a station purchase agreement has been signed, an application for FCC consent to assignment of license or transfer of control (depending upon whether the underlying transaction is an asset purchase or stock acquisition) is filed with the FCC. Approximately 10 to 15 days after this filing, the FCC publishes a notice assigning a file number to the application and advising that the application has been "accepted for filing." This begins a 30-day statutory public notice period during which third parties have the opportunity to file formal petitions to deny the proposed transaction. Informal objections to the transaction may be filed at any time prior to the grant of an application. During this 30-day period, the FCC staff generally begins its review of the application and may request additional information from the applicants in response to any questions the staff may have.

Assuming that no petitions are filed during the public notice period and that the proposed transaction poses no issues requiring higher level consent, the FCC staff often grants the application by delegated authority approximately 10 days after the end of the public notice period. If there is a back log of applications or the transaction proposes an issue requiring higher level consent, the 10-day period can extend to 30 days or more. The parties to the application are legally authorized to close on the transaction at any time after the application is granted. At this point, however, the grant is not a "final order."

Public notice of the FCC staff grant of an application is usually issued within seven days of the date on which the application is granted. For a period of 30 days following the date of this public notice interested parties may file petitions seeking staff reconsideration or full FCC review of the staff action. In addition, for a period of 40 days following the date of the public notice, the FCC, on its own, can review and reconsider the grant. In the event that review by the FCC is made, judicial review of the FCC action may be sought in the United States Court of Appeals for the District of Columbia within 30 days of the public notice of the FCC's action. In the event the court affirms the FCC's action, further judicial review may be sought by seeking rehearing en banc from the Court of Appeals or by certiorari from the United States Supreme Court.

Assuming that no petitions are filed by third parties and no action staying or reversing the grant is made by the FCC, then the grant will become a final order by operation of law at the close of business on the 40th day following the public notice of the grant. Upon a grant becoming a final order, counsel is able to deliver an opinion that the grant is no longer subject to administrative or judicial review, although such actions can nevertheless be set aside in rare circumstances (e.g., fraud on the agency by a party to the application).

The FCC will not issue an unconditional assignment or transfer grant if an application for renewal of license for the station is pending. Thus, the foregoing timetables will be altered in the event an application for assignment or transfer is filed while a license renewal application is pending.

Under the Communications Act, a broadcast license may not be granted to or held by a corporation that has more than one-fifth of its capital stock owned or voted by aliens or their representatives, by foreign governments or their representatives, or by non-U.S. corporations. Under the Communications Act, a broadcast license also may not be granted to or held by any corporation that is controlled, directly or indirectly, by any other corporation more than one-fourth of whose capital stock is owned or voted by aliens or their representatives, by foreign governments or their representatives, or by non-U.S. corporations. These restrictions apply in modified form to other forms of business organizations, including partnerships. The Company therefore may be restricted from having more than one-fourth of its stock owned or voted by aliens, foreign governments or non-U.S. corporations.

The Communications Act and FCC rules also generally restrict the common ownership, operation or control of radio broadcast stations serving the same local market, of a radio broadcast station and a television broadcast station serving the same local market, and of a radio broadcast station and a daily newspaper serving the same local market. Under these "cross-ownership" rules, absent waivers, the Company would not be permitted to acquire any daily newspaper or television broadcast station (other than low power television) in a local market where it then owned any radio broadcast station. The FCC's rules provide for the liberal grant of a waiver of the rule prohibiting common ownership of radio and television stations in the same geographic market in the top 25 television markets if certain conditions are satisfied. The Telecommunications Act extends this waiver policy to stations in the top 50 television markets, although the FCC has not yet implemented this change.

In response to the Telecommunications Act, the FCC amended its multiple ownership rules to eliminate the national limits on ownership of AM and FM stations. The FCC's broadcast multiple ownership rules restrict the number of radio stations one person or entity may own, operate or control on a local level. These limits are:

(i) in a market with 45 or more commercial radio stations, an entity may own up to eight commercial radio stations, not more than five of which are in the same service (FM or AM);

(ii) in a market with between 30 and 44 (inclusive) commercial radio stations, an entity may own up to seven commercial radio stations, not more than four of which are in the same service;

(iii) in a market with between 15 and 29 (inclusive) commercial radio stations, an entity may own up to six commercial radio stations, not more than four of which are in the same service;

(iv) in a market with 14 or fewer commercial radio stations, an entity may own up to five commercial radio stations, not more than three of which are in the same service, except that an entity may not own more than 50% of the stations in such market.

None of these multiple ownership rules requires any change in the Company's current ownership of radio broadcast stations; however, these rules will limit the number of additional stations that the Company may acquire in the future in certain of its markets.

Because of these multiple and cross-ownership rules, a purchaser of voting stock of the Company that acquires an "attributable" interest in the Company may violate the FCC's rule if it also has an attributable interest in other television or radio stations, or in daily newspapers, depending on the number and location of those radio or television stations or daily newspapers. Such a purchaser also may be restricted in the companies in which it may invest, to the extent that these investments give rise to an attributable interest. If an attributable shareholder of the Company violates any of these ownership rules, the Company may be unable to obtain from the FCC one or more authorizations needed to conduct its radio station business and may be unable to obtain FCC consents for certain future acquisitions.

The FCC generally applies its television/radio/newspaper cross-ownership rules and its broadcast multiple ownership rules by considering the "attributable," or cognizable interests held by a person or entity. A person or entity can have an interest in a radio station, television station or daily newspaper by being an officer, director, partner or shareholder of a company that owns that station or newspaper. Whether that interest is cognizable under the FCC's ownership rules is determined by the FCC's attribution rules. If an interest is attributable, the FCC treats the person or entity who holds that interest as an "owner" of the radio station, television station or daily newspaper in question, and therefore subject to the FCC's ownership rules.

With respect to a corporation, officers and directors and persons or entities that directly or indirectly can vote 5% or more of the corporation's stock (10% or more of such stock in the case of insurance companies, investment companies, bank trust departments and certain other "passive investors" that hold such stock for investment purposes only) generally are attributed with an ownership interest in whatever radio stations, television stations and daily newspapers the corporation owns.

With respect to a partnership, the interest of a general partner is attributable, as is the interest of any limited partner who is "materially involved" in the media-related activities of the partnership. Debt instruments, nonvoting stock, options and warrants for voting stock that have not yet been exercised, limited partnership interests where the limited partner is not "materially involved" in the media-related activities of the partnership, and minority (under 5%) voting stock, generally do not subject their holders to attribution.

The FCC has issued a Notice of Proposed Rulemaking (the "NPRM") that contemplates tightening attribution standards where parties have multiple nonattributable interests in and relationships with stations that would be prohibited by the FCC's cross-interest rules, if the interest/relationships were attributable. The NPRM contemplates that this change in attribution will apply only to persons holding debt or equity interests that exceed certain benchmarks. For further information, see "--Proposed Changes" below.

In addition, the FCC has a "cross-interest" policy that under certain circumstances could prohibit a person or entity with an attributable interest in a broadcast station or daily newspaper from having a "meaningful" nonattributable interest in another broadcast station or daily newspaper in the same local market. Among other things, "meaningful" interests could include significant equity interests (including nonvoting stock, voting stock and limited partnership interests) and significant employment positions. This

policy may limit the permissible investments a purchaser of the Company's voting stock may make or hold.

Programming and Operation. The Communications Act requires broadcasters to serve the "public interest." The FCC has gradually relaxed or eliminated many of the more formalized procedures it had developed in the past to promote the broadcast of certain types of programming responsive to the needs of a station's community of license. Licensees continue to be required, however, to present programming that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness. Complaints from listeners concerning a station's programming will be considered by the FCC when it evaluates the licensee's renewal application, but such complaints may be filed and considered at any time.

Stations also must pay regulatory and application fees and follow various FCC rules that regulate, among other things, political advertising, the broadcast of obscene or indecent programming, sponsorship identification and technical operations (including limits on radio frequency radiation). In addition, licensees must develop and implement programs designed to promote equal employment opportunities and must submit reports to the FCC on these matters annually and in connection with a renewal application. The broadcast of contests and lotteries is regulated by FCC rules.

Failure to observe these or other rules and policies can result in the imposition of various sanctions, including monetary forfeitures, the grant of "short" (less than the maximum) renewal terms or, for particularly egregious violations, the denial of a license renewal application or the revocation of a license.

In 1985, the FCC adopted rules regarding human exposures to levels of radio frequency ("RF") radiation. These rules require applicants for new broadcast stations, renewals of broadcast licenses or modifications of existing licenses to inform the FCC at the time of filing such applications whether a new or existing broadcast facility would expose people to RF radiation in excess of certain guidelines. In August 1996, the FCC adopted more restrictive radiation limits. These limits will become effective on September 1, 1997 and will govern applications filed after that date. The Company anticipates that such regulations will not have a material effect on its business.

Local Marketing Agreements. Over the past five years, a number of radio stations, including certain of the Company's stations, have entered into what commonly are referred to as "local marketing agreements" ("LMAs") or "time brokerage agreements." These agreements take various forms. Separately-owned and licensed stations may agree to function cooperatively in terms of programming, advertising sales and other matters, subject to compliance with the antitrust laws and the FCC's rules and policies, including the requirement that the licensee of each station maintains independent control over the programming and other operations of its own station. The FCC has held that such agreements do not violate the Communications Act as long as the

licensee of the station that is being substantially programmed by another entity maintains complete responsibility for, and control over, operations of its broadcast stations and otherwise ensures compliance with applicable FCC rules and policies.

A station that brokers substantial time on another station in its market or engages in an LMA with a station in the same market will be considered to have an attributable ownership interest in the brokered station for purposes of the FCC's ownership rules. As a result, a broadcast station may not enter into an LMA that allows it to program more than 15% of the broadcast time, on a weekly basis, of another local station that it could not own under the FCC's local multiple ownership rules. FCC rules also prohibit the broadcast licensee from simulcasting more than 25% of its programming on another station in the same broadcast service (i.e., AM-AM or FM-FM) where the two stations serve substantially the same geographic area, whether the licensee owns the stations or owns one and programs the other through an LMA arrangement.

Proposed Changes. In December, 1994, the FCC initiated a proceeding to solicit comment on whether it should revise its radio and television ownership "attribution" rules by among other proposals (i) raising the basic benchmark for attributing ownership in a corporate licensee from 5% to 10% of the licensee's voting stock, (ii) increasing from 10% to 20% of the licensee's voting stock the attribution benchmark for "passive investors" in corporate licensees, (iii) restricting the availability of the attribution exemption when a single party controls more than 50% of the voting stock; and (iv) considering LMAs, joint sales agreements, debt and non-voting stock interests to be attributable under certain circumstances. No decision has been made by the FCC in these matters. At this time, no determination can be made as to what effect, if any, this proposed rulemaking will have on the Company.

The Congress and the FCC from time to time have under consideration, and may in the future consider and adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect the

operation, ownership and profitability of the Company's radio stations, result in the loss of audience share and revenue for the Company's radio stations, and affect the ability of the Company to acquire additional radio stations or finance such acquisitions. Such matters include: (i) proposals to impose spectrum use or other fees on FCC licensees; (ii) the FCC's equal employment opportunity rules and matters relating to political broadcasting; (iii) technical and frequency allocation matters; (iv) changes in the FCC's cross interest, multiple ownership and cross-ownership policies; (v) changes to broadcast technical requirements; (vi) proposals to allow telephone or cable television companies to deliver audio and video programming to the home through existing phone lines; (vii) proposals to limit the tax deductibility of advertising expenses by advertisers; and (viii) proposals to auction the right to use the radio broadcast spectrum to the highest bidder, instead of granting FCC licenses and subsequent license renewals without such bidding.

The Balanced Budget Act of 1997, enacted August 5, 1997, requires the FCC to resolve mutually-exclusive requests for use of the commercial radio broadcast spectrum by auction under most circumstances. On November 25, 1997, the FCC adopted a Notice of Proposed Rulemaking (the "November 25, 1997 NPRM") seeking to implement its statutory auction authority. The Balanced Budget Act of 1997 requires the use of auctions to resolve mutually-exclusive requests for new stations or major changes in the facilities of existing stations filed after June 30, 1997, where the stations propose to use the commercial radio broadcast spectrum. The FCC may use auctions to resolve such mutually-exclusive requests filed before July 1, 1997, which remain pending after a mandated period ending February 1, 1998, in which the applicants may enter into settlement agreements to resolve the mutual exclusivity of their applications. In connection with the November 25, 1997 NPRM, the FCC has imposed a temporary freeze on the filing of most requests for new commercial broadcast stations or for major changes of existing commercial broadcast facilities until it adopts auction rules.

The Company cannot predict whether any proposed changes will be adopted or what other matters might be considered in the future, nor can it judge in advance what impact, if any, the implementation of any of these proposals or changes might have on its business.

The FCC, on April 2, 1997, awarded two licenses for the provision of satellite DARS. Under rules adopted for this service, licensees must begin construction of their space stations within one year, begin operating within

four years, and be operating their entire system within six years. The Company cannot predict whether the service will be subscription or advertiser supported. Digital technology also may be used in the future by terrestrial radio broadcast stations either on existing or alternate broadcasting frequencies, and the FCC has stated that it will consider making changes to its rules to permit AM and FM radio stations to offer digital sound following industry analysis of technical standards. In addition, the FCC has authorized an additional 100 kHz of bandwidth for the AM band and on March 17, 1997, adopted an allotment plan for the expanded band that identified the 88 AM radio stations selected to move into the band. At the end of a five-year transition period, those licensees will be required to return to the FCC either the license for their existing AM band station or the license for the expanded AM band station.

The foregoing summary of certain provisions of the Communications Act and of specific FCC rules and policies does not purport to be comprehensive. Reference should be made to the Communications Act, the FCC's rules and the public notices and rulings of the FCC for further information concerning the nature and extent of federal regulation of radio broadcast stations.

Federal Antitrust Considerations. The FTC and the DOJ, which evaluate transactions to determine whether those transactions should be challenged under the federal antitrust laws, have been increasingly active recently in their review of radio station acquisitions, particularly where an operator proposes to acquire additional stations in its existing markets.

For an acquisition meeting certain size thresholds, the Hart-Scott-Rodino Improvements Act ("HSR Act") and the rules promulgated thereunder require the parties to file Notification and Report Forms with the FTC and the DOJ and to observe specified waiting period requirements before consummating the acquisition. At any time before or after the consummation of a proposed acquisition, the FTC or the DOJ could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the acquisition or seeking divestiture of the business acquired or other assets of the Company. Acquisitions that are not required to be reported under the HSR Act may be investigated by the FTC or the DOJ under the antitrust laws before or after consummation. In addition, private parties may under certain circumstances bring legal action to challenge an acquisition under the antitrust laws.

As part of its increased scrutiny of radio station acquisitions, the DOJ has stated publicly that it believes that LMAs and other similar agreements

customarily entered into in connection with radio station transfers prior to the expiration of the waiting period under the HSR Act could violate the HSR Act.

Although the Company does not believe that its acquisition strategy as a whole will be adversely affected in any material respect by antitrust review, there can be no assurance that this will be the case.

PROPERTIES AND FACILITIES

The types of properties required to support the Company's radio stations include offices, studios and tower and antenna sites. A station's studios are generally housed with its office in a downtown or business district. The Company's tower and antenna sites are generally selected to provide maximum market coverage. The Network operations are supported by offices and studios from which Network programming is originated or relayed from a remote point of origination.

The studios and offices of the Company's stations, its Network operations and its corporate headquarters are located in leased facilities. The Network leases satellite transponders used for delivery of its programming. The Company either owns or leases its radio station tower and antenna sites. The Company does not anticipate difficulties in renewing those leases that expire within the next several years or in obtaining other lease arrangements, if necessary.

The Company leases the studios and tower and antenna sites described in the table below from the Principal Shareholders or trusts and partnerships created for the benefit of the Principal Shareholders and their families. All such leases have cost of living adjustments. The Company believes that the rental rates paid pursuant to such leases are generally comparable to market rates.

<TABLE>
<CAPTION>

MARKET	STATION CALL LETTERS	FACILITIES LEASED	CURRENT ANNUAL RENTAL	EXPIRATION DATE(1)
Philadelphia, PA........	WFIL-AM/ WZZD-AM	Antenna/Tower/Studios	$110,520	2004
Pittsburgh, PA..........	WORD-FM/ WPIT-AM	Antenna/Tower	26,772	2003
Columbus, OH............	WRFD-AM	Antenna/Tower	44,220	2002
Chicago, IL.............	WYLL-FM	Antenna/Tower	41,460	2002
Denver-Boulder, CO......	KNUS-AM	Antenna/Tower	18,480	2006
Houston-Galveston, TX...	KKHT-FM/ KENR-AM	Antenna/Tower	50,772	2005
San Antonio, TX.........	KSLR-AM	Antenna/Tower	30,705	2007
Seattle-Tacoma, WA......	KGNW-AM	Antenna/Tower	35,928	2002
	KLFE-AM	Antenna/Tower	26,112	2004
Portland, OR............	KPDQ-AM/FM	Studios	60,804	2002
		Antenna/Tower	13,824	2002
Sacramento, CA..........	KFIA-AM	Antenna/Tower	79,764	2006
Los Angeles, CA.........	KKLA-AM	Studios	22,800	2002
		Antenna/Tower	22,800	2002
	KLTX-AM	Studios	52,512	2002
		Antenna/Tower	138,180	2002
	KAVC-FM	Antenna/Tower	12,348	2002
San Diego, CA...........	KPRZ-AM	Antenna/Tower	45,576	2002
San Francisco, CA.......	KFAX-AM	Antenna/Tower	143,604	2003
Minneapolis, MN.........	KKMS-AM	Studios	66,000	2006
		Tower/Antenna	66,000	2006
Cleveland, OH...........	WHK-AM	Antenna/Tower	33,600	2008
Akron, OH...............	WHLO-AM	Antenna/Tower	12,000	2007
Cincinnati, OH..........	WTSJ-AM	Antenna/Tower/Studios	24,000	2007
Canton, OH..............	WHK-FM	Antenna/Tower	12,000	2007

</TABLE>

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(1) The expiration date reported for certain facilities represents the expiration date assuming exercise of lease term extensions at the Company's option.

No one property is material to the Company's overall operations. The Company believes that its properties are in good condition and suitable for its operations; however, the Company continually evaluates opportunities to upgrade its properties. The Company owns substantially all of its equipment, consisting principally of transmitting antennae, transmitters, studio equipment and general office equipment.

LITIGATION

The Company currently and from time to time is involved in litigation

incidental to the conduct of its business. The Company is not a party to any lawsuit or proceeding that, in the opinion of the Company, is likely to have a material adverse effect on its operations or financial performance.

MANAGEMENT

EXECUTIVE AND OTHER KEY OFFICERS AND DIRECTORS

The executive and other key officers and directors of the Company are as follows:

NAME	AGE	POSITION
Edward G. Atsinger III......	58	President, Chief Executive Officer and Director
Stuart W. Epperson..........	60	Chairman of the Board
Eric H. Halvorson...........	48	Executive Vice President, Chief Operating Officer, General Counsel and Director
Greg R. Anderson............	50	President, Salem Radio Network
Dirk Gastaldo...............	42	Vice President and Chief Financial Officer
Kenneth L. Gaines...........	58	Vice President-Operations
Dave Armstrong..............	52	Vice President-Operations and General Manager/KKLA-FM/AM
Joe D. Davis................	53	Vice President-Operations and General Manager/WMCA-AM and WWDJ-AM
Kenneth W. Sasso............	51	Vice President-Operations
Donald V. Cartmell..........	67	Vice President-National Programming and Ministry Relations
Richard A. Riddle...........	53	Director
Roland S. Hinz..............	58	Director

All directors hold office until the next annual meeting of shareholders following their election, or until their successors are elected and qualified. Officers are elected annually by the Board of Directors and serve at the discretion of the Board.

Mr. Atsinger has been President, Chief Executive Officer and a Director of the Company since its inception. He has been engaged in the ownership and operation of radio stations since 1969 and is a member of the Board of Directors of the National Religious Broadcasters.

Mr. Epperson has been Chairman of the Company since its inception. Mr. Epperson has been engaged in the ownership and operation of radio stations since 1961. In addition, he is a member of the Board of Directors of the National Religious Broadcasters. Mr. Epperson is married to Nancy A. Epperson who is Mr. Atsinger's sister.

Mr. Halvorson has been Chief Operating Officer of the Company since 1995, Executive Vice President of the Company since 1991 and a Director of the Company since 1988. From 1991 to the present, Mr. Halvorson has also served as the General Counsel of the Company. Mr. Halvorson was the managing partner of the law firm of Godfrey & Kahn, S.C.-Green Bay from 1988 until 1991. From 1985 to 1988, he was Vice President and General Counsel of the Company. From 1976 until 1985, he was an associate and then a partner of Godfrey & Kahn, S.C.-Milwaukee. Mr. Halvorson was a Certified Public Accountant with Arthur Andersen & Co. from 1971 to 1973.

Mr. Anderson has been President of the Network since 1994. From 1993 to 1994, Mr. Anderson was the Vice President-General Manager of the Network. Mr. Anderson was employed by Multimedia, Inc. from 1980 to 1993. After serving as program director and general manager at Multimedia stations in Greenville, Shreveport and Milwaukee, he was named Vice President, Operations, of the Multimedia radio division in 1987 and was subsequently appointed as Executive Vice President and group head of Multimedia's radio division.

Mr. Gastaldo has been Chief Financial Officer of the Company since 1993, and a Vice President of the Company since 1992. From 1992 to 1993, Mr. Gastaldo was Vice President-Administration of the Company, and from 1989 to 1991 he was Manager-Internal Audit of the Company. He was a Certified Public Accountant with Ernst & Young from 1978 to 1989.

Mr. Gaines has been Vice President-Operations of the Company since 1994. Prior to that time, he served as General Manager of KKLA-FM from 1992 to 1994 and General Manager of WYLL-FM from 1990 to 1992. Mr. Gaines has been involved in the management of radio stations since 1964. He served as Executive Vice President of Commonwealth Communications from 1988 to 1990, Vice President of

Penn Communications from 1985 to 1988, Executive Vice President of Broadstreet Communications from 1974 to 1985 and Vice President and General Manager of Metromedia from 1964 to 1974.

Mr. Armstrong has been Vice President-Operations of the Company since 1996 and General Manager of KKLA-FM/AM since 1994. He has also supervised operations of KLTX-AM since January 1997. Mr. Armstrong has 28 years of radio broadcast experience and has been general manager of stations in Santa Ana and Orange, California.

Mr. Davis has been Vice President-Operations of the Company since 1996 and General Manager of WMCA-AM since 1989. He has also been the General Manager of WWDJ-AM since 1994. He has previously served as Vice President and Executive Director of Christian Fund for the Disabled as well as President of Practice Resources, Inc., Davis Eaton Corporation and Vintage Specialty Advertising Company.

Mr. Sasso has been Vice President-Operations of the Company since 1996. Prior to that time, he served as General Manager of the Company's Colorado Springs stations from 1994 to present and General Manager of the Company's Denver stations from 1995 to 1996. Mr. Sasso is the former owner of eight radio stations in Florida, Mississippi and Louisiana which were sold in 1989. From 1969 to 1979 he served in various radio management capacities for King Broadcasting and The American Broadcasting Companies.

Mr. Cartmell has been Vice President-National Programming and Ministry Relations of the Company since 1996. He served as Vice President-Operations of the Company from 1988 to 1996 and as General Manager of KLTX-AM from 1987 to 1988. Prior to joining the Company, Mr. Cartmell was Vice President and Director of Marketing of Interstate Broadcasting Company.

Mr. Riddle has been a Director of the Company since September, 1997. Mr. Riddle is an independent businessman specializing in providing financial assistance and consulting to manufacturing companies. He was President and majority shareholder of I. L. Walker Company from 1988 to 1997 when the company was sold. He also was Chief Operating Officer and majority shareholder of Richter Manufacturing from 1970 to 1987.

Mr. Hinz has been a Director of the Company since September, 1997. Mr. Hinz has been the owner and President of Hi-Torque Publishing Company, a publisher of magazines covering the motorcycling and biking industries, since 1981. He is active in a number of non-profit organizations and serves as Chairman of the Fund Development Committee of English Language Institute China. Mr. Hinz also serves on the Board of Directors of Gordon Conwell Seminary.

EXECUTIVE COMPENSATION

The following table sets forth all compensation paid by the Company for the fiscal year ended December 31, 1996 to the Company's Chief Executive Officer and the four highest paid executive officers of the Company.

SUMMARY COMPENSATION TABLE

	1996 ANNUAL COMPENSATION		
NAME AND PRINCIPAL POSITIONS	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Edward G. Atsinger III, President, Chief Executive Officer and Director	$400,000	$350,000(1)	$ 996,372(2)
Stuart W. Epperson, Chairman of the Board	400,000	350,000(1)	1,012,319(2)
Eric H. Halvorson, Executive Vice President, Chief Operating Officer and Director	255,000	85,000	
Greg R. Anderson, Vice President; President, the Network	157,871	10,000	
Dave Armstrong, Vice President-Operations	149,019	15,000	

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(1) Distributions of net income from New Inspiration and Golden Gate (in an amount equal to the excess over the amount necessary to satisfy individual tax liabilities, see Footnote 2 below) that had previously been taxed, but not distributed, to the S corporation shareholders. See the Company's Consolidated Statements of Shareholders' Equity included elsewhere in this Offering Memorandum.

(2) Tax reimbursement payments made to satisfy individual federal and state income tax liabilities generated by New Inspiration and Golden Gate as a

result of their S corporation status. See "Business--Corporate Structure and Reorganization."

EMPLOYMENT AGREEMENTS

Edward G. Atsinger III entered into an employment agreement with the Company effective as of August 1, 1997, pursuant to which he will serve as President and Chief Executive Officer of the Company for an annual salary of $400,000 and an annual bonus determined at the discretion of the Board of Directors, for an initial period of three years. The employment agreement with Mr. Atsinger provides the Company with a right of first refusal on corporate opportunities and includes a noncompete provision for a period of two years from the cessation of Mr. Atsinger's employment with the Company and a nondisclosure provision which is effective for the term of the employment agreement and indefinitely thereafter. Mr. Atsinger is also entitled to participate in any benefit plans provided by the Company to its employees.

Stuart W. Epperson entered into an employment agreement with the Company effective as of August 1, 1997, pursuant to which he will serve as Chairman of the Company for an annual salary of $400,000 and an annual bonus determined at the discretion of the Board of Directors, for an initial period of three years. The employment agreement with Mr. Epperson provides the Company with a right of first refusal on corporate opportunities and includes a noncompete provision for a period of two years from the cessation of Mr. Epperson's employment with the Company and a nondisclosure provision which is effective for the term of the employment agreement and indefinitely thereafter. Mr. Epperson is also entitled to participate in any benefit plans provided by the Company to its employees.

Eric H. Halvorson entered into an employment agreement with the Company effective as of November 1991, pursuant to which he serves as Executive Vice President of the Company at an annual salary starting at $175,000, with annual increases of $11,000 to $14,000, for a period of seven years. The agreement was subsequently amended in April 1996 to extend the term for one additional year and increase the base salary to $255,000, $270,000 and $285,000 for 1996, 1997 and 1998, respectively, and was again amended in July 1997 to extend the term through December 2003 at a base salary of $300,000 for each year after 1998. The employment agreement provides that Mr. Halvorson may participate in any benefit plans provided by the Company to its employees. Mr. Halvorson also entered into a deferred compensation agreement with the Company effective as of November 1991, pursuant to which Mr. Halvorson will receive (i) 50% of the average of his three highest years of compensation, payable for a period of ten consecutive years, if he remains employed

by the Company until age 60, or (ii) a discounted amount, based upon the compensation he would have received if he had remained employed until age 60, if his employment terminates before he reaches age 60 by reason of death, disability or termination by the Company without cause.

Greg R. Anderson entered into an employment agreement with SRN effective as of October 1994, pursuant to which he serves as President of SRN for a period of three years at an annual salary of $120,000, $126,000 and $132,300 for each year during the term of the agreement, respectively. The agreement was subsequently amended in December 1995 to increase Mr. Anderson's base salary to $162,300 and was amended again in August 1997 to extend the term for three additional years. Mr. Anderson is also entitled to participate in any benefit plans provided by SRN to its employees.

401(K) PLAN

The Company adopted a 401(k) Savings Plan ("Retirement Plan") in 1993 for the purpose of providing, at the option of the employee, retirement benefits to full-time employees of the Company and its subsidiaries. Contributions to the Retirement Plan are made by the employee and, on a voluntary basis, by the Company. The Company currently matches 10% of the employee's contributions to the Retirement Plan which do not exceed 10% of the employee's annual compensation. The Company made a contribution of $48,000 to the Retirement Plan during the year ended December 31, 1996.

CERTAIN TRANSACTIONS

In connection with the recent Reorganization, New Inspiration and Golden Gate, which were each S corporations prior to the Reorganization, distributed cash and promissory notes to their respective shareholders in the aggregate amount of $8.5 million. Of such amount, $1.8 million, equal to the estimated federal and state income tax liability of the shareholders on the earnings of New Inspiration and Golden Gate, was paid by New Inspiration and Golden Gate in cash. The remainder, $6.7 million, was paid in the form of promissory notes payable to the shareholders (the "Shareholder Notes") immediately following the closing of the Offering. After the closing of the Offering, the Company borrowed $6.7 million under the Credit Agreement and applied this amount to the payment of certain indebtedness owed to New Inspiration and Golden Gate by the Company. The cash made available from the repayment of such loans was then

used by New Inspiration and Golden Gate to pay the Shareholder Notes. See "Business--Corporate Structure and Reorganization."

In December 1996, the Principal Shareholders repaid certain promissory notes and accrued interest owed to the Company in the approximate amount of $4.8 million. The Company had made these loans to the Principal Shareholders in 1991 to facilitate the repayment of personal indebtedness they had incurred in connection with prior radio station acquisitions. The repayments were made with the proceeds of a distribution to the Principal Shareholders from Golden Gate and New Inspiration of previously taxed S corporation income.

The Company leases certain property from the Principal Shareholders or trusts and partnerships created for the benefit of the Principal Shareholders and their families. See "Business--Properties and Facilities." All such leases have cost of living adjustments. The Company believes that the rental rates paid pursuant to such leases are generally comparable to market rates.

The Company provides management services for Sonsinger, Inc. ("Sonsinger") which is the licensee of KKOL-AM, Seattle. The Principal Shareholders are the owners of 100% of the outstanding shares of Sonsinger. The Principal Shareholders and the Company are parties to an Option to Purchase Agreement whereunder the Company has been granted an option to purchase KKOL-AM from the Principal Shareholders at any time on or before December 31, 1999 at a price equal to the lower of the cost of the station to the Principal Shareholders, $1.4 million, or its fair market value as determined by an independent appraisal. Pursuant to an LMA with Sonsinger, the Company programs KKOL-AM and sells all the airtime. The Company retains all of the revenue and incurs all of the expenses related to the operation of KKOL-AM and pays no fees or rent under the LMA.

In October 1997, the Company assigned its contract with a tower construction company to build a broadcast tower in Houston to the Principal Shareholders, subject to the Principal Shareholders obtaining financing. The Principal Shareholders will reimburse the Company for its costs and expenses, which amounted to approximately $2.9 million as of September 30, 1997. The antenna for the Company's station in Houston, KKHT-FM, will be located on the tower and the Company will pay rent to the Principal Shareholders.

Mrs. Epperson has personally acquired a radio station in a small market in Virginia and has applied to the FCC for authorization to acquire a second station in that market. Additionally, Mr. Epperson has personally acquired certain radio stations in small markets in North Carolina. These Virginia and North Carolina markets are not currently served by stations owned and operated by the Company. Acquisitions in such markets are not part of the Company's current business and acquisition strategies.

In July 1997, the Company canceled certain indebtedness owed to the Company by Eric H. Halvorson, Executive Vice President and Chief Operating Officer, in the amount of $25,000 plus accrued interest. The Company also made a distribution to Mr. Halvorson in an amount equal to the tax liability he incurred as a result of the cancellation of this debt.

SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information regarding the ownership of the Company's common stock by each of the Shareholders, who currently own all the outstanding common stock of the Company.

<TABLE>
<CAPTION>

NAME OF INDIVIDUAL OR ENTITY(1)	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF SHARES OUTSTANDING
<S>	<C>	<C>
Edward G. Atsinger III.............	40,836	50.00%
Stuart W. Epperson(2)...............	30,092	36.80%
Nancy A. Epperson(2)................	10,744	13.20%
	81,672	100.00%

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(1) The address of each of Mr. Atsinger and Mr. and Mrs. Epperson is 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012.
(2) Stuart and Nancy Epperson are husband and wife.

DESCRIPTION OF CERTAIN INDEBTEDNESS

As of September 25, 1997, the Company entered into a credit agreement with The Bank of New York (the "Bank") as the administrative agent for the $75.0 million senior secured reducing revolving credit facility (the "Credit

Agreement"). At September 30, 1997, taking into account the leverage ratio requirement in the Credit Agreement, the Company had approximately $19.9 million available to it under the Credit Agreement. Taking into account certain restrictions under the Credit Agreement, the Company is not currently able to borrow for acquisitions.

Revolving Credit Commitment. The Company is, subject to certain conditions, able to draw upon the revolving credit available under the Credit Agreement for Permitted Acquisitions (as defined in the Credit Agreement), working capital and other permitted uses. The commitments under the Credit Agreement are to be reduced by $10.0 million in each of the years 1999 through 2003 and by $25.0 million in 2004. Any remaining principal balance will be due in August, 2004. At the Company's election, any portion of revolving loans which have been prepaid or repaid may be reborrowed up to the current commitment amount, and the commitment may be permanently reduced in whole or in part.

Prepayments. Mandatory reductions in the credit facility established by the Credit Agreement are required under certain circumstances. Commitments will be permanently reduced by the following amounts: (i) 100% of the net cash proceeds in excess of $1.0 million received from station sales or exchanges which are not reinvested within 360 days, (ii) to the extent that commitments under the Credit Agreement are at least $50.0 million, 100% of the net cash proceeds received from the issuance of equity when the Company's Total Leverage Ratio (as defined in the Credit Agreement) is greater than 6.0 to 1, and 50% of the net cash proceeds received from the issuance of equity when the Company's Total Leverage Ratio is greater than 4.5 to 1 but less than 6.0 to 1, (iii) 50% of Excess Cash Flow (as defined in the Credit Agreement) calculated for each fiscal year of the Company when the Total Leverage Ratio is greater than or equal to 3.5 to 1, (iv) 100% of all insurance or condemnation recoveries in excess of amounts used to replace or restore any properties or which are not used to replace or restore properties within one year after any casualty, and (v) in the event a radio station ceases operation for a period of more than 30 days by reason of FCC action, an amount equal to the Total Leverage Ratio (up to a ratio of 6.0 to 1) multiplied by the Operating Cash Flow (as defined in the Credit Agreement) of the station in question, unless such station was acquired within the preceding 18-month period in which case such amount will equal the purchase price of such station. Mandatory reductions will be applied among the remaining scheduled commitment reductions in inverse order. Loans shall be prepaid to the extent necessary to assure outstanding loans do not exceed the reduced commitment.

Interest Rates. The Credit Agreement gives the Company the option to borrow at either the Alternate Base Rate, defined as the higher of the Bank's Prime Rate and the Federal Funds Rate plus 0.5%, or the LIBOR Rate, in each case plus the Applicable Margin. The Applicable Margins for the Credit Agreement will range between 0% and 1.75% for the Alternate Base Rate and 1.00% and 3.00% for the LIBOR Rate, depending on the Total Leverage Ratio from time to time.

Fees. The Company is required to pay an annual fee, payable quarterly, on the unused portion of the facility at the annual rate of 0.50% (if the Total Leverage Ratio is greater than or equal to 4.5 to 1) or 0.375% (if the Total Leverage Ratio is less than 4.5 to 1).

Guaranty and Security. The Credit Agreement is guaranteed by each of the Company's present and future direct and indirect subsidiaries. Subject only to certain permitted liens incurred in the ordinary course of business, the Credit Agreement is secured by (i) a pledge of all of the capital stock of the Company's present and future direct and indirect subsidiaries, (ii) a pledge of all of the assets of the Company and its present and future direct and indirect subsidiaries and (iii) all proceeds of the foregoing.

Change of Control. A change in control or ownership is an event of default under the Credit Agreement. Under the Credit Agreement, a change in control or ownership occurs if (i) Mr. Epperson and/or Mr. Atsinger

do not control in the aggregate at least 75% of the total voting power of all classes of capital stock of the Company, (ii) neither Mr. Epperson nor Mr. Atsinger is Chief Executive Officer of the Company or (iii) a Change of Control (as defined in the Indenture for the Notes) occurs.

Covenants. The Credit Agreement contains certain restrictive covenants customary for credit facilities of the size, type and purpose contemplated which, among other things, and with certain exceptions, limits the Company's ability to incur additional indebtedness, enter into affiliate transactions, pay dividends, consolidate, merge or effect certain asset sales, make certain investments or loans and change the nature of its business. The Credit Agreement also requires the satisfaction by the Company of certain financial covenants, which will require the maintenance of specified financial ratios and compliance with certain financial tests, including ratios for maximum leverage, minimum interest coverage, minimum debt service coverage and minimum fixed charge coverage.

Events of Default. The Credit Agreement contains certain events of default customary for credit facilities of the size, type and purpose contemplated, including without limitation: (i) failure to pay, when and as required to be paid, principal, interest or any other amount payable; (ii) failure to perform or observe any covenant; (iii) material inaccuracy with respect to certain representations made in or in connection with the Credit Agreement; (iv) insolvency or bankruptcy proceedings; (v) change of control; (vi) revocation or failure to renew any license material to the Company's business; and (vii) defaults under other outstanding indebtedness of the Company. Upon the occurrence of an event of default, subject to certain limitations, the Company's obligations under the Credit Agreement which are at that time outstanding may be automatically accelerated.

DESCRIPTION OF THE NOTES

The terms of the Notes are identical in all material respects to the Old Notes, except for certain transfer restrictions and registration rights relating to the Old Notes. The description of the Notes contained herein assumes that all Old Notes are exchanged for Notes in the Exchange Offer. To the extent that Old Notes remain outstanding after the consummation of the Exchange Offer, Old Notes and Notes will be redeemed or repurchased pro rata pursuant to the provisions contained herein. In addition, as the Old Notes were, and the Notes will be, issued under the Indenture, to the extent that Old Notes remain outstanding after consummation of the Exchange Offer, any action described herein as permitted or required to be taken thereunder by a specified portion of the holders of the Notes may only be taken by such portion of the holders of the Old Notes and the Notes, counted as a single series.

The definitions of certain terms used in the following summary are set forth below under "--Certain Definitions." For purposes of this summary, the term "Company" refers only to Salem Communications Corporation and not to any of its Subsidiaries.

The Notes offered hereby will be issued under an Indenture dated as of September 25, 1997 among the Company, the Guarantors and The Bank, as trustee (the "Trustee"). The following summary of the material provisions of the Indenture does not purport to be complete, and where reference is made to particular provisions of the Indenture, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Indenture filed as an exhibit to the Registration Statement and those terms made a part of the Indenture by reference to the Trust Indenture Act. For definitions of certain capitalized terms used in the following summary, see "--Certain Definitions." A copy of the Indenture may be obtained from the Company or the Initial Purchasers.

GENERAL

The Notes will mature on October 1, 2007, will be limited to $150.0 million aggregate principal amount, and will be unsecured senior subordinated obligations of the Company. Each Note will bear interest at the rate set forth on the cover page hereof from the issue date or from the most recent interest payment date to which interest has been paid, payable semiannually on April 1 and October 1 each year, commencing April 1, 1998, to the Person in whose name the Note (or any predecessor Note) is registered at the close of business on the March 15 or September 15 next preceding such interest payment date.

Payment of the Notes is guaranteed by the Guarantors, jointly and severally, on a senior subordinated basis. The Guarantors are comprised of all of the Subsidiaries of the Company. See "--Guarantees."

Principal of, premium, if any, and interest on the Notes will be payable, and the Notes will be exchangeable and transferable (subject to compliance with transfer restrictions imposed by applicable securities laws for so long as the Notes are not registered for resale under the Securities Act), at the office or agency of the Company maintained for such purposes (which initially will be the Trustee); provided, however, that payment of interest may be made at the option of the Company by check mailed to the Person entitled thereto as shown on the security register. The Notes will be issued only in fully registered form without coupons, in denominations of $1,000 and any integral multiple thereof. No service charge will be made for any registration of transfer, exchange or redemption of Notes, except in certain circumstances for any tax or other governmental charge that may be imposed in connection therewith.

OPTIONAL REDEMPTION

The Notes will be subject to redemption at any time on or after October 1, 2002, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice by first-class mail in

amounts of $1,000 or an integral multiple thereof at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning October 1 of the years indicated below:

YEAR	REDEMPTION PRICE
2002	104.75%
2003	103.17%
2004	101.59%
2005 and thereafter	100.00%

in each case together with accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on relevant record dates to receive interest due on an interest payment date).

In addition, at any time on or prior to October 1, 2000, the Company may redeem up to $50.0 million aggregate principal amount of Notes with the net proceeds of a Public Equity Offering of the Company at a redemption price equal to 109.50% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of record on relevant record dates to receive interest due on an interest payment date); provided that not less than $100.0 million aggregate principal amount of Notes remains outstanding immediately after the occurrence of such redemption.

If less than all of the Notes are to be redeemed, the Trustee shall select the Notes or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

SINKING FUND

There will be no sinking fund.

SUBORDINATION

The payment of the principal of, premium, if any, and interest on, the Notes will be subordinated, as set forth in the Indenture, in right of payment to the prior payment in full of all Senior Indebtedness in cash or cash equivalents or in any other form as acceptable to the holders of Senior Indebtedness. The Notes will be senior subordinated indebtedness of the Company ranking pari passu with all other existing and future senior subordinated indebtedness of the Company and senior to all existing and future Subordinated Indebtedness of the Company.

During the continuance of any default in the payment of any Designated Senior Indebtedness, no payment (other than payments previously made pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture") or distribution of any assets of the Company of any kind or character (excluding certain permitted equity interests or subordinated securities) shall be made on account of the principal of, premium, if any, or interest on, the Notes or any other indenture obligation or on account of the purchase, redemption, defeasance or other acquisition of, the Notes unless and until such default has been cured, waived or has ceased to exist or such Designated Senior Indebtedness shall have been discharged or paid in full in cash or cash equivalents or in any other form as acceptable to the holders of such Designated Senior Indebtedness.

During the continuance of any non-payment default with respect to any Designated Senior Indebtedness pursuant to which the maturity thereof may be accelerated (a "Non-payment Default") and after the receipt by the Trustee from a representative of the holder of any Designated Senior Indebtedness of a written notice of such default, no payment (other than payments previously made pursuant to the provisions described under "--Defeasance or Covenant Defeasance of Indenture") or distribution of any assets of the Company of any kind or character (excluding certain permitted equity or subordinated securities) may be made by the Company on account of the principal of, premium, if any, or interest on, the Notes or any other indenture obligation or on account of the purchase, redemption, defeasance or other acquisition of, the Notes for the period specified below (the "Payment Blockage Period").

The Payment Blockage Period shall commence upon the receipt of notice of the Non-payment Default by the Trustee from a representative of the holder of any Designated Senior Indebtedness and shall end on the earliest of (i) the first date on which more than 179 days shall have elapsed since the receipt of such written notice (provided such Designated Senior Indebtedness as to which notice was given shall not theretofore have been accelerated), (ii) the date on which such Non-payment Default (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) are cured,

waived or ceased to exist or on which such Designated Senior Indebtedness is discharged or paid in full in cash or cash equivalents or in any other form as acceptable to the holders of Designated Senior Indebtedness or (iii) the date on which such Payment Blockage Period (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) shall have been terminated by written notice to the Trustee from the representatives of holders of Designated Senior Indebtedness initiating such Payment Blockage Period, after which, in the case of clauses (i), (ii) and (iii), the Company shall promptly resume making any and all required payments in respect of the Notes, including any missed payments. In no event will a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Trustee of the notice initiating such Payment Blockage Period (such 179-day period referred to as the "Initial Period"). Any number of notices of Non-payment Defaults may be given during the Initial Period; provided that during any 365-day consecutive period only one Payment Blockage Period during which payment of principal of, or interest on, the Notes may not be made may commence and the duration of the Payment Blockage Period may not exceed 179 days. No Non-payment Default with respect to Designated Senior Indebtedness which existed or was continuing on the date of the commencement of any Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 365 consecutive days, unless such default has been cured or waived for a period of not less than 90 consecutive days.

If the Company fails to make any payment on the Notes when due or within any applicable grace period, whether or not on account of the payment blockage provisions referred to above, such failure would constitute an Event of Default under the Indenture and would enable the holders of the Notes to accelerate the maturity thereof. See "--Events of Default."

The Indenture provides that in the event of any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or to its creditors, as such, or its assets, or any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or any assignment for the benefit of creditors or any other marshalling of assets or liabilities of the Company, all Senior Indebtedness must be paid in full in cash or cash equivalents or in any other manner acceptable to the holders of Senior Indebtedness, or provision made for such payment, before any payment or distribution (excluding distributions of certain permitted equity or subordinated securities) is made on account of the principal of, premium, if any, or interest on the Notes.

By reason of such subordination, in the event of liquidation or insolvency, creditors of the Company who are holders of Senior Indebtedness may recover more, ratably, than the holders of the Notes, and funds which would be otherwise payable to the holders of the Notes will be paid to the holders of the Senior Indebtedness to the extent necessary to pay the Senior Indebtedness in full in cash or cash equivalents or in any other manner acceptable to the holders of Senior Indebtedness, and the Company may be unable to meet its obligations fully with respect to the Notes.

Each Guarantee of a Guarantor will be an unsecured senior subordinated obligation of such Guarantor, ranking pari passu with, or senior in right of payment to, all other existing and future Indebtedness of such Guarantor that is expressly subordinated to Guarantor Senior Indebtedness. The Indebtedness evidenced by the Guarantees will be subordinated to Guarantor Senior Indebtedness to the same extent as the Notes are subordinated to Senior Indebtedness and during any period when payment on the Notes is blocked by Designated Senior Indebtedness, payment on the Guarantees is similarly blocked.

"Senior Indebtedness" is defined as the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) on any Indebtedness of the Company (other than as otherwise provided in this definition), whether outstanding on the date of the Indenture or thereafter created, incurred or assumed, and whether at any time owing, actually or on a contingent basis, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Notes. Without limiting the generality of the foregoing, "Senior Indebtedness" shall include (i) the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) and all other obligations of every nature of the Company from time to time owed to the lenders (or their agent) under the Bank Credit Agreement (provided, however, that any Indebtedness under any refinancing, refunding or replacement of the Bank Credit Agreement shall not constitute Senior Indebtedness to the extent that the Indebtedness thereunder is by its express terms subordinate to any other Indebtedness of the Company) and (ii) Indebtedness under Interest Rate Agreements. Notwithstanding the

foregoing, "Senior Indebtedness" shall not include (i) Indebtedness evidenced by the Notes, (ii) Indebtedness that is subordinate or junior in right of payment, by contract or otherwise, to any Indebtedness of the Company (iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to the Company, (iv) Indebtedness which is represented by Disqualified Equity Interests, (v) any liability for foreign, federal, state, local or other taxes owed or owing by the Company, (vi) Indebtedness of the Company to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's subsidiaries, (vii) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture, (viii) Indebtedness evidenced by a guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness and (ix) Indebtedness owed by the Company for compensation to employees or for services rendered by employees.

"Guarantor Senior Indebtedness" is defined as the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy laws whether or not allowable as a claim in such proceeding) on any Indebtedness of any Guarantor (other than as otherwise provided in this definition), whether outstanding on the date of the Indenture or thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to any Guarantor. Without limiting the generality of the foregoing, "Guarantor Senior Indebtedness" shall include (i) the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) and all other obligations of every nature of any Guarantor from time to time owed to the lenders (or their agent) under the Bank Credit Agreement; provided, however, that any Indebtedness under any refinancing, refunding, or replacement of the Bank Credit Agreement shall not constitute Guarantor Senior Indebtedness to the extent that the Indebtedness thereunder is by its express terms subordinate to any other Indebtedness of any Guarantor and (ii) Indebtedness under Interest Rate Agreements. Notwithstanding the foregoing, "Guarantor Senior Indebtedness" shall not include (i) Indebtedness evidenced by the Guarantees, (ii) Indebtedness that is subordinate or junior in right of payment, by contract or otherwise, to any Indebtedness of any Guarantor, (iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 United States Code, is without recourse to any Guarantor, (iv) Indebtedness which is represented by Disqualified Equity Interests, (v) any liability for foreign, federal, state, local or other taxes owed or owing by any Guarantor to the extent such liability constitutes Indebtedness, (vi) Indebtedness of any Guarantor to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's subsidiaries, (vii) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness, (viii) that portion of any Indebtedness which at the time of issuance is issued in violation of the Indenture and (ix) Indebtedness owed by any Guarantor for compensation to employees or for services rendered by employees.

"Designated Senior Indebtedness" is defined as (i) all Senior Indebtedness outstanding under the Bank Credit Agreement and (ii) any other Senior Indebtedness which is incurred pursuant to an agreement (or series

of related agreements) simultaneously entered into providing for indebtedness, or commitments to lend, of at least $25.0 million at the time of determination and is specifically designated in the instrument evidencing such Senior Indebtedness or the agreement under which such Senior Indebtedness arises as "Designated Senior Indebtedness" by the Company.

As of September 30, 1997, the aggregate amount of Senior Indebtedness that ranked senior in right of payment to the Notes was $10.1 million. The Company's and its Subsidiaries' ability to incur additional Indebtedness is restricted as set forth under "--Certain Covenants--Limitation on Indebtedness." Any Indebtedness which can be incurred may constitute additional Senior Indebtedness or Guarantor Senior Indebtedness. See "Risk Factors--Substantial Leverage; Subordination; Restrictions Imposed by Credit Agreement; Asset Encumbrance."

GUARANTEES

The Guarantors will, jointly and severally, fully and unconditionally guarantee the due and punctual payment of principal of, premium, if any, and interest on, the Notes. Such guarantees will be subordinated to the Guarantor Senior Indebtedness. See "--Subordination." As of September 30, 1997, the aggregate amount of Guarantor Senior Indebtedness that ranked senior in right of payment to the Guarantees was $10.1 million, all of which constitutes outstanding indebtedness representing guarantees of Senior Indebtedness. In addition, under certain circumstances described under "--Certain Covenants--Limitations on Issuances of Guarantees of and Pledges for Indebtedness," the Company is required to cause the execution and delivery of additional

Guarantees by Restricted Subsidiaries.

In addition, upon any sale, exchange or transfer, to any Person not an Affiliate of the Company, of all of the Company's Equity Interest in, or all or substantially all of the assets of, any Guarantor, which is in compliance with the Indenture, such Guarantor shall be released from all its obligations under its Guarantee.

The Guarantors consist of all of the Company's existing Subsidiaries.

CERTAIN COVENANTS

The Indenture contains, among others, the following covenants:

Limitation on Indebtedness. The Company will not, and will not permit any Restricted Subsidiary to, create, incur, assume or directly or indirectly guarantee or in any other manner become directly or indirectly liable for ("incur") any Indebtedness (including Acquired Indebtedness), except that the Company may incur Indebtedness and a Guarantor may incur Permitted Subsidiary Indebtedness if, in each case, the Debt to Operating Cash Flow Ratio of the Company and its Restricted Subsidiaries at the time of the incurrence of such Indebtedness, after giving pro forma effect thereto, is 7.0 to 1 or less.

The foregoing limitation will not apply to the incurrence of any of the following (collectively, "Permitted Indebtedness"):

(i) Indebtedness of the Company under the Bank Credit Agreement in an aggregate principal amount at any one time outstanding not to exceed $75.0 million;

(ii) Indebtedness of the Company pursuant to the Notes and Indebtedness of any Guarantor pursuant to a Guarantee;

(iii) Indebtedness of any Guarantor consisting of a guarantee of the Company's Indebtedness under the Bank Credit Agreement;

(iv) Indebtedness of the Company or any Restricted Subsidiary outstanding on the date of the Indenture and listed on Schedule I thereto;

(v) Indebtedness of the Company owing to a Restricted Subsidiary, provided that any Indebtedness of the Company owing to a Restricted Subsidiary that is not a Guarantor is made pursuant to an intercompany note in the form attached to the Indenture and is subordinated in right of payment from and after such time as the Notes shall become due and payable (whether at Stated Maturity, by acceleration or otherwise) to the payment and performance of the Company's obligations under the Notes; provided further, that any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to a Wholly Owned Restricted Subsidiary or a pledge to or for the benefit of the lenders under the Bank Credit Agreement) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (v);

(vi) Indebtedness of a Wholly Owned Restricted Subsidiary owing to the Company or another Wholly Owned Restricted Subsidiary; provided that, with respect to Indebtedness owing to a Wholly Owned Restricted Subsidiary that is not a Guarantor, (x) any such Indebtedness is made pursuant to an intercompany note in the form attached to the Indenture and (y) any such Indebtedness shall be subordinated in right of payment from and after such time as the obligations under the Guarantee, if any, by such Wholly Owned Restricted Subsidiary shall become due and payable to the payment and performance of such Wholly Owned Restricted Subsidiary's obligations under its Guarantee; provided, further, that (a) any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to the Company or a Wholly Owned Restricted Subsidiary or pledge to or for the benefit of the lenders under the Bank Credit Agreement) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (vi) and (b) any transaction pursuant to which any Wholly Owned Restricted Subsidiary, which has Indebtedness owing to the Company or any other Wholly Owned Restricted Subsidiary, ceases to be a Wholly Owned Restricted Subsidiary shall be deemed to be the incurrence of Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause (vi);

(vii) guarantees of any Restricted Subsidiary made in accordance with the provisions of "--Limitation on Issuances of Guarantees of and Pledges for Indebtedness;"

(viii) obligations of the Company entered into in the ordinary course of business pursuant to Interest Rate Agreements designed to protect the Company against fluctuations in interest rates in respect of Indebtedness of the Company as long as such obligations at the time incurred do not exceed the aggregate principal amount of such Indebtedness then outstanding or in good faith anticipated to be outstanding within 90 days of such

occurrence;

(ix) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "refinancing") of any Indebtedness described in clauses (ii), (iii), (iv) and (v) above, including any successive refinancings so long as the aggregate principal amount of Indebtedness represented thereby is not increased by such refinancing (except, in the case of Guarantees under clause (iii), which Guarantees do not exceed the aggregate principal amount of the Bank Credit Agreement) plus the lesser of (I) the stated amount of any premium or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing and, in the case of Pari Passu Indebtedness or Subordinated Indebtedness, such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness; and

(x) Indebtedness of the Company in addition to that described in clauses (i) through (ix) above, and any renewals, extensions, substitutions, refinancings, or replacements of such Indebtedness, so long as the aggregate principal amount of all such Indebtedness shall not exceed $5.0 million.

Limitation on Restricted Payments. (a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(i) declare or pay any dividend on, or make any distribution to holders of, any of the Company's Equity Interests (other than dividends or distributions payable solely in its Qualified Equity Interests);

(ii) purchase, redeem or otherwise acquire or retire for value, directly or indirectly, any Equity Interest of the Company or any Affiliate thereof (except Equity Interests held by the Company or a Wholly Owned Restricted Subsidiary);

(iii) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund or maturity, any Subordinated Indebtedness;

(iv) declare or pay any dividend or distribution on any Equity Interests of any Subsidiary to any Person (other than the Company or any of its Wholly Owned Restricted Subsidiaries);

(v) incur, create or assume any guarantee of Indebtedness of any Affiliate (other than a Wholly Owned Restricted Subsidiary of the Company); or

(vi) make any Investment in any Person (other than any Permitted Investments) (any of the foregoing payments described in clauses (i) through (vi), other than any such action that is a Permitted Payment, collectively, "Restricted Payments") unless after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than cash, as determined by the Board of Directors of the Company, whose determination shall be conclusive and evidenced by a board resolution), (1) no Default or Event of Default shall have occurred and be continuing and such Restricted Payment shall not be an event which is, or after notice or lapse of time or both, would be, an "event of default" under the terms of any Indebtedness of the Company or its Restricted Subsidiaries; and (2) the aggregate amount of all such Restricted Payments declared or made after the date of the Indenture does not exceed the sum of:

(A) an amount equal to the Company's Cumulative Operating Cash Flow less 1.4 times the Company's Cumulative Consolidated Interest Expense; and

(B) the aggregate Net Cash Proceeds received after the date of the Indenture by the Company from capital contributions (other than from a Subsidiary) or from the issuance or sale (other than to any of its Subsidiaries) of its Qualified Equity Interests (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Equity Interests or Subordinated Indebtedness as set forth below).

(b) Notwithstanding the foregoing, and in the case of clauses (ii) through (vi) below, so long as there is no Default or Event of Default continuing, the foregoing provisions shall not prohibit the following actions (clauses (i) through (vi) being referred to as "Permitted Payments"):

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment would be permitted by the provisions of paragraph (a) of this Section and such

payment shall be deemed to have been paid on such date of declaration for purposes of the calculation required by paragraph (a) of this Section;

(ii) any transaction with an officer or director of the Company entered into in the ordinary course of business (including compensation or employee benefit arrangements with any officer or director of the Company);

(iii) the repurchase, redemption, or other acquisition or retirement of any Equity Interests of the Company in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege pursuant to which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to a Subsidiary) of other Qualified Equity Interests of the Company; provided that the Net Cash Proceeds from the issuance of such Qualified Equity Interests are excluded from clause (2)(B) of paragraph (a) of this Section;

(iv) any repurchase, redemption, defeasance, retirement, refinancing or acquisition for value or payment of principal of any Subordinated Indebtedness in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to any Subsidiary of the Company) of any Qualified Equity Interests of the Company; provided that the Net Cash Proceeds from the issuance of such shares of Qualified Equity Interests are excluded from clause (2)(B) of paragraph (a) of this Section;

(v) the repurchase, redemption, defeasance, retirement, refinancing or acquisition for value or payment of principal of any Subordinated Indebtedness (other than Disqualified Equity Interests) (a "refinancing") through the issuance of new Subordinated Indebtedness of the Company, as the case may be; provided that any such new Indebtedness (1) shall be in a principal amount that does not exceed the principal amount so refinanced or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration or acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (I) the stated amount of any premium, interest or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium, interest or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing; (2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the Notes; (3) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Notes; and (4) is expressly subordinated in right of payment to the Notes at least to the same extent as the Indebtedness to be refinanced; and

(vi) the payment prior to maturity of Indebtedness outstanding on the date of the Indenture evidenced by those certain Promissory Notes dated March 1, 1994 by the Company to New Inspiration and by the Company to Golden Gate, in each case, in connection with the payment prior to maturity (which payment shall also be permitted under this clause (vi)) of Indebtedness outstanding on the date of the Indenture evidenced by those certain Promissory Notes dated August 12, 1997 by Golden Gate to Mr. Atsinger and Mr. Epperson in the principal amount, in each case, of $1.23 million and by New Inspiration to Mr. Atsinger and Mrs. Epperson in the principal amount, in each case, of $2.12 million.

Limitation on Transactions with Affiliates. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with any Affiliate of the Company (other than the Company or a Wholly Owned Restricted Subsidiary) unless (a) such transaction or series of transactions is in writing on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than would be available in a comparable transaction in arm's-length dealings with an unrelated third party and (b)(i) with respect to any transaction or series of transactions involving aggregate payments in excess of $1.0 million the Company delivers an officers' certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (a) above and such transaction or series of related transactions has been approved by a majority of the members of the Board of Directors of the Company (and approved by a majority of Independent Directors or, in the event there is only one Independent Director, by such Independent Director) and (ii) with respect to any transaction or series of transactions involving aggregate payments in excess of $5.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary from a financial point of view issued by an investment banking firm of national standing. Notwithstanding the foregoing, this provision will not apply to (A) any transaction with an officer or director of the Company entered into in the ordinary course of business (including compensation or employee benefit arrangements with any

officer or director of the Company), (B) any transaction entered into by the Company or one of its Wholly Owned Restricted Subsidiaries with a Wholly Owned Restricted Subsidiary of the Company, and (C) transactions in existence on the date of the Indenture and any renewal, replacement or extension thereof on substantially similar terms.

Limitation on Senior Subordinated Indebtedness. The Company will not, and will not permit any Guarantor to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise permit to exist any Indebtedness that is subordinate in right of payment, by contract or otherwise, to any Indebtedness of the Company or such Guarantor, as the case may be, unless such Indebtedness is also pari passu with the Notes or the Guarantee of such Guarantor, or subordinate in right of payment to the Notes or such Guarantee to at least the same extent as the Notes or such Guarantee are subordinate in right of payment to Senior Indebtedness or Guarantor Senior Indebtedness, as the case may be, as set forth in the Indenture.

Limitation on Liens. The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, affirm or suffer to exist any Lien of any kind upon any of its property or assets (including any intercompany notes), now owned or acquired after the date of the Indenture, or any income or profits therefrom, except if the Notes are directly secured equally and ratably with (or prior to in the case of Liens with respect to Subordinated Indebtedness) the obligation or liability secured by such Lien, excluding, however, from the operation of the foregoing any of the following:

(a) any Lien existing as of the date of the Indenture and listed on a schedule thereto;

(b) any Lien arising by reason of (1) any judgment, decree or order of any court, so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired; (2) taxes not yet delinquent or which are being contested in good faith; (3) security for payment of workers' compensation or other insurance; (4) good faith deposits in connection with tenders, leases, contracts (other than contracts for the payment of money); (5) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of property material to the operation of the business of the Company or any Subsidiary or the value of such property for the purpose of such business; (6) deposits to secure public or statutory obligations, or in lieu of surety or appeal bonds; (7) certain surveys, exceptions, title defects, encumbrances, easements, reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph or telephone lines and other similar purposes or zoning or other restrictions as to the use of real property not interfering with the ordinary conduct of the business of the Company or any of its Subsidiaries; or (8) operation of law in favor of mechanics, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof;

(c) any Lien now or hereafter existing on property of the Company or any of its Restricted Subsidiaries securing Senior Indebtedness or Guarantor Senior Indebtedness, in each case which Indebtedness is permitted under the provisions of "Limitation on Indebtedness" and provided that the provisions described under "Limitation on Issuances of Guarantees of and Pledges for Indebtedness" are complied with;

(d) any Lien securing Acquired Indebtedness created prior to (and not created in connection with, or in contemplation of) the incurrence of such Indebtedness by the Company or any Subsidiary, in each case which Indebtedness is permitted under the provisions of "Limitation on Indebtedness"; provided that any such Lien only extends to the assets that were subject to such Lien securing such Acquired Indebtedness prior to the related transaction by the Company or its Subsidiaries;

(e) any Lien securing Permitted Subsidiary Indebtedness; and

(f) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (e) so long as the amount of security is not increased thereby.

Limitation on Sale of Assets. (a) The Company will not, and will not permit

any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless (i) at least 80% of the consideration from such Asset Sale is received in cash and (ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets sold (other than in the case of an involuntary Asset Sale, as determined by the Board of Directors of the Company and evidenced in a board resolution).

(b) If all or a portion of the Net Cash Proceeds of any Asset Sale are not required to be applied to repay permanently any Senior Indebtedness then outstanding as required by the terms thereof, or the Company

determines not to apply such Net Cash Proceeds to the permanent prepayment of such Senior Indebtedness or if no such Senior Indebtedness is then outstanding, then the Company may within 12 months of the Asset Sale, invest the Net Cash Proceeds in properties and assets that (as determined by the Board of Directors) replace the properties and assets that were the subject of the Asset Sale or in properties and assets that will be used in the businesses of the Company or its Restricted Subsidiaries existing on the date of the Indenture or reasonably related thereto. The amount of such Net Cash Proceeds neither used to permanently repay or prepay Senior Indebtedness nor used or invested as set forth in this paragraph constitutes "Excess Proceeds."

(c) When the aggregate amount of Excess Proceeds equals $5.0 million or more, the Company shall apply the Excess Proceeds to the repayment of the Notes and any Pari Passu Indebtedness required to be repurchased under the instrument governing such Pari Passu Indebtedness as follows: (a) the Company shall make an offer to purchase (an "Offer") from all holders of the Notes in accordance with the procedures set forth in the Indenture in the maximum principal amount (expressed as a multiple of $1,000) of Notes that may be purchased out of an amount (the "Note Amount") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Notes, and the denominator of which is the sum of the outstanding principal amount of the Notes and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price of all Notes tendered) and (b) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, the Company shall make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "Pari Passu Offer") in an amount (the "Pari Passu Debt Amount") equal to the excess of the Excess Proceeds over the Note Amount, provided that in no event shall the Pari Passu Debt Amount exceed the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness. The offer price shall be payable in cash in an amount equal to 100% of the principal amount of the Notes plus accrued and unpaid interest, if any, to the date (the "Offer Date") such Offer is consummated (the "Offered Price"), in accordance with the procedures set forth in the Indenture. To the extent that the aggregate Offered Price of the Notes tendered pursuant to the Offer is less than the Note Amount relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased is less than the Pari Passu Debt Amount (the amount of such shortfall, if any, constituting a "Deficiency"), the Company shall use such Deficiency in the business of the Company and its Restricted Subsidiaries. Upon completion of the purchase of all the Notes tendered pursuant to an Offer and repurchase of the Pari Passu Indebtedness pursuant to a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) Whenever the Excess Proceeds received by the Company exceed $5.0 million such Excess Proceeds shall be set aside by the Company in a separate account pending (i) deposit with the depositary or a paying agent of the amount required to purchase the Notes or Pari Passu Indebtedness tendered in an Offer or a Pari Passu Offer, (ii) delivery by the Company of the Offered Price to the holders of the Notes or Pari Passu Indebtedness tendered in an Offer or a Pari Passu Offer and (iii) application, as set forth above, of Excess Proceeds in the business of the Company and its Restricted Subsidiaries. Such Excess Proceeds may be invested in Temporary Cash Investments; provided that the maturity date of any such investment made after the amount of Excess Proceeds exceeds $5.0 million shall not be later than the Offer Date. The Company shall be entitled to any interest or dividends accrued, earned or paid on such Temporary Cash Investments; provided that the Company shall not withdraw such interest from the separate account if an Event of Default has occurred and is continuing.

(e) If the Company becomes obligated to make an Offer pursuant to clause (c) above, the Notes shall be purchased by the Company, at the option of the holder thereof, in whole or in part, in integral multiples of $1,000, on a date that is not earlier than 45 days and not later than 60 days from the date the notice is given to holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act, subject to proration in the event the Note Amount is less than the aggregate Offered Price of all Notes tendered.

(f) The Company shall comply with the applicable tender offer rules,

including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer.

(g) The Company will not, and will not permit any Restricted Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under (i) Indebtedness as in effect on the date of the Indenture listed on a schedule thereto as such Indebtedness may be refinanced from time to time, provided that such restrictions are no less favorable to the holders of the Notes than those existing on the date of the Indenture or (ii) any Senior Indebtedness and any Guarantor Senior Indebtedness) that would materially impair the ability of the Company to make an Offer to purchase the Notes or, if such Offer is made, to pay for the Notes tendered for purchase.

Limitation on Asset Swaps. The Company will not, and will not permit any Restricted Subsidiary to, engage in Asset Swaps, unless: (i) at the time of entering into such Asset Swap, and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and (ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Swap at least equal to the Fair Market Value of the properties or assets exchanged as determined in writing by a nationally recognized investment banking or appraisal firm.

Limitation on Issuances of Guarantees of and Pledges for Indebtedness. (a) The Company will not permit any Restricted Subsidiary, other than the Guarantors, directly or indirectly, to secure the payment of any Senior Indebtedness of the Company and the Company will not, and will not permit any Restricted Subsidiary to, pledge any intercompany notes representing obligations of any Restricted Subsidiary (other than the Guarantors) to secure the payment of any Senior Indebtedness unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of payment of the Notes by such Restricted Subsidiary, which guarantee shall be on the same terms as the guarantee of the Senior Indebtedness (if a guarantee of Senior Indebtedness is granted by any such Restricted Subsidiary) except that the guarantee of the Notes need not be secured and shall be subordinated to the claims against such Restricted Subsidiary in respect of Senior Indebtedness to the same extent as the Notes are subordinated to Senior Indebtedness of the Company under the Indenture.

(b) The Company will not permit any Restricted Subsidiary, other than the Guarantors, directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Indebtedness of the Company (other than guarantees in existence on the date of the Indenture) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for a guarantee of the Notes on the same terms as the guarantee of such Indebtedness except that if the Notes are subordinated in right of payment to such Indebtedness, the guarantee under the supplemental indenture shall be subordinated to the guarantee of such Indebtedness to the same extent as the Notes are subordinated to such Indebtedness under the Indenture.

(c) Each guarantee created pursuant to the provisions described in the foregoing paragraph is referred to as a "Guarantee" and the issuer of each such Guarantee is referred to as a "Guarantor." Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Notes shall provide by its terms that it shall be automatically and unconditionally released and discharged upon (i) any sale, exchange or transfer, to any Person not an Affiliate of the Company, of all of the Company's Equity Interest in, or all or substantially all the assets of, such Restricted Subsidiary, which is in compliance with the Indenture or (ii) (with respect to any Guarantees created after the date of the Indenture) the release by the holders of the Indebtedness of the Company described in clauses (a) and (b) above of their security interest or their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at a time when (A) no other Indebtedness of the Company has been secured or guaranteed by such Restricted Subsidiary, as the case may be, or (B) the holders of all such other Indebtedness which is secured or guaranteed by such Restricted Subsidiary also release their security interest in, or guarantee by, such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness).

Restriction on Transfer of Assets. The Company and the Guarantors will not sell, convey, transfer or otherwise dispose of their respective assets or property to any of the Company's Restricted Subsidiaries (other than any Guarantor), except for sales, conveyances, transfers or other dispositions made in the ordinary course

of business. For purposes of this provision, any sale, conveyance, transfer, lease or other disposition of property or assets, having a Fair Market Value in excess of (a) $1.0 million for any sale, conveyance, transfer, leases or dispositions or series of related sales, conveyances, transfers, leases and dispositions and (b) $5.0 million in the aggregate for all such sales,

conveyances, transfers, leases or dispositions in any fiscal year of the Company shall not be considered "in the ordinary course of business"; provided that sales by the Company of block program time and spot advertising time shall not be deemed not to be "in the ordinary course of business" solely because of the dollar volume of such sales.

Purchase of Notes Upon a Change of Control. If a Change of Control shall occur at any time, then each holder of Notes shall have the right to require that the Company purchase such holder's Notes in whole or in part in integral multiples of $1,000, at a purchase price (the "Change of Control Purchase Price") in cash in an amount equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase (the "Change of Control Purchase Date"), pursuant to the offer described below (the "Change of Control Offer") and the other procedures set forth in the Indenture.

Within 30 days following any Change of Control, the Company shall notify the Trustee thereof and give written notice of such Change of Control to each holder of Notes, by first-class mail, postage prepaid, at his address appearing in the security register, stating, among other things, the purchase price and that the purchase date shall be a business day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act; that any Note not tendered will continue to accrue interest; that, unless the Company defaults in the payment of the purchase price, any Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date; and certain other procedures that a holder of Notes must follow to accept a Change of Control Offer or to withdraw such acceptance.

If a Change of Control Offer is made, there can be no assurance that the Company will have available funds sufficient to pay the Change of Control Purchase Price for all of the Notes that might be delivered by holders of the Notes seeking to accept the Change of Control Offer. A Change of Control will also result in an event of default under the Bank Credit Agreement and could result in the acceleration of all indebtedness under the Bank Credit Agreement. See "Description of Certain Indebtedness--Credit Agreement--Change of Control." The failure of the Company to make or consummate the Change of Control Offer or pay the Change of Control Purchase Price when due will result in an Event of Default under the Indenture.

The term "all or substantially all" as used in the definition of "Change of Control" has not been interpreted under New York law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in the event the holders of the Notes elected to exercise their rights under the Indenture and the Company elected to contest such election, there could be no assurance as to how a court interpreting New York law would interpret the phrase.

The existence of a holder's right to require the Company to repurchase such holder's Notes upon a Change of Control may deter a third party from acquiring the Company in a transaction which constitutes a Change of Control.

"Change of Control" means the occurrence of any of the following events: (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 40% of the total outstanding Voting Stock of the Company, provided that the Permitted Holders "beneficially own" (as so defined) a lesser percentage of such Voting Stock than such other Person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of the Company, (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors

whose election to such Board or whose nomination for election by the shareholders of the Company, was approved by a vote of 66% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such Board of Directors then in office; (iii) the Company consolidates with or merges with or into any Person or conveys, transfers or leases all or substantially all of its assets to any Person, or any corporation consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is changed into or exchanged for cash, securities or other property, other than any such transaction in which the outstanding Voting Stock of the Company is not changed or exchanged at all (except to the extent necessary to reflect a change in the jurisdiction of incorporation of the Company) or in which (A) the outstanding Voting Stock of the Company is

changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Disqualified Equity Interests or (y) cash, securities and other property (other than Equity Interests of the surviving corporation) in an amount which could be paid by the Company as a Restricted Payment as described under "--Limitation on Restricted Payments" (and such amount shall be treated as a Restricted Payment subject to the provisions in the Indenture described under "--Limitation on Restricted Payments") and (B) no "person" or "group" other than Permitted Holders owns immediately after such transaction, directly or indirectly, more than the greater of (1) 40% of the total outstanding Voting Stock of the surviving corporation and (2) the percentage of the outstanding Voting Stock of the surviving corporation owned, directly or indirectly, by Permitted Holders immediately after such transaction; or (iv) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "--Consolidation, Merger, Sale of Assets."

"Permitted Holders" means as of the date of determination (i) any of Stuart W. Epperson and Edward G. Atsinger III; (ii) family members or the relatives of the Persons described in clause (i); (iii) any trusts created for the benefit of the Persons described in clauses (i), (ii) or (iv) or any trust for the benefit of any such trust; or (iv) in the event of the incompetence or death of any of the Persons described in clauses (i) and (ii), such Person's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Equity Interests of the Company.

The Company will comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

The Company will not, and will not permit any Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under Indebtedness as in effect on the date of the Indenture) that would materially impair the ability of the Company to make a Change of Control Offer to purchase the Notes or, if such Change of Control Offer is made, to pay for the Notes tendered for purchase.

Limitation on Subsidiary Equity Interests. The Company will not permit any Restricted Subsidiary of the Company to issue any Equity Interests, except for (i) Equity Interests issued to and held by the Company or a Wholly Owned Restricted Subsidiary, and (ii) Equity Interests issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary, (B) such Person merges with or into a Restricted Subsidiary or (C) a Restricted Subsidiary merges with or into such Person; provided that such Equity Interests were not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C).

Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries. The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to (i) pay dividends or make any other distribution on its Equity Interests, (ii) pay any Indebtedness owed to the Company or a Restricted Subsidiary of the Company, (iii) make any Investment in the Company or a Restricted Subsidiary of the Company or (iv) transfer any of its properties or assets to the Company or any Restricted Subsidiary, except (a) any encumbrance or restriction pursuant to an agreement in effect on the date of the Indenture and listed as a schedule thereto, (b) any encumbrance or restriction, with respect to a Restricted Subsidiary that is not a Subsidiary of the Company on the date of the Indenture, in existence at the time such

Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; (c) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a) and (b), or in this clause (c), provided that the terms and conditions of any such encumbrances or restrictions are not materially less favorable to the holders of the Notes than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced or are not more restrictive than those set forth in the Indenture; and (d) any encumbrance or restriction created pursuant to an asset sale agreement, stock sale agreement or similar instrument pursuant to which an Asset Sale permitted under "--Limitations on Sale of Assets" is to be consummated, so long as such restriction or encumbrance shall be effective only for a period from the execution and delivery of such agreement or instrument through a termination date not later than 270 days after such execution and delivery.

Limitation on Unrestricted Subsidiaries. The Company will not make, and will not permit any of its Restricted Subsidiaries to make, any Investments in Unrestricted Subsidiaries if, at the time thereof, the aggregate amount of

such Investments would exceed the amount of Restricted Payments then permitted to be made pursuant to the "Limitation on Restricted Payments" covenant. Any Investments in Unrestricted Subsidiaries permitted to be made pursuant to this covenant (i) will be treated as the payment of a Restricted Payment in calculating the amount of Restricted Payments made by the Company and (ii) may be made in cash or property.

Provision of Financial Statements. The Indenture provides that, whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, the Company will, to the extent permitted under the Exchange Act, file with the Commission the annual reports, quarterly reports and other documents which the Company would have been required to file with the Commission pursuant to such Section 13(a) or 15(d) if the Company were so subject, such documents to be filed with the Commission on or prior to the respective dates (the "Required Filing Dates") by which the Company would have been required so to file such documents if the Company were so subject. The Company will also in any event (x) within 15 days of each Required Filing Date (i) transmit by mail to all holders, as their names and addresses appear in the Note register, without cost to such holders and (ii) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Company would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company were subject to such Sections and (y) if filing such documents by the Company with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective holder at the Company's cost.

Additional Covenants. The Indenture also contains covenants with respect to the following matters: (i) payment of principal, premium and interest; (ii) maintenance of an office or agency; (iii) arrangements regarding the handling of money held in trust; (iv) maintenance of corporate existence; (v) payment of taxes and other claims; (vi) maintenance of properties; and (vii) maintenance of insurance.

CONSOLIDATION, MERGER, SALE OF ASSETS

The Company shall not, in a single transaction or a series of related transactions, consolidate with or merge with or into any other Person or sell assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of affiliated Persons, or permit any of its Subsidiaries to enter into any such transaction or transactions if such transaction or transactions, in the aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Subsidiaries on a Consolidated basis to any other Person or group of affiliated Persons, unless at the time and after giving effect thereto: (i) either (1) the Company shall be the continuing corporation or (2) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Subsidiaries on a Consolidated basis (the "Surviving Entity") shall be a corporation duly organized and validly existing under the laws of the United States of

America, any state thereof or the District of Columbia and such Person assumes, by a supplemental indenture in a form reasonably satisfactory to the Trustee, all the obligations of the Company under the Notes and the Indenture, and the Indenture shall remain in full force and effect; (ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; (iii) immediately after giving effect to such transaction on a pro forma basis, the Consolidated Net Worth of the Company (or the Surviving Entity if the Company is not the continuing obligor under the Indenture) is equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction; (iv) immediately before and immediately after giving effect to such transaction on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such pro forma calculation), the Company (or the Surviving Entity if the Company is not the continuing obligor under the Indenture) could incur $1.00 of additional Indebtedness under the provisions of "--Certain Covenants--Limitation on Indebtedness" (other than Permitted Indebtedness); (v) each Guarantor, if any, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under the Indenture and the Notes; (vi) if any of the property or assets of the Company or any of its Subsidiaries would thereupon become subject to any Lien, the provisions of "--Certain Covenants--Limitation on Liens" are complied with; and (vii) the Company or the Surviving Entity shall have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, lease or other transaction and the supplemental

indenture in respect thereto comply with the provisions of the Indenture and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

Each Guarantor will not, and the Company will not permit a Guarantor to, in a single transaction or series of related transactions merge or consolidate with or into any other corporation (other than the Company or any other Guarantor) or other entity, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets on a Consolidated basis to any entity (other than the Company or any other Guarantor) unless at the time and after giving effect thereto: (i) either (1) such Guarantor shall be the continuing corporation or (2) the entity (if other than such Guarantor) formed by such consolidation or into which such Guarantor is merged or the entity which acquires by sale, assignment, conveyance, transfer, lease or disposition the properties and assets of such Guarantor shall be a corporation duly organized and validly existing under the laws of the United States, any state thereof or the District of Columbia and shall expressly assume by a supplemental indenture, executed and delivered to the Trustee, in a form reasonably satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee and the Indenture; (ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing, and (iii) such Guarantor shall have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or disposition and such supplemental indenture comply with the Indenture, and thereafter all obligations of the predecessor shall terminate. The provisions of this paragraph shall not apply to any transaction (including an Asset Sale made in accordance with "--Certain Covenants--Limitations on Sale of Assets") with respect to any Guarantor if the Guarantee of such Guarantor is released in connection with such transaction in accordance with paragraph (c) of "--Certain Covenants--Limitations on Issuances of Guarantees of and Pledges for Indebtedness."

In the event of any transaction described in and complying with the conditions listed in the immediately preceding paragraphs in which the Company or any Guarantor is not the continuing corporation, the successor Person formed or remaining shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, and the Company or such Guarantor, as the case may be, would be discharged from its obligations under the Indenture, the Notes or its Guarantee, as the case may be.

EVENTS OF DEFAULT

An Event of Default will occur under the Indenture if:

(i) there shall be a default in the payment of any interest on any Note (including any Penalty Amounts) when it becomes due and payable, and such default shall continue for a period of 30 days;

(ii) there shall be a default in the payment of the principal of (or premium, if any, on) any Note at its Maturity (upon acceleration, optional or mandatory redemption, required repurchase or otherwise);

(iii) (a) there shall be a default in the performance, or breach, of any covenant or agreement of the Company or any Guarantor under the Indenture (other than a default in the performance, or breach, of a covenant or agreement which is specifically dealt with in clause (i) or (ii) or in clause (b), (c) or (d) of this clause (iii)) and such default or breach shall continue for a period of 30 days after written notice has been given, by certified mail, (x) to the Company by the Trustee or (y) to the Company and the Trustee by the holders of at least 25% in aggregate principal amount of the outstanding Notes; (b) there shall be a default in the performance or breach of the provisions described in "--Consolidation, Merger, Sale of Assets;" (c) the Company shall have failed to make or consummate an Offer in accordance with the provisions of "--Certain Covenants--Limitation on Sale of Assets;" or (d) the Company shall have failed to make or consummate a Change of Control Offer in accordance with the provisions of "--Certain Covenants--Purchase of Notes Upon a Change of Control;"

(iv) one or more defaults shall have occurred under any agreements, indentures or instruments under which the Company, any Guarantor or any Restricted Subsidiary then has outstanding Indebtedness in excess of $5.0 million in the aggregate and, if not already matured at its final maturity in accordance with its terms, such Indebtedness shall have been accelerated;

(v) any Guarantee shall for any reason cease to be, or be asserted in writing by any Guarantor or the Company not to be, in full force and effect, enforceable in accordance with its terms, except to the extent contemplated by the Indenture and any such Guarantee;

(vi) one or more judgments, orders or decrees for the payment of money in excess of $5.0 million, either individually or in the aggregate (net of amounts covered by insurance, bond, surety or similar instrument) shall be entered against the Company, any Guarantor or any Restricted Subsidiary or any of their respective properties and shall not be discharged and either (a) any creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or (b) there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(vii) any holder or holders of at least $5.0 million in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Restricted Subsidiary after a default under such Indebtedness shall notify the Trustee of the intended sale or disposition of any assets of the Company, any Guarantor or any Restricted Subsidiary that have been pledged to or for the benefit of such holder or holders to secure such Indebtedness or shall commence proceedings, or take any action (including by way of set-off), to retain in satisfaction of such Indebtedness or to collect on, seize, dispose of or apply in satisfaction of Indebtedness, assets of the Company or any Restricted Subsidiary (including funds on deposit or held pursuant to lock-box and other similar arrangements);

(viii) there shall have been the entry by a court of competent jurisdiction of (a) a decree or order for relief in respect of the Company, any Guarantor or any Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (b) a decree or order adjudging the Company, any Guarantor or any Restricted Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, any Guarantor or any Restricted Subsidiary under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company, any Guarantor or any Restricted Subsidiary or of any substantial part of their respective properties, or ordering the winding up or liquidation of their affairs,

and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(ix) (a) the Company, any Guarantor or any Restricted Subsidiary commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (b) the Company, any Guarantor or any Restricted Subsidiary consents to the entry of a decree or order for relief in respect of the Company, any Guarantor or such Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (c) the Company, any Guarantor or any Restricted Subsidiary files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, (d) the Company, any Guarantor or any Restricted Subsidiary (x) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official, of the Company, any Guarantor or such Restricted Subsidiary or of any substantial part of their respective property, (y) makes an assignment for the benefit of creditors or (z) admits in writing its inability to pay its debts generally as they become due or (e) the Company, any Guarantor or any Restricted Subsidiary takes any corporate action in furtherance of any such actions in this paragraph (ix).

If an Event of Default (other than as specified in clauses (viii) and (ix) of the prior paragraph) shall occur and be continuing, the Trustee or the holders of not less than 25% in aggregate principal amount of the Notes outstanding may, and the Trustee at the request of such holders shall, declare all unpaid principal of, premium, if any, and accrued interest on, all the Notes to be due and payable immediately by a notice in writing to the Company (and to the Trustee if given by the holders of the Notes), provided that so long as the Bank Credit Agreement is in effect, such declaration shall not become effective until the earlier of (a) five business days after receipt of such notice of acceleration from the holders or the Trustee by the agent under the Bank Credit Agreement or (b) acceleration of the Indebtedness under the Bank Credit Agreement. Thereupon the Trustee may, at its discretion, proceed to protect and enforce the rights of the holders of Notes by appropriate judicial proceedings. If an Event of Default specified in clause (viii) or (ix) of the prior paragraph occurs and is continuing, then all the Notes shall ipso facto become and be immediately due and payable, in an amount equal to the principal amount of the Notes, together with accrued and unpaid interest, if any, to the date the Notes become due and payable, without any declaration or other act on the part of the Trustee or any holder. The Trustee or, if notice of acceleration is given by the holders of the Notes, the holders of the Notes shall give notice to the agent under the Bank Credit Agreement of such acceleration.

After a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of Notes outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration if (a) the Company has paid or deposited with the Trustee a sum sufficient to pay (i) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, (ii) all overdue interest on all Notes, (iii) the principal of and premium, if any, on any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at a rate borne by the Notes and (iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Notes; and (b) all Events of Default, other than the non-payment of principal of the Notes which have become due solely by such declaration of acceleration, have been cured or waived.

The holders of not less than a majority in aggregate principal amount of the Notes outstanding may on behalf of the holders of all the Notes waive any past default under the Indenture and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Note, or in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each Note outstanding.

The Company is also required to notify the Trustee within five business days of the occurrence of any Default. The Company is required to deliver to the Trustee, on or before a date not more than 60 days after the

end of each quarter and not more than 120 days after the end of each fiscal year, a written statement as to compliance with the Indenture, including whether or not any default has occurred. The Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the holders of the Notes unless such holders offer to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred thereby.

The Trust Indenture Act contains limitations on the rights of the Trustee, should it become a creditor of the Company or any Guarantor, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, provided that if it acquires any conflicting interest it must eliminate such conflict upon the occurrence of an Event of Default or else resign.

DEFEASANCE OR COVENANT DEFEASANCE OF INDENTURE

The Company may, at its option, at any time, elect to have the obligations of the Company, each of the Guarantors and any other obligor upon the Notes discharged with respect to the outstanding Notes ("defeasance"). Such defeasance means that the Company, each of the Guarantors and any other obligor under the Indenture shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, except for (i) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due, (ii) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes, and the maintenance of an office or agency for payment and money for security payments held in trust, (iii) the rights, powers, trusts, duties and immunities of the Trustee, and (iv) the defeasance provisions of the Indenture. In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and any Guarantor released with respect to certain covenants that are described in the Indenture ("covenant defeasance") and any omission to comply with such obligations shall not constitute a Default or an Event of Default with respect to the Notes. In the event covenant defeasance occurs, certain events (not including non-payment, enforceability of any Guarantee, bankruptcy and insolvency events) described under "--Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either defeasance or covenant defeasance, (i) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in United States dollars, U.S. Government Obligations (as defined in the Indenture), or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge the principal of, premium, if any, and interest on the outstanding Notes on the Stated Maturity of such principal or installment of principal or interest (or on any date after October 1, 2002 (such date being referred to as the "Defeasance Redemption Date"), if when exercising either defeasance or covenant defeasance, the Company has delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes on

the Defeasance Redemption Date); (ii) in the case of defeasance, the Company shall have delivered to the Trustee an opinion of independent counsel in the United States stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of independent counsel in the United States shall confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred; (iii) in the case of covenant defeasance, the Company shall have delivered to the Trustee an opinion of independent counsel in the United States to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred; (iv) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as clause (viii) or

(ix) under the first paragraph under "--Events of Default" are concerned, at any time during the period ending on the 91st day after the date of deposit; (v) such defeasance or covenant defeasance shall not cause the Trustee for the Notes to have a conflicting interest with respect to any securities of the Company or any Guarantor; (vi) such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, the Indenture or any other material agreement or instrument to which the Company or any Guarantor is a party or by which it is bound, (vii) the Company shall have delivered to the Trustee an opinion of independent counsel to the effect that (A) the trust funds will not be subject to any rights of holders of Senior Indebtedness or Guarantor Senior Indebtedness, including, without limitation, those arising under the Indenture and (B) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (viii) the Company shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Notes or any Guarantee over the other creditors of the Company or any Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of the Company, any Guarantor or others; (ix) no event or condition shall exist that would prevent the Company from making payments of the principal of, premium, if any, and interest on the Notes on the date of such deposit or at any time ending on the 91st day after the date of such deposit; and (x) the Company shall have delivered to the Trustee an officers' certificate and an opinion of independent counsel, each stating that all conditions precedent provided for relating to either the defeasance or the covenant defeasance, as the case may be, have been complied with.

SATISFACTION AND DISCHARGE

The Indenture will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes, and certain other rights as expressly provided for in the Indenture) as to all outstanding Notes when (a) either (i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid) have been delivered to the Trustee for cancellation or (ii) all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, or (y) will become due and payable at their Stated Maturity within one year, or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, including principal of, premium, if any, and accrued interest at such Stated Maturity or redemption date, (b) the Company or any Guarantor has paid or caused to be paid all other sums payable under the Indenture by the Company or any Guarantor, and (c) the Company has delivered to the Trustee an officers' certificate and an opinion of counsel stating that (i) all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with and (B) such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound.

MODIFICATIONS AND AMENDMENTS

Modifications and amendments of the Indenture may be made by the Company, any Guarantor and the Trustee with the consent of the holders of not less than a majority in aggregate principal amount of the outstanding Notes; provided, however, that no such modification or amendment may, without the consent of

the holder of each outstanding Note affected thereby: (i) change the Stated Maturity of the principal of, or any installment of interest on, any Note or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any Note or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the Stated Maturity thereof (or in the case of redemption, on or after the redemption date); (ii) amend, change or modify the obligation of the Company to make and consummate an Offer with respect to any Asset Sale or Asset Sales in accordance with "--Certain Covenants--Limitation on Sale of Assets" or the

obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with "--Certain Covenants--Purchase of Notes Upon a Change of Control," including amending, changing or modifying any deletions with respect thereto; (iii) reduce the percentage in principal amount of outstanding Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver or compliance with certain provisions of the Indenture or certain defaults or with respect to any Guarantee; (iv) modify any of the provisions relating to supplemental indentures requiring the consent of holders or relating to the waiver of past defaults or relating to the waiver of certain covenants, except to increase the percentage of outstanding Notes required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each Note affected thereby; (v) except as otherwise permitted under "--Consolidation, Merger, Sale of Assets," consent to the assignment or transfer by the Company or any Guarantor of any of its rights and obligations under the Indenture; or (vi) amend or modify any of the provisions of the Indenture relating to the subordination of the Notes or any Guarantee in any manner adverse to the holders of the Notes or any Guarantee.

The holders of a majority in aggregate principal amount of the Notes outstanding may waive compliance with certain restrictive covenants and provisions of the Indenture.

GOVERNING LAW

The Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

CERTAIN DEFINITIONS

"Acquired Indebtedness" means Indebtedness of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

"Affiliate" means, with respect to any specified Person, (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, (ii) any other Person that owns, directly or indirectly, 5% or more of such Person's Equity Interests or any officer or director of any such Person or other Person or, with respect to any natural Person, any person having a relationship with such Person or other Person by blood, marriage or adoption not more remote than first cousin or (iii) any other Person 10% or more of the voting Equity Interests of which are beneficially owned or held directly or indirectly by such specified person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Asset Sale" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or Sale and Leaseback Transaction) (collectively, a "transfer"), directly or indirectly, in one or a series of related transactions, of (i) any Equity Interest of any Restricted Subsidiary; (ii) all or substantially all of the properties and assets of any division or line of business of the Company or its Restricted Subsidiaries; or (iii) any other properties or assets of the Company or any Restricted Subsidiary, other than in the ordinary course of business. For the purposes of this definition, the term "Asset Sale" shall not include any transfer of properties and assets (A) that is governed by the provisions described under " --Consolidation, Merger, Sale of Assets" or "Limitations on Asset Swaps," (B) that is by the Company to any Wholly Owned Restricted Subsidiary, or by any Restricted Subsidiary to the Company or any Wholly Owned Restricted Subsidiary in accordance with the terms of the Indenture or (C) that aggregates not more than $1.0 million in gross proceeds.

"Asset Swap" means an Asset Sale by the Company or any Restricted Subsidiary in exchange for properties or assets that will be used in the business of the Company and its Restricted Subsidiaries existing on the date of the Indenture or reasonably related thereto.

"Average Life to Stated Maturity" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

"Bank Credit Agreement" means the Credit Agreement dated as of September 25, 1997 among the Company, the lenders named therein and The Bank of New York as agent, as such agreement may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including, without limitation, any successive renewals, extensions substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing). For all purposes under the Indenture, "Bank Credit Agreement" shall include any amendments, renewals, extensions, substitutions, refinancings, restructurings, replacements, supplements or any other modifications that increase the principal amount of the Indebtedness or the commitments to lend thereunder and have been made in compliance with "--Certain Covenants--Limitation on Indebtedness;" provided that, for purposes of the definition of "Permitted Indebtedness," no such increase may result in the principal amount of Indebtedness of the Company under the Bank Credit Agreement exceeding the amount permitted by clause (i) of the definition of "Permitted Indebtedness."

"Bankruptcy Law" means Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States federal or state law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"Capital Lease Obligation" means any obligation of the Company and its Restricted Subsidiaries on a Consolidated basis under any capital lease of real or personal property which, in accordance with GAAP, has been recorded as a capitalized lease obligation.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of the Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means Salem Communications Corporation, a corporation incorporated under the laws of California, until a successor Person shall have become such pursuant to the applicable provisions of the Indenture, and thereafter "Company" shall mean such successor Person.

"Consolidated Interest Expense" means, without duplication, for any period, the sum of (a) the interest expense of the Company and its Consolidated Restricted Subsidiaries for such period, on a Consolidated basis, including, without limitation, (i) amortization of debt discount, (ii) the net cost under Interest Rate Agreements (including amortization of discounts), (iii) the interest portion of any deferred payment obligation and (iv) accrued interest, plus (b) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by the Company during such period, and all capitalized interest of the Company and its Consolidated Restricted Subsidiaries, in each case as determined in accordance with GAAP consistently applied.

"Consolidated Net Income" means, for any period, the Consolidated net income (or loss) of the Company and its Consolidated Restricted Subsidiaries for such period as determined in accordance with GAAP consistently applied, adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication, (i) all extraordinary gains but not losses (less all fees and expenses relating thereto), (ii) the portion of net income (or loss) of the Company and its Consolidated Restricted Subsidiaries allocable to interests in

unconsolidated Persons or Unrestricted Subsidiaries, except to the extent of the amount of dividends or distributions actually paid to the Company or its Consolidated Restricted Subsidiaries by such other Person during such period, (iii) net income (or loss) of any Person combined with the Company or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan, (v) net gains but not losses (less all fees and expenses relating thereto) in respect of dispositions of assets other than in the ordinary course of

business, or (vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders.

"Consolidated Net Worth" means the Consolidated equity of the holders of Equity Interests (excluding Disqualified Equity Interests) of the Company and its Restricted Subsidiaries, as determined in accordance with GAAP consistently applied.

"Consolidation" means, with respect to any Person, the consolidation of the accounts of such Person and each of its subsidiaries (other than any Unrestricted Subsidiaries) if and to the extent the accounts of such Person and each of its subsidiaries (other than any Unrestricted Subsidiaries) would normally be consolidated with those of such Person, all in accordance with GAAP consistently applied. The term "Consolidated" shall have a similar meaning.

"Cumulative Consolidated Interest Expense" means, as of any date of determination, Consolidated Interest Expense from the date of the Indenture to the end of the Company's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

"Cumulative Operating Cash Flow" means, as of any date of determination, Operating Cash Flow from the date of the Indenture to the end of the Company's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

"Debt to Operating Cash Flow Ratio" means, as of any date of determination, the ratio of (a) the aggregate principal amount of all outstanding Indebtedness of the Company and its Restricted Subsidiaries as of such date on a Consolidated basis plus the aggregate liquidation preference or redemption amount of all Disqualified Equity Interests of the Company (excluding any such Disqualified Equity Interests held by the Company or a Wholly Owned Restricted Subsidiary of the Company), to (b) Operating Cash Flow of the Company and its Restricted Subsidiaries on a Consolidated basis for the four most recent full quarters ending immediately prior to such date, determined on a pro forma basis (and after giving pro forma effect to (i) the incurrence of such Indebtedness and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, at the beginning of such four-quarter period; (ii) the incurrence, repayment or retirement of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of such four-quarter period as if such Indebtedness was incurred, repaid or retired at the beginning of such four-quarter period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average balance of such Indebtedness at the end of each month during such four-quarter period); (iii) in the case of Acquired Indebtedness, the related acquisition, as if such acquisition had occurred at the beginning of such four-quarter period; and (iv) any acquisition or disposition by the Company and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, or any related repayment of Indebtedness, in each case since the first day of such four-quarter period, assuming such acquisition or disposition had been consummated on the first day of such four-quarter period).

"Default" means any event which is, or after notice or passage of any time or both would be, an Event of Default.

"Disqualified Equity Interests" means any Equity Interests that, either by their terms or by the terms of any security into which they are convertible or exchangeable or otherwise, are or upon the happening of an event or passage of time would be required to be redeemed prior to any Stated Maturity of the principal of the Notes or are redeemable at the option of the holder thereof at any time prior to any such Stated Maturity, or are convertible into or exchangeable for debt securities at any time prior to any such Stated Maturity at the option of the holder thereof.

"Equity Interest" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) corporate stock or other equity participations, including partnership interests, whether general or limited, and limited liability company interests of such Person, including any Preferred Equity Interests.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and

willing buyer under no compulsion to buy.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles in the United States, consistently applied, which are in effect on the date of the Indenture.

"Guarantee" means the guarantee by any Guarantor of the Company's Indenture Obligations pursuant to a guarantee given in accordance with the Indenture.

"Guaranteed Debt" of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of Indebtedness guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (iii) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered), (iv) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or (v) otherwise to assure a creditor against loss; provided that the term "guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Guarantor" means the Subsidiaries listed as guarantors in the Indenture or any other guarantor of the Indenture Obligations. The Guarantors currently consist of all the Company's Subsidiaries.

"Indebtedness" means, with respect to any Person, without duplication, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities and in connection with any agreement to purchase, redeem, exchange, convert or otherwise acquire for value any Equity Interests of such Person, or any warrants, rights or options to acquire such Equity Interests, now or hereafter outstanding, (ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments, (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business, (iv) all obligations under Interest Rate Agreements of such Person, (v) all Capital Lease Obligations of such Person, (vi) all Indebtedness referred to in clauses (i) through (v) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing

right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, (vii) all Guaranteed Debt of such Person, (viii) all Disqualified Equity Interests valued at the greater of their voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends, and (ix) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (viii) above. The amount of Indebtedness of any Person at any date shall be, without duplication, the principal amount that would be shown on a balance sheet of such Person prepared as of such date in accordance with GAAP and the maximum determinable liability of any Guaranteed Debt referred to in clause (vii) above at such date. The Indebtedness of the Company and its Restricted Subsidiaries shall not include any Indebtedness of Unrestricted Subsidiaries so long as such Indebtedness is non-recourse to the Company and the Restricted Subsidiaries. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Equity Interests which do not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Equity Interests as if such Disqualified Equity Interests were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Equity Interests, such Fair Market Value to be determined in good faith by the Board of Directors of the issuer of such Disqualified Equity Interests.

"Indenture Obligations" means the obligations of the Company and any other obligor under the Indenture or under the Notes, including any Guarantor, to pay principal, premium, if any, and interest when due and payable, and all

other amounts due or to become due under or in connection with the Indenture, the Notes and the performance of all other obligations to the Trustee and the holders under the Indenture and the Notes, according to the terms thereof.

"Independent Director" means a director of the Company other than a director (i) who (apart from being a director of the Company or any Subsidiary) is an employee, insider, associate or Affiliate of the Company or a Subsidiary or has held any such position during the previous five years or (ii) who is a director, an employee, insider, associate or Affiliate of another party to the transaction in question.

"Interest Rate Agreements" means one or more of the following agreements which shall be entered into by one or more financial institutions: interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements from time to time.

"Investments" means, with respect to any Person, directly or indirectly, any advance, loan (including guarantees), or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Equity Interests, bonds, notes, debentures or other securities or assets issued or owned by any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Lien" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind (including any conditional sale or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), real or personal, movable or immovable, now owned or hereafter acquired.

"Maturity," when used with respect to any Note, means the date on which the principal of such Note becomes due and payable as provided in the Note or as provided in the Indenture, whether at Stated Maturity, the offer date, or the redemption date and whether by declaration of acceleration, Offer in respect of Excess Proceeds, Change of Control, call for redemption or otherwise.

"Net Cash Proceeds" means (a) with respect to any Asset Sale by any Person, the proceeds thereof in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations

when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of (i) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale or would cause a required repayment under the Bank Credit Agreement, (iv) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (v) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an officers' certificate delivered to the Trustee and (b) with respect to any issuance or sale of Equity Interests, or debt securities or Equity Interests that have been converted into or exchanged for Equity Interests, as referred to under "--Certain Covenants--Limitation on Restricted Payments," the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Operating Cash Flow" means, for any period, the Consolidated Net Income of the Company and its Restricted Subsidiaries for such period, plus (a) extraordinary net losses and net losses on sales of assets outside the ordinary course of business during such period, to the extent such losses were deducted in computing Consolidated Net Income, plus (b) provision for taxes based on income or profits, to the extent such provision for taxes was included in computing such Consolidated Net Income, and any provision for taxes utilized in computing the net losses under clause (a) hereof, plus (c)

Consolidated Interest Expense of the Company and its Restricted Subsidiaries for such period, plus (d) depreciation, amortization and all other non-cash charges, to the extent such depreciation, amortization and other non-cash charges were deducted in computing such Consolidated Net Income (including amortization of goodwill and other intangibles).

"Pari Passu Indebtedness" means any Indebtedness of the Company or any Guarantor that is pari passu in right of payment to the Notes or any Guarantee, as the case may be.

"Permitted Investments" means any of the following:

(i) Temporary Cash Investments;

(ii) Investments by the Company or any of its Restricted Subsidiaries in a Guarantor and Investments by any Restricted Subsidiary in the Company;

(iii) Investments by the Company or any of its Restricted Subsidiaries in another Person, if as a result of such Investment (a) such other Person becomes a Restricted Subsidiary that is or would be a Guarantor or (b) such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary that is or would be a Guarantor;

(iv) Promissory notes received as a result of Asset Sales permitted under the provisions of "Limitation on Sales of Assets."

(v) Investments in assets owned or used in the ordinary course of business;

(vi) Investments in existence on the date of the Indenture;

(vii) Direct or indirect loans to employees, or to a trustee for the benefit of such employees, of the Company or any of its Restricted Subsidiaries in an aggregate amount outstanding at any time not exceeding $1.0 million;

(viii) Permitted Non-Commercial Educational Station Investments; provided that immediately after giving effect to any such Investment, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the restrictions under the "--Certain Covenants--Limitation on Indebtedness" covenant; and

(ix) Other Investments that do not exceed $5.0 million at any one time outstanding.

"Permitted Non-Commercial Educational Station Investment" means a loan made by the Company or a Restricted Subsidiary to a non-profit entity, the proceeds of which are used to acquire assets used in the operation of a radio station; provided that so long as any such Investment remains outstanding (i) such loan shall be evidenced by a promissory note and shall not be subordinated to any other Indebtedness of such non-profit entity; (ii) at least 40% of the board seats (or other comparable governing body) of such non-profit entity shall be held by executive officers of the Company, and (iii) a technical and professional services agreement shall be in full force and effect between such non-profit entity and the Company pursuant to which the Company shall be compensated for providing engineering, accounting, legal and other assistance in connection with the operation of the station licensed to such non-profit entity (which agreement shall contain customary terms and conditions for technical and professional services agreements in the radio broadcasting industry generally).

"Permitted Subsidiary Indebtedness" means:

(i) Indebtedness of any Guarantor under Capital Lease Obligations incurred in the ordinary course of business; and

(ii) Indebtedness of any Guarantor (a) issued to finance or refinance the purchase or construction of any assets of such Guarantor or (b) secured by a Lien on any assets of such Guarantor where the lender's sole recourse is to the assets so encumbered, in either case (x) to the extent the purchase or construction prices for such assets are or should be included in "property and equipment" in accordance with GAAP and (y) if the purchase or construction of such assets is not part of any acquisition of a Person or business unit.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

"Preferred Equity Interest," as applied to the Equity Interest of any Person, means an Equity Interest of any class or classes (however designated)

which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over Equity Interests of any other class of such Person.

"Public Equity Offering" means, with respect to any Person, an underwritten public offering by such Person of some or all of its Equity Interests (other than Disqualified Equity Interests), the net proceeds of which (after deducting any underwriting discounts and commissions) exceed $10.0 million.

"Qualified Equity Interests" of any Person means any and all Equity Interests of such Person other than Disqualified Equity Interests.

"Restricted Subsidiary" means a Subsidiary of the Company other than an Unrestricted Subsidiary.

"Sale and Leaseback Transaction" means any transaction or series of related transactions pursuant to which the Company or a Restricted Subsidiary sells or transfers any property or asset in connection with the leasing, or the resale against installment payments, of such property or asset to the seller or transferor.

"Securities Act" means the Securities Act of 1933, as amended.

"Stated Maturity," when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest is due and payable.

"Subordinated Indebtedness" means Indebtedness of the Company or any Guarantor subordinated in right of payment to the Notes or any Guarantee, as the case may be.

"Subsidiary" means any Person a majority of the equity ownership or the Voting Stock of which is at the time owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

"Temporary Cash Investments" means (i) any evidence of Indebtedness, maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the United States of America, (ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution (including the Trustee) that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500.0 million, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's Investors Service, Inc. ("Moody's") or any successor rating agency or "A-1" (or higher) according to Standard & Poor's Corporation ("S&P") or any successor rating agency, (iii) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company, but including the Trustee) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P and (iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500.0 million.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

"Unrestricted Subsidiary" means (i) any Subsidiary of the Company that at the time of determination shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Company, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary if all of the following conditions apply: (a) such Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness and (b) any Investment in such Subsidiary made as a result of designating such Subsidiary an Unrestricted Subsidiary shall not violate the provisions of the "--Certain Covenants--Limitation on Unrestricted Subsidiaries" covenant. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a board resolution giving effect to such designation and an officers' certificate certifying that such designation complies with the foregoing conditions. The Board of Directors of the Company may designate any Unrestricted Subsidiary as a Restricted Subsidiary; provided that immediately after giving effect to such designation, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the restrictions under the "--Certain Covenants--Limitation on Indebtedness" covenant.

"Unrestricted Subsidiary Indebtedness" of any Unrestricted Subsidiary means

Indebtedness of such Unrestricted Subsidiary (i) as to which neither the Company nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Company or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness), except Guaranteed Debt of the Company or any Restricted Subsidiary to any Affiliate, in which case (unless the incurrence of such Guaranteed Debt resulted in a Restricted Payment at the time of incurrence) the Company shall be deemed to have made a Restricted Payment equal to the principal amount of any such Indebtedness to the extent guaranteed at the time such Affiliate is designated an Unrestricted Subsidiary and (ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any holder of any Indebtedness of the Company or any Restricted Subsidiary to declare, a default on such Indebtedness of the Company or any Restricted Subsidiary or cause the payment thereof to be accelerated or payable prior to its Stated Maturity.

"Voting Stock" means stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or

trustees of a corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary all the Equity Interests of which are owned by the Company or another Wholly Owned Restricted Subsidiary. The Wholly Owned Restricted Subsidiaries of the Company currently consist of all the Company's Subsidiaries.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The following discussion of the material United States federal income tax consequences of the Exchange Offer is for general information only. It is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), existing and proposed Treasury regulations, and judicial and administrative determinations, all of which are subject to change at any time, possibly on a retroactive basis. The following relates only to Old Notes, and Notes received therefor, that are held as "capital assets" within the meaning of Section 1221 of the Code by persons who are citizens or residents of the United States. It does not discuss state, local, or foreign tax consequences, nor does it discuss tax consequences to categories of holders that are subject to special rules, such as foreign persons, tax-exempt organizations, insurance companies, banks, and dealers in stocks and securities. Tax consequences may vary depending on the particular status of an investor. No rulings will be sought from the Internal Revenue Service ("IRS") with respect to the federal income tax consequences of the Exchange Offer.

THIS SECTION DOES NOT PURPORT TO DEAL WITH ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A HOLDER'S DECISION TO PARTICIPATE IN THE EXCHANGE OFFER. EACH HOLDER SHOULD CONSULT WITH ITS OWN TAX ADVISOR CONCERNING THE APPLICATION OF THE FEDERAL INCOME TAX LAWS AND OTHER TAX LAWS TO ITS PARTICULAR SITUATION BEFORE DETERMINING WHETHER TO PARTICIPATE IN THE EXCHANGE OFFER.

THE EXCHANGE OFFER

The exchange of the Old Notes for the Notes pursuant to the Exchange Offer will not constitute a material modification of the terms of the Old Notes or the Notes and, thus, such exchange will not constitute an exchange for federal income tax purposes. Accordingly, such exchange will have no federal income tax consequences to the holders of the Old Notes or the Notes, regardless of whether such holders participate in the Exchange Offer, and each holder will continue to be required to include interest on the Notes or the Old Notes, if not exchanged, in its gross income in accordance with its method of accounting for federal income tax purposes. The Company intends, to the extent required, to treat the Exchange Offer for federal income tax purposes in accordance with the position described in this paragraph.

BACKUP WITHHOLDING

Under the Code, a holder of a Note may be subject, under certain circumstances, to "backup withholding" at a 31% rate with respect to payments in respect of interest thereon or the gross proceeds from the disposition thereof. This withholding generally applies only if the holder (i) fails to furnish his or her social security or other taxpayer identification number ("TIN") within a reasonable time after request therefor, (ii) furnishes an incorrect TIN, (iii) is notified by the IRS that he or she has failed to report properly payments of interest and dividends and the IRS has notified the Company that he or she is subject to backup withholding, or (iv) fails, under certain circumstances, to provide a certified statement, signed under

penalty of perjury, that the TIN provided is his or her correct number and that he or she is not subject to backup withholding. Any amount withheld from a payment to a holder under the backup withholding rules is allowable as a credit against such holder's federal income tax liability, provide that the required information is furnished to the IRS. Corporations and certain other entities described in the Code and Treasury regulations are exempt from such withholding if their exempt status is properly established.

PLAN OF DISTRIBUTION

Each broker-dealer that receives Notes for its own account pursuant to the Exchange Offer (a "Participating Broker") must acknowledge that it will deliver a prospectus in connection with any resale of such Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a Participating Broker in connection with any resale of Notes received in exchange for Old Notes where such Old Notes were acquired as a result of market-making activities or other trading activities. The Company has agreed that for a period of 180 days after the Expiration Date, it will make this Prospectus, as amended or supplemented, available to any

Participating Broker for use in connection with any such resale. In addition, until   , 1998 (90 days after the date of this Prospectus), all dealers effecting transactions in the Notes may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of Notes by broker-dealers. Notes received by any Participating Broker may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such Notes. Any Participating Broker that resells Notes that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Notes and any commissions or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus as required, a Participating Broker will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 90 days after the Expiration Date, the Company will send a reasonable number of additional copies of this Prospectus and any amendment or supplement to this Prospectus to any Participating Broker that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (which shall not include the expenses of any holder in connection with resales of the Notes). The Company has agreed to indemnify the holders of the Notes, including any Participating Broker, against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

The validity of the Notes and Guarantees offered hereby will be passed upon for the Company by Gibson, Dunn & Crutcher LLP, Orange County, California.

EXPERTS

The consolidated financial statements of Salem Communications Corporation at December 31, 1995 and 1996, and for each of the three years in the period ended December 31, 1996, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

INDEX TO FINANCIAL STATEMENTS

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Consolidated Statements of Operations for the years ended December 31, 1994, 1995 and 1996 and the nine months ended September 30, 1996 and 1997	

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders
Salem Communications Corporation

We have audited the accompanying consolidated balance sheets of Salem Communications Corporation as of December 31, 1995 and 1996, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Salem Communications Corporation at December 31, 1995 and 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles.

Ernst & Young LLP
May 9, 1997, except for basis of presentation and reorganization under Note 1 as to which the date is August 13, 1997

Woodland Hills, California

SALEM COMMUNICATIONS CORPORATION

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	DECEMBER 31		SEPTEMBER 30
	1995	1996	1997
			(UNAUDITED)
ASSETS			
<S>	<C>	<C>	<C>
Current assets:			
Cash and cash equivalents....................	$ 1,007	$ 1,962	$ 2,103
Accounts receivable (less allowance for doubtful accounts of $704 in 1995, $1,005 in 1996 and $1,249 in 1997)....................	9,215	10,542	10,991
Other receivables...........................	151	194	110
Prepaid expenses............................	197	308	964
Prepaid income taxes........................	24	70	39
Tower construction project held for sale......	--	--	2,943
Deferred income taxes.......................	1,071	537	3,170
Total current assets..........................	11,665	13,613	20,320
Property, plant and equipment, net............	24,595	30,307	36,172
Intangible assets:			
Broadcast licenses..........................	69,169	117,081	138,460
Noncompetition agreements....................	14,887	14,893	14,893
Customer lists and contracts.................	3,144	4,094	4,094
Favorable and assigned leases................	1,798	1,800	1,800
Goodwill....................................	5,152	5,795	6,002
Organizational costs and other intangible			

assets	974	972	972
	95,124	144,635	166,221
Less accumulated amortization	33,201	37,854	44,388
Intangible assets, net	61,923	106,781	121,833
Notes receivable from shareholders and accrued interest	4,642	28	--
Bond issue costs	--	--	4,638
Other assets	1,992	8,456	1,170
Total assets	$104,817	$159,185	$184,133

<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY

<S>	<C>	<C>	<C>
Current liabilities:			
Accounts payable	$ 2,786	$ 1,935	$ 884
Accrued expenses	295	485	592
Accrued compensation and related	1,224	1,589	1,615
Accrued interest	252	1,157	11
Income taxes	20	189	--
Current portion of long-term debt	6,000	--	--
Total current liabilities	10,577	5,355	3,102
Long-term debt, less current portion	75,020	121,790	160,100
Deferred income taxes	5,829	11,427	11,490
Other liabilities	109	79	55
Shareholders' equity:			
Common stock, no par value; authorized 100,000 shares; issued and outstanding 81,672 shares	5,832	5,832	5,832
Retained earnings	7,450	14,702	3,554
Total shareholders' equity	13,282	20,534	9,386
Total liabilities and shareholders' equity	$104,817	$159,185	$184,133

</TABLE>

See accompanying notes.

SALEM COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31			NINE MONTHS ENDED SEPTEMBER 30	
	1994	1995	1996	1996	1997
				(UNAUDITED)	
<S>	<C>	<C>	<C>	<C>	<C>
Gross broadcasting revenue	$42,591	$53,303	$65,141	$46,974	$54,471
Less agency commissions	4,016	5,135	6,131	4,509	5,022
Net broadcasting revenue	38,575	48,168	59,010	42,465	49,449
Operating expenses:					
Station operating expenses	22,179	27,527	33,463	23,907	28,793
Corporate expenses (including $800 in shareholder salaries in 1994, 1995 and 1996)	3,292	3,799	4,663	3,413	4,998
Tax reimbursements to S corporation shareholders	977	2,057	2,038	1,529	1,780
Depreciation and amortization	7,633	7,884	8,394	6,148	9,382
Operating expenses	34,081	41,267	48,558	34,997	44,953
Net operating income	4,494	6,901	10,452	7,468	4,496
Other income (expense):					
Interest income	230	319	523	312	156
Gain (loss) on disposal of assets	(482)	(7)	16,064	12,659	(190)
Interest expense	(3,668)	(6,646)	(7,361)	(5,510)	(8,548)
Other expense	(135)	(255)	(270)	(209)	(288)
Income (loss) before income taxes and extraordinary item	439	312	19,408	14,720	(4,374)
Provision (benefit) for income					

taxes	(247)	(204)	6,655	5,046	(1,790)
Income (loss) before extraordinary item	686	516	12,753	9,674	(2,584)
Extraordinary loss on early extinguishment of debt (net of income tax benefit of $263 in 1995 and $755 in 1997)	--	(394)	--	--	(1,090)
Net income (loss)	$ 686	$ 122	$12,753	$ 9,674	$(3,674)
Pro forma information (unaudited):					
Income (loss) before income taxes and extraordinary item as reported above	$ 439	$ 312	$19,408	$14,720	$(4,374)
Add back tax reimbursements to S Corporation shareholders	977	2,057	2,038	1,529	1,780
Pro forma income (loss) before income taxes and extraordinary item	1,416	2,369	21,446	16,249	(2,594)
Pro forma provision (benefit) for income taxes	568	951	8,608	6,522	(1,033)
Pro forma income (loss) before extraordinary item	848	1,418	12,838	9,727	(1,561)
Extraordinary loss	--	(394)	--	--	(1,090)
Pro forma net income (loss)	$ 848	$ 1,024	$12,838	$ 9,727	$(2,651)

</TABLE>

See accompanying notes.

SALEM COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	COMMON STOCK <C>	RETAINED EARNINGS <C>	TOTAL <C>
Shareholders' equity, January 1, 1994	$5,832	$ 6,642	$12,474
Net income	--	686	686
Shareholders' equity, December 31, 1994	5,832	7,328	13,160
Net income	--	122	122
Shareholders' equity, December 31, 1995	5,832	7,450	13,282
Net income	--	12,753	12,753
Shareholder distributions	--	(5,501)	(5,501)
Shareholders' equity, December 31, 1996	5,832	14,702	20,534
Net loss (unaudited)	--	(3,674)	(3,674)
Shareholder distributions (unaudited)	--	(7,474)	(7,474)
Shareholders' equity, September 30, 1997 (unaudited)	$5,832	$ 3,554	$ 9,386

</TABLE>

See accompanying notes.

SALEM COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31			NINE MONTHS ENDED SEPTEMBER 30	
	1994	1995	1996	1996	1997
				(UNAUDITED)	

<S>	<C>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES					
Net income (loss)..........	$ 686	$ 122	$ 12,753	$ 9,674	$ (3,674)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation and amortization.............	7,633	7,884	8,394	6,148	9,382
Amortization of bank loan fees......................	85	104	109	82	165
Deferred income taxes......	(214)	(341)	6,133	4,335	(2,570)
(Gain) loss on sale of assets....................	482	7	(16,064)	(12,659)	190
Accrued interest from shareholders.............	(174)	(213)	--	(172)	--
Income recognition on noncompetition agreements................	(80)	--	--	--	--
Loss on early extinguishment of debt....	--	657	--	--	1,845
Changes in operating assets and liabilities:					
Accounts receivable......	(931)	(2,539)	(1,370)	511	(365)
Prepaid expenses and other current assets....	(81)	9	(111)	(275)	(798)
Accounts payable and accrued expenses........	401	1,950	558	1,639	(2,065)
Other liabilities........	(5)	(30)	(30)	(22)	(25)
Income taxes.............	(320)	71	123	--	(157)
Net cash provided by operating activities.......	7,482	7,681	10,495	9,261	1,928
INVESTING ACTIVITIES					
Capital expenditures.......	(2,441)	(3,040)	(6,982)	(4,119)	(5,502)
Purchases of radio stations..................	(14,935)	(24,454)	(21,160)	(8,329)	(18,806)
Deposits on radio station acquisitions..............	(1,050)	(125)	(6,314)	(16,288)	--
Proceeds from disposal of property, plant and equipment and intangible assets....................	47	38	15,867	15,831	133
Expenditures for tower construction project held for sale..................	--	--	--	--	(2,943)
Other assets..............	(427)	(100)	(334)	(345)	526
Net cash used in investing activities................	(18,806)	(27,681)	(18,923)	(13,250)	(26,592)
FINANCING ACTIVITIES					
Proceeds from issuance of long-term debt and notes payable to shareholders...	17,300	42,840	23,800	17,500	222,710
Payments of long-term debt......................	(5,300)	(22,220)	(15,430)	(10,630)	(182,500)
Payments of bank loan fees......................	(175)	(856)	--	--	(1,003)
Payments of costs related to debt refinancing.......	--	(228)	--	--	(418)
Payments of bond issue costs.....................	--	--	--	--	(4,638)
Repayments (additions) of shareholder notes and repayment of accrued interest receivable--net..	2	(309)	4,614	(2,838)	(1,872)
Proceeds from shareholder notes payable............	--	--	1,900	--	--
Distributions to shareholders.............	--	--	(5,501)	(700)	(7,474)
Net cash provided by financing activities......	11,827	19,227	9,383	3,332	24,805
Net (decrease) increase in cash and cash equivalents..............	503	(773)	955	(657)	141
Cash and cash equivalents at beginning of year......	1,277	1,780	1,007	1,007	1,962
Cash and cash equivalents at end of year...............	$ 1,780	$ 1,007	$ 1,962	$ 350	$ 2,103
Supplemental disclosures of cash flow information:					

Cash paid during the year for:					
Interest.................	$ 3,425	$ 6,816	$ 6,158	$ 4,475	$ 9,288
Income taxes.............	287	288	400	227	221
Noncash transactions:					
Acquisition of radio station (KWRD-FM)					
Fair market value of assets acquired.........	$ --	$ --	$ 40,100	$ --	$ --
Debt to seller...........	--	--	(30,500)	--	--
Fair market value of assets exchanged........	--	--	(8,000)	--	--
Cash paid (reflected in Deposits on radio station acquisitions)..............	$ --	$ --	$ 1,600	$ --	$ --

</TABLE>

See accompanying notes.

SALEM COMMUNICATIONS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(INFORMATION PERTAINING TO THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997 IS UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND REORGANIZATION

The accompanying consolidated financial statements of Salem Communications Corporation (Salem or the Company) include the Company and its wholly-owned subsidiaries. Prior to the reorganization described below (the Reorganization) the financial statements had been presented on a combined basis and included Salem, New Inspiration Broadcasting Company, Inc. (New Inspiration), Golden Gate Broadcasting Company, Inc. (Golden Gate) and Beltway Media Partners (Beltway), all of these entities were under common control. New Inspiration and Golden Gate were S corporations for income tax purposes. Salem, New Inspiration and Golden Gate are the partners of Beltway. The combined financial statements were entitled Salem Broadcasting Entities. Pursuant to the Reorganization the financial statements have been renamed and the disclosure of common stock information has been retroactively restated for all periods presented as if the Reorganization had been completed as of the beginning of the earliest period presented. All significant intercompany balances and transactions have been eliminated.

The Company is a holding company with substantially no assets, operations or cash flows other than its investment in subsidiaries. All of the Company's subsidiaries are Guarantors of the 9 1/2% Senior Subordinated Notes due 2007 (the Notes) discussed in Note 4. Separate financial statements of each Guarantor have not been presented because all the subsidiaries are wholly owned, the Notes are fully and unconditionally guaranteed on a joint and several basis by all the direct and indirect subsidiaries of the Company, the aggregate assets, earnings, and equity of the Guarantors is essentially equivalent to the consolidated assets, earnings, and equity of the Company, and management has determined that separate financial statements would not be material to an investment decision.

In August 1997, the Company, New Inspiration and Golden Gate effected the Reorganization pursuant to which New Inspiration and Golden Gate became wholly-owned subsidiaries of the Company, with Beltway remaining a partnership. The Company accounted for the Reorganization as a combination of entities under common control, which is a method similar to a pooling of interests.

The S corporation status of New Inspiration and Golden Gate was terminated in the Reorganization. Prior to the Reorganization, New Inspiration and Golden Gate distributed cash and promissory notes to their respective shareholders in the aggregate amount of $8.5 million. Of such amount, $1.8 million, equal to the estimated federal and state income tax liability of the S corporation shareholders on the earnings of New Inspiration and Golden Gate, was paid by New Inspiration and Golden Gate in cash. The balance, $6.7 million representing the balance of the net income of New Inspiration and Golden Gate that had previously been taxed, but not distributed to the shareholders, was paid in the form of promissory notes. In September 1997, the Company financed the repayment of these promissory notes by an additional borrowing.

DESCRIPTION OF BUSINESS

Salem operated 39 and 31 radio stations across the United States at December 31, 1996 and 1995, respectively. The Company also owns and operates Salem

Radio Network (SRN), SRN News Network (SNN), Salem Music Network (SMN) and Salem Radio Representatives (SRR). SRN, SNN and SMN are radio networks which produce and distribute talk, news and music programming to Salem's radio stations and other affiliated independent radio stations. SRR sells commercial air time to national advertisers for Salem's radio stations and networks, and for affiliated independent radio stations.

The significant accounting policies of Salem are summarized below and conform with generally accepted accounting principles and reflect practices appropriate to the radio broadcasting industry.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INTERIM FINANCIAL DATA

The unaudited financial statements of the Company for the nine months ended September 30, 1996 and 1997 have been prepared on the same basis as the audited financial statements and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary to state fairly the financial information set forth therein, in accordance with generally accepted accounting principles.

The results of operations for the nine months ended September 30, 1997 are not necessarily indicative of the results to be expected for the full fiscal year.

REVENUE RECOGNITION

Revenue from radio programs and commercial advertising is recognized when broadcast. Salem's customers principally include not-for-profit charitable organizations and commercial advertisers.

Advertising by the radio stations exchanged for goods and services is recorded as the advertising is broadcast and is valued at the fair market value of goods or services received or to be received. The value of the goods and services received in such barter transactions is charged to expense when used. Barter revenue for the years ended December 31, 1994, 1995 and 1996, was approximately $1,431,000, $1,467,000 and $1,498,000, respectively. Barter expenses were approximately the same.

CASH EQUIVALENTS

Salem considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. The recorded amount for cash and cash equivalents approximates the fair market value.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Buildings	40 years
Office furnishings and equipment	5-10 years
Antennae, towers and transmitting equipment	20 years
Studio and production equipment	10 years
Record and tape libraries	20 years
Automobiles	5 years
Leasehold improvements	15 years

The carrying value of property, plant and equipment is evaluated periodically in relation to the operating performance and anticipated future cash flows of the underlying radio stations and businesses for indicators of impairment. When indicators of impairment are present and the undiscounted cash flows estimated to be generated from these assets are less than the carrying value of these assets an adjustment to reduce the carrying value (if necessary) to the fair market value of the assets is recorded. No adjustments to the carrying amounts of property, plant and equipment have been made during the years ended December 31, 1994, 1995 and 1996.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INTANGIBLE ASSETS

Intangible assets acquired in conjunction with the acquisition of various radio stations are being amortized over the following estimated useful lives using the straight-line method:

Broadcast licenses	10-25 years
Noncompetition agreements	3-5 years
Customer lists and contracts	10 years
Favorable and assigned leases	Life of the lease
Goodwill	15-40 years
Organizational costs and other	5-10 years

The carrying value of intangibles is evaluated periodically in relation to the operating performance and anticipated future cash flows of the underlying radio stations and businesses for indicators of impairment. When indicators of impairment are present and the undiscounted cash flows estimated to be generated from these assets are less than the carrying amounts of these assets, an adjustment to reduce the carrying value (if necessary) to the fair market value of these assets is recorded. No adjustments to the carrying amounts of intangible assets have been made during the year ended December 31, 1994, 1995 and 1996.

TAX REIMBURSEMENTS TO S CORPORATION SHAREHOLDERS

"Tax reimbursements to S Corporation shareholders" represents additional salary payments made in the amount necessary to satisfy individual federal and state income tax liabilities of the S Corporation shareholders on the earnings of New Inspiration and Golden Gate.

INCOME TAXES

The Company accounts for income taxes in accordance with the Financial Accounting Standards Board Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." SFAS No. 109 prescribes the liability method of providing for deferred income taxes. Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements.

Federal and state income taxes (except for 1.5% state franchise tax) have not been provided through August 12, 1997 for New Inspiration and Golden Gate because they were S Corporations and income tax attributes of S Corporations are passed through to their shareholders.

Income taxes for the nine months ended September 30, 1996 and 1997 were provided for using the estimated annual effective tax rate. The income tax provision for the nine months ended September 30, 1997 includes a charge of $612,000 for the reinstatement of deferred taxes upon the reorganization and conversion of New Inspiration and Golden Gate from S Corporation to C Corporation status effective August 13, 1997.

CONCENTRATIONS OF BUSINESS AND CREDIT RISKS

The majority of the Company's operations are conducted in several locations across the country. The Company's credit risk is spread across a large number of customers, none of which accounted for a significant volume of revenue or outstanding receivables. The Company does not normally require collateral on credit sales; however, credit histories are reviewed before extending substantial credit to any customer. The Company

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

establishes an allowance for doubtful accounts based on customers' payment history and perceived credit risks. Bad debts have been within management's expectations.

INTEREST RATE SWAP AGREEMENTS

The Company enters into interest-rate swap agreements to modify the interest characteristics of its outstanding debt. Each interest-rate swap agreement is designated with all or a portion of the principal balance and term of a specific debt obligation. These agreements involve the exchange of amounts based on a fixed interest rate for amounts based on variable interest rates over the life of the agreement without an exchange of the notional amount upon which the payments are based. The differential to be paid or received as interest rates change is accrued and recognized as an adjustment of interest expense related to the debt. The related amount payable to or receivable from counterparties is included in other liabilities or assets. The fair value of the swap agreements and changes in the fair value as a result of changes in market interest rates are not recognized in the financial statements.

Gains and losses on terminations of interest-rate swap agreements are deferred as an adjustment to the carrying amount of the outstanding debt and amortized as an adjustment to interest expense related to the debt over the remaining term of the original contract life of the terminated swap agreement. In the event of the early extinguishment of a designated debt obligation, any realized or unrealized gain or loss from the swap would be recognized in income coincident with the extinguishment gain or loss.

INTEREST RATE CAP AGREEMENTS

The Company purchases interest-rate cap agreements that are designed to limit its exposure to increasing interest rates. An interest rate cap entitles the Company to receive a payment from the counter-party equal to the excess, if any, of the hypothetical interest expense (strike price) on a specified notional amount at a current market interest rate over an amount specified in the agreement. The only amount the Company is obligated to pay to the counterparty is an initial premium. The strike price of these agreements exceeds the current market levels at the time they are entered into. The cost of these agreements is included in other assets and amortized to interest expense ratably during the life of the agreement.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain reclassifications were made to the prior year financial statements to conform to the current year presentation.

2. ACQUISITIONS AND DISPOSITIONS OF ASSETS

Pro forma information to present operating results as if the acquisitions discussed below had occurred at the beginning of the year acquired is not presented because the Company, generally, changes the programming format of the radio stations such that the source and nature of revenue and operating expenses are significantly different than they were prior to the acquisition and, accordingly, historical and pro forma financial information is not considered meaningful by management. Pro forma and historical financial information of radio stations acquired where the format was not changed is not significant to the consolidated financial position or operating results of the Company.

During the nine months ended September 30, 1997, the Company purchased the assets (principally intangibles) of the following radio stations:

ACQUISITION DATE	STATION	MARKET SERVED	PURCHASE PRICE (IN THOUSANDS)
January 21, 1997	WHK-AM	Cleveland, OH	$ 6,220
February 20, 1997	WHK-FM	Canton, OH	5,903
February 20, 1997	WHLO-AM	Akron, OH	1,995

February 28, 1997...........	WEZE-AM	Boston, MA	7,030
April 2, 1997...............	KTKZ-AM	Sacramento, CA	1,485
July 18, 1997...............	WITH-AM	Baltimore, MD	1,114
July 18, 1997...............	WTSJ-AM	Cincinnati, OH	1,114

			$24,861
			=======

</TABLE>

The purchase price has been allocated to the assets acquired as follows:

<TABLE>
<CAPTION>

ASSET	AMOUNT
-----	------
	(IN THOUSANDS)
<S>	<C>
Property and equipment....................................	$ 3,534
Broadcast licenses and other intangibles...................	21,327

	$24,861
	=======

</TABLE>

2. ACQUISITIONS AND DISPOSITIONS OF ASSETS, CONTINUED

During the year ended December 31, 1996, the Company purchased the assets (principally intangibles) (and in the case of KBIQ-FM, all of the outstanding shares of common stock) of the following radio stations:

<TABLE>
<CAPTION>

ACQUISITION DATE	STATION	MARKET SERVED	PURCHASE PRICE
-----------	-------	------	--------------
			(IN THOUSANDS)
<S>	<C>	<C>	<C>
February 1, 1996........	KTSL-FM	Seattle, WA	$ 900
February 1, 1996........	KLTE-FM	Kirksville, MO	550
February 1, 1996........	KPRZ-FM	Colorado Springs, CO	1,400
March 1, 1996..........	KGFT-FM	Colorado Springs, CO	3,000
March 15, 1996.........	KNUS-AM	Denver, CO	1,100
October 5, 1996.........	KPXQ-AM	Phoenix, AZ	6,500
October 25, 1996........	KBIQ-FM	Colorado Springs, CO	2,825
December 6, 1996........	KKMS-AM	Minneapolis, MN	1,894
December 30, 1996.......	KWRD-FM	Dallas, TX	40,100
April 3, 1996..........	Standard News Network	Washington, D.C.	--
August 1, 1996..........	The Word in Music	Colorado Springs, CO	120
August 23, 1996.........	Morningstar Radio Network	Nashville, TN	1,232

			$59,621
			=======

</TABLE>

The purchase price has been allocated to the assets acquired as follows:

<TABLE>
<CAPTION>

ASSET	AMOUNT
-----	------
	(IN THOUSANDS)
<S>	<C>
Property and equipment....................................	$ 3,767
Broadcast licenses..	53,116
Goodwill and other intangibles............................	2,738

	$59,621
	=======

</TABLE>

In 1996, the Company sold the assets (principally intangibles) of radio stations WTJY-FM (Johnstown, Ohio), for $1.5 million, KLTE-FM (Kirksville, Missouri), for $550,000 and KDBX-FM (Banks, Oregon), for $14 million. In addition, KDFX-AM (Dallas, Texas), was exchanged as part of the purchase price of KWRD-FM. The Company received approximately $8 million of value of KDFX-AM towards the total purchase price of KWRD-FM of $40.1 million, resulting in a

gain recognized of approximately $4.0 million.

In 1995, the Company purchased the assets (principally intangibles) (and in the case of KDBX-FM, all of the outstanding shares of common stock) of the following radio stations:

ACQUISITION DATE	STATION	MARKET SERVED	PURCHASE PRICE (IN THOUSANDS)
August 1, 1995	KDBX-FM	Portland, OR	$ 1,850
August 9, 1995	KDFX-AM	Dallas, TX	4,500
April 14, 1995	KFIA-AM	Sacramento, CA	3,850
March 4, 1995	KKHT-FM	Houston, TX	11,850
March 4, 1995	KENR-AM	Houston, TX	2,500
			$24,550

2. ACQUISITIONS AND DISPOSITIONS OF ASSETS, CONTINUED

The purchase price has been allocated to the assets acquired as follows:

ASSET	AMOUNT (IN THOUSANDS)
Property and equipment	$ 5,125
Broadcast licenses	17,572
Goodwill and other intangibles	1,853
	$24,550

In 1994, the Company purchased the assets (principally intangibles) of the following radio stations:

ACQUISITION DATE	STATION	MARKET SERVED	PURCHASE PRICE (IN THOUSANDS)
January 3, 1994	KRKS-AM	Denver, CO	$ 400
August 5, 1994	WWDJ-AM	New York, NY	7,985
August 5, 1994	WZZD-AM	Philadelphia, PA	4,600
August 5, 1994	KSLR-AM	San Antonio, TX	1,000
April 24, 1994	WTJY-FM	Columbus, OH	650
August 23, 1994	KLFE-AM	Seattle, WA	300
			$14,935

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at December 31:

	DECEMBER 31 1995	DECEMBER 31 1996	SEPTEMBER 30 1997 (UNAUDITED)
	(IN THOUSANDS)		
Land	$ 352	$ 356	$ 391
Buildings	1,744	2,084	1,783

Office furnishings and equipment	5,336	7,057	7,676
Antennae, towers and transmitting equipment	20,068	23,210	25,582
Studio and production equipment	9,127	11,545	12,694
Record and tape libraries	442	442	442
Automobiles	82	81	62
Leasehold improvements	1,892	2,997	3,141
Construction-in-progress	1,679	1,633	6,202
	40,722	49,405	57,973
Less accumulated depreciation	16,127	19,098	21,801
	$24,595	$30,307	$36,172

</TABLE>

4. LONG-TERM DEBT

Long-term debt consisted of the following at:

<TABLE>
<CAPTION>

	DECEMBER 31		SEPTEMBER 30 1997
	1995	1996	(UNAUDITED)
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Note payable to banks and revolving line of credit	$81,020	$ 89,390	$ 10,100
9 1/2% Senior Subordinated Notes due 2007	--	--	150,000
Note payable to seller of KWRD-FM	--	30,500	--
Unsecured notes payable to shareholder with interest at a bank's prime rate plus 1 1/4%	--	1,900	--
	81,020	121,790	160,100
Less current portion	6,000	--	--
	$75,020	$121,790	$160,100

</TABLE>

Since the note payable to banks and revolving line of credit carry floating interest rates, the carrying amount approximates their fair market value. The Notes were issued in September 1997 at par; the carrying amount approximates their fair market value.

CREDIT AGREEMENTS WITH BANKS

In January 1997, Salem amended and restated its credit agreement with five banks to provide for a $150 million revolving line of credit. Interest was payable quarterly. Commencing June 30, 1999, the commitment under the credit agreement reduced by $12.5 million semiannually through December 31, 2002, and by $25 million semiannually through December 31, 2003, when the credit agreement was to expire. The classification of the notes payable to banks and revolving line of credit in the accompanying balance sheet at December 31, 1996 is based on the terms of this credit agreement. The interest rate on amounts outstanding at December 31, 1996 under this credit agreement was 7.83%.

In September 1997, Salem entered into a new credit agreement with the five banks (the Credit Agreement) to provide for borrowing capacity of up to $75 million under a revolving line of credit. The maximum amount that the Company may borrow under the Credit Agreement is limited by the Company's debt to cash flow ratio, adjusted for recent radio station acquisitions as defined in the Credit Agreement (the Adjusted Debt to Cash Flow Ratio). At September 30, 1997, the maximum Adjusted Debt to Cash Flow Ratio allowed under the Credit Agreement was 7.00 to 1.00. The Company's ability to borrow for the purpose of acquiring a radio station is further limited by the Credit Agreement in that the Company may not borrow for an acquisition if the Adjusted Debt to Cash Flow Ratio is greater than 6.00 to 1.00. At September 30, 1997, the Adjusted Debt to Cash Flow Ratio was 6.07 to 1.00, resulting in total borrowing availability of approximately $19.9 million, none of which can currently be used for radio station acquisitions. The note evidencing the indebtedness bears interest at a fluctuating base rate plus a spread that was determined by Salem's Adjusted Debt to Cash Flow Ratio. At Salem's option, the base rate is

either a bank's prime rate or LIBOR. For purposes of determining the interest rate the prime rate spread ranges from 0% to 1.75%, and the LIBOR spread ranges from 1% to 3%. Interest is payable quarterly. Commencing March 31, 1999, the commitment under the Credit Agreement reduces by $2.5 million quarterly through December 31, 2003, and by $6.25 million quarterly through June 30, 2004. The Credit Agreement expires August 31, 2004. The classification of the amounts due under the revolving line of credit in the accompanying balance sheet at September 30, 1997 is based on the terms of the Credit Agreement.

4. LONG-TERM DEBT, CONTINUED

The Credit Agreement with the banks (a) provides for restrictions on additional borrowings and leases; (b) prohibits Salem, without prior approval from the banks, from paying dividends, liquidating, merging, consolidating or selling its assets or business, and (c) requires Salem to maintain certain financial ratios and other covenants. Salem has pledged all of its assets as collateral under the Credit Agreement. Additionally, all the Company's stock holdings in its subsidiaries are pledged as collateral.

In September 1997, in connection with the issuance of the Notes and the Credit Agreement the Company repaid all amounts due under the revolving line of credit with the banks. The Company wrote off certain deferred financing costs and terminated all of its interest rate swap and cap agreements associated with the line of credit (see Note 5). The write-off and termination fees of $1,090,000, net of a $755,000 income tax benefit, was recorded as an extraordinary item in the accompanying statement of operations for the nine months ended September 30, 1997.

In March 1995, Salem amended and restated its then existing credit agreement with two banks. The number of banks which were parties to the credit agreement was increased to five, and the credit facility was structured to provide for a $50 million term loan and a $50 million revolving line of credit. In connection with the refinancing the Company repaid all amounts due under the then existing credit agreement with the two banks and senior subordinated notes payable to insurance companies and wrote off certain deferred financing costs as well as a make-whole premium to the insurance companies. The write-off of $394,000, net of a $263,000 income tax benefit, was recorded as an extraordinary item in the accompanying statement of operations for 1995.

SENIOR SUBORDINATED NOTES

The Notes bear interest at 9 1/2% per annum, with interest payment dates on April 1 and October 1, commencing April 1, 1998. Principal is due on the maturity date, October 1, 2007. The Notes are redeemable at the option of the Company, in whole or in part, at any time on or after October 1, 2002, at the redemption prices specified in the indenture. The Notes are fully and unconditionally guaranteed, jointly and severally, on a senior subordinated basis by the Guarantors (the Company's subsidiaries). The Notes are general unsecured obligations of the Company, subordinated in right of payment to all existing and future senior indebtedness, including the Company's obligations under the Credit Agreement. The indenture limits the incurrence of additional indebtedness by the Company, the payment of dividends, the use of proceeds of certain asset sales, and contains certain other restrictive covenants affecting the Company. The Company has agreed to file a registration statement under the Securities Act of 1933, relating to an exchange offer for the Notes (the Exchange Offer). If such registration statement is not filed, has not become effective or the Exchange Offer is not consummated within the time periods set forth in the registration rights agreement, the interest rate on the Notes will be increased. The exchange notes (the Exchange Notes) will be identical in all material respects to the Notes except that the Exchange Notes will not contain terms with respect to transfer restrictions or provide for penalty amounts for future periods. The Exchange Notes would in general be freely transferable after the Exchange Offer without further registration under the Securities Act of 1933.

OTHER DEBT

The $30,500,000 note payable to the seller of KWRD-FM represents amounts payable at December 31, 1996, under a purchase agreement. The amount was paid in January 1997 with the proceeds from a borrowing under the revolving line of credit with the banks; accordingly, the amount is reflected as long-term debt in the accompanying balance sheet at December 31, 1996, consistent with the terms of the January 1997 credit agreement.

4. LONG-TERM DEBT, CONTINUED

In December 1996, the Company borrowed $1.9 million from one of its shareholders. The note was repaid, including interest at 9 1/4%, on January 10, 1997, with proceeds from a borrowing under the revolving line of credit with the banks; accordingly, the amount is reflected as long-term debt in the accompanying balance sheet at December 31, 1996, consistent with the terms of the January 1997 credit agreement.

MATURITIES OF LONG-TERM DEBT

Principal repayment requirements under all long-term debt agreements outstanding at December 31, 1996 and September 30, 1997, for each of the next five years and thereafter are as follows:

<TABLE>
<CAPTION>

	DECEMBER 31 1996	SEPTEMBER 30 1997 (UNAUDITED)
	(IN THOUSANDS)	
1997	$ --	$ --
1998	--	--
1999	--	--
2000	21,790	--
2001	25,000	--
Thereafter	75,000	160,100
	$121,790	$160,100

</TABLE>

The repayment requirements as of December 31, 1996 are per the revolving line of credit agreement with the banks that the Company entered into in January 1997. The repayment requirements as of September 30, 1997 are per the Credit Agreement and the Notes.

5. INTEREST RATE CAP AND SWAP AGREEMENTS

Salem had entered into interest rate swap and cap agreements to reduce the impact of changes in interest rates on its floating-rate long-term debt. At December 31, 1996, Salem had two outstanding interest rate cap agreements with commercial banks, having a notional principal amount of $35 million. The agreements effectively changed Salem's interest rate exposure on $35 million of its senior secured notes to a fixed rate of 11.75% (including the interest rate spread of 2.25%). In addition, Salem had two interest rate swap agreements with two other commercial banks, having an aggregate notional principal amount of $10 million. These agreements effectively changed Salem's interest rate exposure on $5 million of its senior secured notes to a fixed rate of 11.36% (including the interest rate spread of 2.25%) and on $5 million of its senior secured notes to a fixed rate of 9.035% (including the interest rate spread of 2.25%). The interest rate cap agreements were to mature in March 1998, and the interest rate swap agreements were to mature in March 1999. Salem is exposed to credit loss in the event of nonperformance by the other parties to the interest rate swap and cap agreements. However, Salem does not anticipate nonperformance by the counterparties.

The fair value of the above interest rate swap agreements which are not recognized in the financial statements reflected a negative value of the swaps of $400,955 at December 31, 1996. The fair market value of the interest rate cap agreements was $2,000 at December 31, 1996.

In March 1997, Salem amended its swap agreements to an aggregate notional amount of $21.5 million, expiring in March 2001. These agreements effectively changed Salem's interest rate exposure on $11.5 million

SALEM COMMUNICATIONS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(INFORMATION PERTAINING TO THE NINE MONTHS ENDED SEPTEMBER 30, 1996 AND 1997 IS UNAUDITED)

5. INTEREST RATE CAP AND SWAP AGREEMENTS, CONTINUED

of its senior secured notes to a fixed 9.405% (including the interest rate spread of 2.25%), and on $10 million of its senior secured notes to a fixed 8.885% (including the interest rate spread of 2.25%). Also in March 1997, Salem entered into two cap agreements having an aggregate notional amount of $38.5 million, expiring in March 2000. The agreements effectively changed Salem's interest rate exposure on $38.5 million of its senior secured notes to a fixed rate of 11.75% (including the interest rate spread of 2.25%).

Salem assigned its obligation under a $5 million swap agreement to another bank on January 8, 1996, for a fee of $426,000. This fee was being amortized to interest expense over the term of the original agreement of three years. In September 1997, in connection with the issuance of the Notes and the Credit Agreement the Company terminated all of its interest rate swap and cap agreements for aggregate fees of $417,000. The Company wrote off these costs (unamortized swap fee of $201,000 and the swap termination fee of $417,000) in September 1997. This write-off, net of income tax benefit, was included in the extraordinary loss in the accompanying statement of operations for the nine months ended September 30, 1997 (see Note 4).

6. INCOME TAXES

As discussed in Note 1, prior to the Reorganization, New Inspiration and Golden Gate were S corporations for income tax purposes. Accordingly, any federal and state income tax liability on net income of the S corporations has been the liability of shareholders of the S corporations. The S corporation status of New Inspiration and Golden Gate was terminated in the Reorganization, which was effective August 13, 1997, and the income of New Inspiration and Golden Gate will thereafter be subject to federal and state income taxes. The accompanying consolidated statements of operations include an unaudited pro forma income tax adjustment, using an estimated combined effective tax rate of approximately 40%, to reflect the estimated income tax expense of the Company as if New Inspiration and Golden Gate had been subject to federal and state income taxes for the periods presented. In connection with the Reorganization, which resulted in the termination of the S corporation status of New Inspiration and Golden Gate, the Company recorded a deferred tax liability and provision of approximately $612,000 in September 1997.

The consolidated provision (benefit) for income taxes for Salem consisted of the following at December 31:

<TABLE>
<CAPTION>

	1994	1995	1996
	(IN THOUSANDS)		
<S>	<C>	<C>	<C>
Current:			
Federal.......................	$ 14	$ 45	$ 189
State.........................	(47)	314	333
	(33)	359	522
Deferred:			
Federal.......................	(321)	(775)	5,737
State.........................	107	(51)	396
	(214)	(826)	6,133
Current tax benefit reflected in net extraordinary loss..........	--	(263)	--
Income tax provision (benefit)...	$(247)	$(204)	$6,655

</TABLE>

6. INCOME TAXES, CONTINUED

The consolidated deferred tax asset and liability consisted of the following at December 31:

<TABLE>
<CAPTION>

	1995	1996

<S>	(IN THOUSANDS) <C>	<C>
Deferred tax assets:		
Financial statement accruals not currently deductible....	$ 359	$ 447
Net operating loss, AMT credit and other carryforwards...	910	280
State taxes..	95	102
Total deferred tax assets................................	1,364	829
Valuation allowance for deferred tax assets...............	(95)	(95)
Net deferred tax assets..................................	1,269	734
Deferred tax liabilities:		
Excess of net book value of property, plant and equipment for financial reporting purposes over income tax purposes...	2,498	2,700
Excess of net book value of intangible assets for financial reporting purposes over income tax purposes...	3,272	8,668
Other...	257	256
Total deferred tax liabilities...........................	6,027	11,624
Net deferred tax liabilities.............................	$4,758	$10,890

</TABLE>

A reconciliation of the statutory federal income tax rate to the effective tax rate, as a percentage of income before income taxes, is as follows:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31		
<S>	1994 <C>	1995 <C>	1996 <C>
Statutory federal income tax rate.......................	34 %	34 %	34 %
State income taxes, net.................................	(13)	53	3
Exclusive of income taxes of S corporations and the Partnership..	(82)	(177)	(7)
Change in valuation allowance...........................	21	--	--
Other, net..	(16)	25	4
	(56)%	(65)%	34 %

</TABLE>

The S corporations had book income before income taxes of $1,062,191, $1,791,580 and $3,814,431 in 1994, 1995 and 1996, respectively. These amounts include the S corporations' 85% ownership interest in Beltway.

In 1996 the increase in the deferred tax liabilities related to intangible assets is primarily due to gains on the disposal of assets of approximately $14.6 million that are deferred for tax purposes under (S)1031 of the Internal Revenue Code.

At December 31, 1996, the Company has net operating loss carryforwards for state income tax purposes of approximately $1,200,000 which expire in years 1997 through 2008. The Company has federal alternative minimum tax credit carryforwards of approximately $109,000. For financial reporting purposes, a valuation allowance of $95,000 has been provided in 1996 and 1995 to offset a portion of the deferred tax assets related to the state net operating loss carryforwards.

7. COMMITMENTS AND CONTINGENCIES

Salem leases various land, offices, studios and other equipment under operating leases that expire over the next 10 years. The majority of these leases may be renewed for successive periods ranging from one to five years on terms similar to current agreements except for specified increases in lease payments. Rental expense included in operating expense under all lease agreements was $2,485,661, $3,123,049 and $3,821,254 in 1994, 1995 and 1996, respectively.

Future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1996, are as follows:

	RELATED PARTIES	OTHER	TOTAL
	(IN THOUSANDS)		
1997	$1,046	$ 3,255	$ 4,301
1998	1,045	3,259	4,304
1999	1,045	3,208	4,253
2000	1,045	2,724	3,769
2001	1,045	2,149	3,194
Thereafter	1,539	8,068	9,607
	$6,765	$22,663	$29,428

The Company is involved in certain legal actions and claims arising in the normal course of business. It is the opinion of management that such litigation and claims will be resolved without material effect on the Company's consolidated financial position, operations and cash flows.

The Company has a deferred compensation agreement with one of its officers, which provides for retirement payments to the officer for a period of ten consecutive years, if he remains employed by the Company until age 60. The retirement payments are based on a formula defined in the agreement. The estimated obligation under the deferred compensation agreement is being provided for over the service period. At September 30, 1997, a liability of approximately $355,000 is included in accrued compensation in the accompanying balance sheet for the amounts earned under this agreement.

8. RELATED PARTY TRANSACTIONS

A shareholder's trust owns real estate on which certain assets of two radio stations are located. Salem, in the ordinary course of its business, entered into two separate lease agreements with this trust. Rental expense included in operating expense for 1994, 1995 and 1996 amounted to $66,501, $55,915, and $57,003, respectively.

Land and buildings occupied by various Salem radio stations are leased from the shareholders of Salem. Rental expense under these leases included in operating expense for 1994, 1995 and 1996 amounted to $574,410, $690,380 and $827,378, respectively.

At December 31, 1995, notes receivable from shareholders totaled $3,387,080. The notes bore interest at the Applicable Federal Rate and were payable upon demand. In December 1996, New Inspiration and Golden Gate distributed $5.5 million to the shareholders, of which $4.8 million was used by the shareholders to repay the notes receivable and accrued interest.

In June 1997, the Company entered into a local marketing agreement (LMA) with a corporation, Sonsinger, Inc. ("Sonsinger"), owned by two of Salem's shareholders for radio station KKOL-AM. Under the LMA, Salem programs KKOL-AM and sells all the airtime. Salem retains all of the revenue and incurs all of the expenses related to the operation of KKOL-AM and pay no fees or rent under the LMA.

9. DEFINED CONTRIBUTION PLAN

In 1993, the Company established a 401(k) defined contribution plan (the Plan), which covers all eligible employees (as defined in the Plan). Participants are allowed to make nonforfeitable contributions up to 15% of their annual salary, but may not exceed the annual maximum contribution limitations established by the Internal Revenue Service. The Company currently matches 10% of the amounts contributed by each participant but does not match participants' contributions in excess of 10% of their compensation per pay period. The Company contributed $36,000, $44,000 and $48,000 to the Plan in 1994, 1995 and 1996, respectively.

10. SUBSEQUENT EVENTS (UNAUDITED)

In October 1997, the Company assigned its contract with a tower construction company to build a broadcast tower in Houston to two of the Company's shareholders (the Principal Shareholders), subject to the Principal Shareholders obtaining financing. The Principal Shareholders will reimburse the Company for its costs and expenses, which amounted to approximately $2.9 million as of September 30, 1997. The antenna for the Company's station in Houston, KKHT-FM, will be located on the tower and the Company will pay rent to the Principal Shareholders. Proceeds from the sale will be used to reduce borrowings.

In October 1997, the Company purchased the assets of radio station WCCD-AM, Cleveland, Ohio, for $700,000 from available cash. The Company had operated WCCD-AM under an LMA since April 1997.

In November 1997, the Company sold substantially all of the assets of radio station WPZE-AM, Boston, Massachusetts, for $5 million. Proceeds from the sale are being held by a qualified intermediary under a like-kind exchange agreement to preserve the Company's ability to effect a tax-deferred exchange. If the Company does not identify replacement property it will use the proceeds to reduce borrowings.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING MADE BY THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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UNTIL , 1998 (90 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE NOTES, WHETHER OR NOT PARTICIPATING IN THIS EXCHANGE OFFER, MAY BE REQUIRED TO DELIVER A PROSPECTUS.

$150,000,000

[LOGO OF SALEM COMMUNICATIONS CORPORATION]

OFFER FOR ALL OUTSTANDING
9 1/2% SERIES A SENIOR

SUBORDINATED
NOTES DUE 2007
IN EXCHANGE FOR 9 1/2%
SERIES B SENIOR SUBORDINATED NOTES
DUE 2007

PROSPECTUS

, 1998

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Salem Communications Corporation (the "Company"), is a California corporation and, therefore, is subject to the California General Corporations Code.

Subject to certain limitations, Section 317 of the California General Corporations Code provides in part that a corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the corporation to procure a judgment in its favor) by reason of the fact that the person is or was an agent (which term includes officers and directors) of the corporation, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if that person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful.

The California indemnification statute, as provided in Section 317 of the California General Corporations Code (noted above), is nonexclusive and allows a corporation to expand the scope of indemnification provided, whether by provisions in its bylaws or by agreement, to the extent authorized in the corporation's articles.

The Company's bylaws provides that the Company "shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation." The indemnification extends to an "agent" of the Company including "any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation."

The indemnification provisions in the Company's bylaws may permit indemnification for liabilities arising under the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

The Guarantors are organized in various jurisdictions. Indemnification of the Guarantors' directors, officers and agents provided by applicable law, by each Guarantor's articles or certificates of incorporation, bylaws, by contract or otherwise are substantially similar to that afforded the directors, officers and agents of the Company.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(A) EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
<C>	<S>
1.01	Placement Agreement, dated September 17, 1997, among the Company,

	the Guarantors, and Furman Selz LLC, Smith Barney, Inc., BancBoston Securities, Inc., and BNY Capital Markets, Inc. (collectively, the "Initial Purchasers").
1.02	Registration Rights Agreement, dated September 17, 1997, between the Company, the Guarantors and the Initial Purchasers.
1.03	Form of Letter of Transmittal.
1.04	Form of Notice of Guaranteed Delivery.

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
<C>	<S>
3.01	Articles of Incorporation of the Company.
3.02	Bylaws of the Company.
3.03	Partnership Agreement of Beltway Media Partners.
3.04	Articles of Incorporation of ATEP Radio, Inc.
3.05	Bylaws of ATEP Radio, Inc.
3.06	Articles of Incorporation of Bison Media, Inc.
3.07	Bylaws of Bison Media, Inc.
3.08	Articles of Incorporation of Caron Broadcasting, Inc.
3.09	Code of By-laws of Caron Broadcasting, Inc.
3.10	Articles of Incorporation of Common Ground Broadcasting, Inc.
3.11	Bylaws of Common Ground Broadcasting, Inc.
3.12	Articles of Incorporation of Golden Gate Broadcasting Company, Inc.
3.13	Bylaws of Golden Gate Broadcasting Company, Inc.
3.14	Articles of Incorporation of Inland Radio, Inc.
3.15	Bylaws of Inland Radio, Inc., a California Corporation.
3.16	Articles of Incorporation of Inspiration Media, Inc.
3.17	Bylaws of Inspiration Media, Inc.
3.18	Articles of Incorporation of Inspiration Media of Texas, Inc.
3.19	Bylaws of Inspiration Media of Texas, Inc.
3.20	Articles of Organization of New England Continental Media Inc.
3.21	By-laws of New England Continental Media Inc.
3.22.01	Articles of Incorporation of New Inspiration Broadcasting Company, Inc.
3.22.02	Articles of Incorporation of Inspirational Media of Southern California, Inc. (see Exhibit 3.22.03 for name change to New Inspiration Broadcasting Company, Inc.).
3.22.03	Certificate of Ownership of Inspirational Media of Southern California, Inc. (evidencing merger of New Inspiration Broadcasting Company, Inc. with and into the corporation and revision of articles to adopt the name New Inspiration Broadcasting Company, Inc.).
3.23	Bylaws of Inspirational Broadcasting Company, Inc. (see Exhibit 3.22.03 for name change to New Inspiration Broadcasting Company, Inc.).
3.24	Articles of Incorporation of Oasis Radio, Inc.
3.25	Bylaws of Oasis Radio, Inc.
3.26	Articles of Incorporation of Pennsylvania Media Associates, Inc.
3.27	Pennsylvania Media Associates, Inc. By-laws
3.28	Articles of Incorporation of Radio 1210, Inc.
3.29	Bylaws of Radio 1210, Inc.
3.30	Certificate of Incorporation of Salem Communications Corporation (a Delaware corporation).
3.31	Salem Communications Corporation Bylaws (a Delaware corporation).
3.32	Certificate of Incorporation of Salem Media Corporation.
3.33	By-laws of Salem Media Corporation.
3.34.01	Articles of Incorporation of John Brown Schools of California, Inc. (see Exhibit 3.34.03 for name change to Salem Media of California, Inc.).
3.34.02	Certificate of Amendment of Articles of Incorporation of John Brown Schools of California, Inc. (see Exhibit 3.34.03 for name change to Salem Media of California, Inc.).

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
<C>	<S>
3.34.03	Certificate of Amendment of Articles of Incorporation of John Brown Schools of California, Inc. (amending the name of the corporation to be Salem Media of California, Inc.).
3.35	By-laws of Salem Media of California, Inc.
3.36	Articles of Incorporation of Salem Media of Colorado, Inc.

3.37	Bylaws of Salem Media of Colorado, Inc.
3.38	Articles of Incorporation of Salem Media of Louisiana, Inc.
3.39	By-laws of Salem Media of Louisiana, Inc.
3.40	Articles of Incorporation of Salem Media of Ohio, Inc.
3.41	Code of By-laws For the Government of the Board of Directors of Salem Media of Ohio, Inc.
3.42	Articles of Incorporation of Salem Media of Oregon, Inc.
3.43	Bylaws of Salem Media of Oregon, Inc.
3.44	Articles of Incorporation of Salem Media of Pennsylvania, Inc.
3.45	Salem Media of Pennsylvania, Inc. By-laws.
3.46	Articles of Incorporation of Salem Media of Texas, Inc.
3.47	Bylaws of Salem Media of Texas, Inc.
3.48	Articles of Incorporation of Salem Music Network, Inc.
3.49	Bylaws of Salem Music Network, Inc.
3.50	Certificate of Incorporation of Salem Radio Network Incorporated.
3.51	Salem Radio Network Incorporated Bylaws.
3.52	Articles of Incorporation of Salem Radio Representatives, Inc.
3.53	Bylaws of Salem Radio Representatives, Inc.
3.54	Articles of Incorporation of South Texas Broadcasting, Inc.
3.55	Bylaws of South Texas Broadcasting, Inc.
3.56	Articles of Incorporation of SRN News Network, Inc.
3.57	Bylaws of SRN News Network, Inc.
3.58	Articles of Incorporation of Vista Broadcasting, Inc.
3.59	Bylaws of Vista Broadcasting, Inc.
4.01	Indenture between the Company, the Guarantors and The Bank of New York, as Trustee, dated as of September 25, 1997, relating to the Old Notes and the Notes, including form of Note.
4.02	Form of Note (filed as part of Exhibit 4.01).
4.03	Form of Note Guarantee (filed as part of Exhibit 4.01).
4.04	Registration Rights Agreement, dated September 25, 1997, between the Company, the Guarantors and the Initial Purchasers (filed as Exhibit 1.02).
4.05	Letter of Transmittal (filed as Exhibit 1.03).
4.06	Notice of Guaranteed Delivery (filed as Exhibit 1.04).
4.07	Credit Agreement, dated as of September 25, 1997, among the Company, the several Lenders from time to time parties thereto, and The Bank of New York, as administrative agent for the Lenders.

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
<C>	<S>
4.08	Borrower Security Agreement, dated as of September 25, 1997, by and between the Company and The Bank of New York, as Administrative Agent of the Lenders.
4.09	Subsidiary Guaranty and Security Agreement dated as of September 25, 1997, by and between the Company, the Guarantors, and The Bank of New York, as Administrative Agent.
5.01	Opinion and Consent of Gibson, Dunn & Crutcher LLP, regarding validity and enforceability of the Notes and Guarantees.*
10.01	Employment Agreement, dated as of August 1, 1997, between the Company and Edward G. Atsinger III.
10.02	Employment Agreement, dated as of August 1, 1997, between the Company and Stuart W. Epperson.
10.03.01	Employment Contract, dated November 7, 1991, between the Company and Eric H. Halvorson.
10.03.02	First Amendment to Employment Contract, dated April 22, 1996, between the Company and Eric H. Halvorson.
10.03.03	Second Amendment to Employment Contract, dated July 8, 1997, between the Company and Eric H. Halvorson.
10.03.04	Deferred Compensation Agreement, dated November 7, 1991, between the Company and Eric H. Halvorson.
10.04.01	Employment Agreement, dated February 9, 1995, between Salem Radio Network Incorporated and Greg R. Anderson.
10.04.02	Letter Agreement dated December 22, 1995, by Inspiration Media of Texas, Inc. re compensation of Greg R. Anderson under Employment Agreement with Salem Radio Network Incorporated.

10.04.03	First Amendment to Employment Agreement, dated August 1, 1997 between Salem Radio Network Incorporated and Greg R. Anderson.
10.05.01	Antenna/tower lease between Caron Broadcasting, Inc. (WHLO-AM/Akron, Ohio) and Messrs. Atsinger and Epperson expiring 2007.
10.05.02	Antenna/tower/studio lease between Caron Broadcasting, Inc. (WTSJ-AM/Cincinnati, Ohio) and Messrs. Atsinger and Epperson expiring 2007.
10.05.03	Antenna/tower lease between Caron Broadcasting, Inc. (WHK-FM/Canton, Ohio) and Messrs. Atsinger and Epperson expiring 2007.
10.05.04	Antenna/tower/studio lease between Common Ground Broadcasting, Inc. (KKMS-AM/Eagan, Minnesota) and Messrs. Atsinger and Epperson expiring in 2006.
10.05.05	Antenna/tower lease between Common Ground Broadcasting, Inc. (WHK-AM/Cleveland, Ohio) and Messrs. Atsinger and Epperson expiring 2008.*
10.05.06	Antenna/tower lease (KFAX-FM/Hayward, California) and Salem Broadcasting Company, a partnership consisting of Messrs. Atsinger and Epperson, expiring in 2003.*
10.05.07	Antenna/tower/studio lease between Inland Radio, Inc. (KKLA-AM/San Bernardino, California) and Messrs. Atsinger and Epperson expiring 2002.*
10.05.08	Antenna/tower lease between Inspiration Media, Inc. (KGNW-AM/Seattle, Washington) and Messrs. Atsinger and Epperson expiring in 2002.*
10.05.09	Antenna/tower lease between Inspiration Media, Inc. (KLFE-AM/Seattle, Washington) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring in 2004.*

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* To be filed by amendment.

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EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
10.05.10	Antenna/tower lease between Oasis Radio, Inc (KAVC-FM/Rosamond, California) and The Atsinger Family Trust under a lease expiring in 2002.*
10.05.11.01	Antenna/tower/lease between Pennsylvania Media Associates, Inc. (WZZD-AM/WFIL-AM/Philadelphia, Pennsylvania) and Messrs. Atsinger and Epperson, as assigned from WEAZ-FM Radio, Inc., expiring 2004.*
10.05.11.02	Antenna/tower/studio lease between Pennsylvania Media Associates, Inc. (WZZD-AM/ WFIL-AM/Philadelphia, Pennsylvania) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2004.*
10.05.12	Antenna/tower lease between Radio 1210, Inc. (KPRZ-AM/Olivenhain, California) and The Atsinger Family Trust expiring in 2002.*
10.05.13	Antenna/tower lease between Salem Media Corporation (WYLL-FM/Arlington Heights, Illinois) and Messrs. Atsinger and Epperson expiring in 2002.*
10.05.14	Antenna/turner/studio leases between Salem Media Corporation (KLTX-AM/Long Beach and Paramount, California) and Messrs. Atsinger and Epperson expiring in 2002.*
10.05.15	Antenna/tower lease between Salem Media of Colorado, Inc. (KNUS-AM/Denver-Bolder, Colorado) and Messrs. Atsinger and Epperson expiring 2006.*
10.05.16	Antenna/tower lease between Salem Media of Ohio, Inc. (WRFD-AM/Columbus, Ohio) and Messrs. Atsinger and Epperson expiring 2002.*
10.05.17.01	Studio Lease between Salem Media of Oregon, Inc. (KPDQ-AM/FM/Portland, Oregon) and Edward G. Atsinger III, Mona J.

	Atsinger, Stuart W. Epperson, and Nancy K. Epperson expiring 2002.*
10.05.17.02	Antenna/tower lease between Salem Media of Oregon, Inc. (KPDQ-AM/FM/Raleigh Hills, Oregon and Messrs. Atsinger and Epperson expiring 2002.*
10.05.18	Antenna/tower lease between Salem Media of Pennsylvania, Inc. (WORD-FM/WPIT-AM/ Pittsburgh, Pennsylvania) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2003.*
10.05.19	Antenna/tower lease between Salem Media of Texas, Inc. (KSLR-AM/San Antonio, Texas) and Epperson-Atsinger 1983 Family Trust expiring 2007.*
10.05.20	Antenna/tower lease between South Texas Broadcasting, Inc. (KENR-AM/KKHT-FM/ Houston-Galveston, Texas) and Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2005.*
10.05.21	Antenna/tower lease between Vista Broadcasting, Inc. (KFIA-AM/Sacramento, California) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2005.*
10.06.01	Asset Purchase Agreement dated as of June 5, 1996 by and between Radio 94 of Phoenix Limited Partnership and Salem Media of Arizona, Inc. (KOOL-AM, Phoenix, Arizona).*
10.06.02	Asset Purchase Agreement dated as of September 3, 1996 by and between Caron Broadcasting, Inc. and Mortenson Broadcasting Company of Canton, LLC and Mortensen Broadcasting Company of Akron, LLC (WTOF-FM, Canton, Ohio and WHLO-AM, Akron, Ohio).*
10.06.03.01	Asset Purchase Agreement dated March 28, 1996 by and between American Radio Assistance Corporation and Common Ground Broadcasting, Inc. (KDBX-FM, Banks, Oregon).*

</TABLE>

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* To be filed by amendment.

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
<C>	<S>
10.06.03.02	First Amendment to Asset Purchase Agreement dated as of July 22, 1996 by and between American Radio Systems Corporation and Common Ground Broadcasting, Inc. (KDBX-FM, Banks, Oregon).*
10.06.04.01	Asset Purchase Agreement dated as of April 23, 1996 by and between OmniAmerica Group and WHK License Partnership and Inspiration Media of Ohio, Inc. (WHK-AM, Cleveland, Ohio).*
10.06.04.02	First Amendment to the Asset Purchase Agreement dated as of July 23, 1996 by and between OmniAmerica Group and WHK License Partnership and Inspiration Media of Ohio, Inc. (WHK-AM, Cleveland, Ohio).*
10.06.05	Asset Purchase Agreement dated as of September 30, 1996 by and between Infinity Broadcasting Corporation of Dallas and Inspiration Media of Texas, Inc. (KEWS, Arlington, Texas; KDFX, Dallas, Texas).*
10.06.06.01	Asset Purchase Agreement dated as of December 4, 1996 by and between Backbay Broadcasters, Inc. and New England Continental Media, Inc. (WBNW-AM, Boston, Massachusetts).*
10.06.06.02	First Amendment to the Asset Purchase Agreement dated as of February, 1997 by and between Backbay Broadcasters, Inc. and New England Continental Media, Inc. (WBNW-AM, Boston, Massachusetts).*
10.06.07	Asset Purchase Agreement dated June, 1997 by and between New England Continental Media, Inc. and Hibernia Communications, Inc. (WPZE-AM, Boston, Massachusetts).*
10.07.01	Tower Purchase Agreement dated August 22, 1997 by and between the Company and Sonsinger Broadcasting Company of Houston, L.P.*

10.07.02	Amendment to the Tower Purchase Agreement dated November 10, 1997 by and between the Company and Sonsinger Broadcasting Company of Houston, L.P.
10.07.03	Promissory Note dated November 11, 1997 made by Sonsinger Broadcasting Company of Houston, L.P. payable to the Company.
10.08.01	Local Programming and Marketing Agreement dated June 13, 1997 between Sonsinger, Inc. and Inspiration Media, Inc.
10.08.02	Local Programming and Marketing Agreement and Put/Call Agreement dated October 23, 1997 by and between Cherokee Broadcasting Co., Inc. and Salem Media of Georgia, Inc.
10.09.01	Evidence of Key man life insurance policy no. 2256440M insuring Edward G. Atsinger III in the face amount of $5,000,000.
10.09.02	Evidence of Key man life insurance policy no. 2257474H insuring Edward G. Atsinger III in the face amount of $5,000,000.
10.09.03	Evidence of Key man life insurance policy no. 2257476B insuring Stuart W. Epperson in the face amount of $5,000,000.
12.01	Statement regarding Computation of Ratio of Earnings to Fixed Charges.
21.01	Subsidiaries of the Company.
23.01	Consent of Ernst & Young LLP.
23.02	Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.01).
24.01	Powers of Attorney (included on Signature Pages of Registration Statement).
25.01	Statement of Eligibility of Trustee.*
27.01	Financial Data Schedule.

</TABLE>

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* To be filed by amendment.

(B) FINANCIAL STATEMENT SCHEDULES: SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

ITEM 22. UNDERTAKINGS

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrants pursuant to the provisions described under Item 20 or otherwise, each Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a Registrant of expenses incurred or paid by a director, officer or controlling person of such Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, such Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) Each Registrant undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended; (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(c) Each undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the Registration Statement through the date of responding to the request.

(d) Each undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the Registration Statement when it became effective.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE COMPANY HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Communications Corporation

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III - ------------------------------------- EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo - ------------------------------------- DIRK GASTALDO	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Eileen E. Hill - ------------------------------------- EILEEN E. HILL	Vice President--Accounting & Taxation (Principal Accounting Officer)
/s/ Edward G. Atsinger III - ------------------------------------- EDWARD G. ATSINGER III	Director

NAME	TITLE
/s/ Stuart W. Epperson - -------------------------------------	Director

STUART W. EPPERSON

/s/ Eric H. Halvorson	Director
ERIC H. HALVORSON	
/s/ Richard A. Riddle	Director
RICHARD A. RIDDLE	
/s/ Roland S. Hinz	Director
ROLAND S. HINZ	

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, ATEP RADIO, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

ATEP Radio, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, BISON MEDIA, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Bison Media, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, CARON BROADCASTING, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Caron Broadcasting, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)

/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, COMMON GROUND BROADCASTING, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Common Ground Broadcasting, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, GOLDEN GATE BROADCASTING COMPANY, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Golden Gate Broadcasting Company, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE

AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, INLAND RADIO, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Inland Radio, Inc.

By: /s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director

/s/ Stuart W. Epperson STUART W. EPPERSON	Director

II-15

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, INSPIRATION MEDIA, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Inspiration Media, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

II-16

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, INSPIRATION MEDIA OF TEXAS, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Inspiration Media of Texas, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE

SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, NEW ENGLAND CONTINENTAL MEDIA, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

New England Continental Media, Inc.

By: /s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, NEW INSPIRATION BROADCASTING COMPANY, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

New Inspiration Broadcasting Company, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, OASIS RADIO, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Oasis Radio, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN

PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, PENNSYLVANIA MEDIA ASSOCIATES, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Pennsylvania Media Associates, Inc.

By: /s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, RADIO 1210, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Radio 1210, Inc.

/s/ Edward G. Atsinger III
By: ______________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM COMMUNICATIONS CORPORATION, A DELAWARE CORPORATION, HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Communications Corporation, a Delaware corporation

/s/ Edward G. Atsinger III
By: ______________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA CORPORATION HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media Corporation

/s/ Edward G. Atsinger III
By: _________________________________
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF CALIFORNIA, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of California, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF COLORADO, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of Colorado, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE

/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF LOUISIANA, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of Louisiana, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF OHIO, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of Ohio, Inc.

By: /s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT
AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF OREGON, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of Oregon, Inc.

/s/ Edward G. Atsinger III
By: ________________________________
EDWARD G. ATSINGER III PRESIDENT
AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)

/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF PENNSYLVANIA, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of Pennsylvania, Inc.

By: /s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MEDIA OF TEXAS, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Media of Texas, Inc.

By: /s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM MUSIC NETWORK, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Music Network, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III	Director

EDWARD G. ATSINGER III

/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM RADIO REPRESENTATIVES, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Radio Representatives, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SOUTH TEXAS BROADCASTING, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

South Texas Broadcasting, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION

STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SRN NEWS NETWORK, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

SRN News Network, Inc.

By: /s/ Edward G. Atsinger III
EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson	Director

STUART W. EPPERSON

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, VISTA BROADCASTING, INC. HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Vista Broadcasting, Inc.

/s/ Edward G. Atsinger III

By: ________________________________

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III - ------------------------------------ EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo - ------------------------------------ DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III - ------------------------------------ EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson - ------------------------------------ STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, SALEM RADIO NETWORK INCORPORATED HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Salem Radio Network Incorporated

/s/ Edward G. Atsinger III

By: ________________________________

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE

PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	President and Chief Executive Officer (Principal Executive Officer)
/s/ Dirk Gastaldo DIRK GASTALDO	Vice President (Principal Financial and Accounting Officer)
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, BELTWAY MEDIA PARTNERS HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN CAMARILLO, CALIFORNIA ON DECEMBER 8, 1997.

Beltway Media Partners

By: Salem Communications Corporation, a California corporation, a general partner

/s/ Edward G. Atsinger III

EDWARD G. ATSINGER III PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS ERIC H. HALVORSON AND DIRK GASTALDO, HIS TRUE AND LAWFUL ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS TO THIS REGISTRATION STATEMENT, INCLUDING POST-EFFECTIVE AMENDMENTS, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND ALL DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, AND EACH OF THEM, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, AND HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, OR THEIR SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES INDICATED ON DECEMBER 8, 1997.

NAME	TITLE
Salem Communications Corporation, a California corporation, a general partner	
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director
/s/ Eric H. Halvorson ERIC H. HALVORSON	Director

/s/ Richard A. Riddle RICHARD A. RIDDLE	Director

NAME	TITLE
/s/ Roland S. Hinz ROLAND S. HINZ	Director
New Inspiration Broadcasting Company, Inc., a general partner	
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director
Golden Gate Broadcasting Company, Inc., a general partner	
/s/ Edward G. Atsinger III EDWARD G. ATSINGER III	Director
/s/ Stuart W. Epperson STUART W. EPPERSON	Director

SALEM COMMUNICATIONS CORPORATION

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS: CHARGED TO COSTS AND EXPENSES	ADDITIONS: CHARGED TO OTHER ACCOUNTS	DEDUCTIONS: BAD DEBT WRITE-OFFS	BALANCE AT END OF PERIOD
	(DOLLARS IN THOUSANDS)				
Year Ended December 31, 1994					
Allowance for doubtful accounts............	$242	$ 484	$ --	$(195)	$ 531
Year Ended December 31, 1995					
Allowance for doubtful accounts............	531	929	--	(756)	704
Year Ended December 31, 1996					
Allowance for doubtful accounts............	704	1,067	--	(766)	1,005

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
1.01	Placement Agreement, dated September 17, 1997, among the Company, the Guarantors, and Furman Selz LLC, Smith Barney, Inc., BancBoston Securities, Inc., and BNY Capital Markets, Inc. (collectively, the "Initial Purchasers").	
1.02	Registration Rights Agreement, dated September 17, 1997, between the Company, the Guarantors and the Initial Purchasers.	
1.03	Form of Letter of Transmittal.	

1.04	Form of Notice of Guaranteed Delivery.
3.01	Articles of Incorporation of the Company.
3.02	Bylaws of the Company.
3.03	Partnership Agreement of Beltway Media Partners.
3.04	Articles of Incorporation of ATEP Radio, Inc.
3.05	Bylaws of ATEP Radio, Inc.
3.06	Articles of Incorporation of Bison Media, Inc.
3.07	Bylaws of Bison Media, Inc.
3.08	Articles of Incorporation of Caron Broadcasting, Inc.
3.09	Code of By-laws of Caron Broadcasting, Inc.
3.10	Articles of Incorporation of Common Ground Broadcasting, Inc.
3.11	Bylaws of Common Ground Broadcasting, Inc.
3.12	Articles of Incorporation of Golden Gate Broadcasting Company, Inc.
3.13	Bylaws of Golden Gate Broadcasting Company, Inc.
3.14	Articles of Incorporation of Inland Radio, Inc.
3.15	Bylaws of Inland Radio, Inc., a California Corporation.
3.16	Articles of Incorporation of Inspiration Media, Inc.
3.17	Bylaws of Inspiration Media, Inc.
3.18	Articles of Incorporation of Inspiration Media of Texas, Inc.
3.19	Bylaws of Inspiration Media of Texas, Inc.
3.20	Articles of Organization of New England Continental Media Inc.
3.21	By-laws of New England Continental Media Inc.
3.22.01	Articles of Incorporation of New Inspiration Broadcasting Company, Inc.
3.22.02	Articles of Incorporation of Inspirational Media of Southern California, Inc. (see Exhibit 3.22.03 for name change to New Inspiration Broadcasting Company, Inc.).
3.22.03	Certificate of Ownership of Inspirational Media of Southern California, Inc. (evidencing merger of New Inspiration Broadcasting Company, Inc. with and into the corporation and revision of articles to adopt the name New Inspiration Broadcasting Company, Inc.).
3.23	Bylaws of Inspirational Broadcasting Company, Inc. (see Exhibit 3.22.03 for name change to New Inspiration Broadcasting Company, Inc.).
3.24	Articles of Incorporation of Oasis Radio, Inc.
3.25	Bylaws of Oasis Radio, Inc.

</TABLE>

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<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
<C>	<S>	<C>
3.26	Articles of Incorporation of Pennsylvania Media	

Associates, Inc.

3.27 Pennsylvania Media Associates, Inc. By-laws

3.28 Articles of Incorporation of Radio 1210, Inc.

3.29 Bylaws of Radio 1210, Inc.

3.30 Certificate of Incorporation of Salem Communications Corporation (a Delaware corporation).

3.31 Salem Communications Corporation Bylaws (a Delaware corporation).

3.32 Certificate of Incorporation of Salem Media Corporation.

3.33 By-laws of Salem Media Corporation.

3.34.01 Articles of Incorporation of John Brown Schools of California, Inc. (see Exhibit 3.34.03 for name change to Salem Media of California, Inc.).

3.34.02 Certificate of Amendment of Articles of Incorporation of John Brown Schools of California, Inc. (see Exhibit 3.34.03 for name change to Salem Media of California, Inc.).

3.34.03 Certificate of Amendment of Articles of Incorporation of John Brown Schools of California, Inc. (amending the name of the corporation to be Salem Media of California, Inc.).

3.35 By-laws of Salem Media of California, Inc.

3.36 Articles of Incorporation of Salem Media of Colorado, Inc.

3.37 Bylaws of Salem Media of Colorado, Inc.

3.38 Articles of Incorporation of Salem Media of Louisiana, Inc.

3.39 By-laws of Salem Media of Louisiana, Inc.

3.40 Articles of Incorporation of Salem Media of Ohio, Inc.

3.41 Code of By-laws For the Government of the Board of Directors of Salem Media of Ohio, Inc.

3.42 Articles of Incorporation of Salem Media of Oregon, Inc.

3.43 Bylaws of Salem Media of Oregon, Inc.

3.44 Articles of Incorporation of Salem Media of Pennsylvania, Inc.

3.45 Salem Media of Pennsylvania, Inc. By-laws.

3.46 Articles of Incorporation of Salem Media of Texas, Inc.

3.47 Bylaws of Salem Media of Texas, Inc.

3.48 Articles of Incorporation of Salem Music Network, Inc.

3.49 Bylaws of Salem Music Network, Inc.

3.50 Certificate of Incorporation of Salem Radio Network Incorporated.

3.51 Salem Radio Network Incorporated Bylaws.

3.52 Articles of Incorporation of Salem Radio Representatives, Inc.

3.53 Bylaws of Salem Radio Representatives, Inc.

3.54 Articles of Incorporation of South Texas Broadcasting, Inc.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
3.55	Bylaws of South Texas Broadcasting, Inc.	

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
3.56	Articles of Incorporation of SRN News Network, Inc.	
3.57	Bylaws of SRN News Network, Inc.	
3.58	Articles of Incorporation of Vista Broadcasting, Inc.	
3.59	Bylaws of Vista Broadcasting, Inc.	
4.01	Indenture between the Company, the Guarantors and The Bank of New York, as Trustee, dated as of September 25, 1997, relating to the Old Notes and the Notes, including form of Note.	
4.02	Form of Note (filed as part of Exhibit 4.01).	
4.03	Form of Note Guarantee (filed as part of Exhibit 4.01).	
4.04	Registration Rights Agreement, dated September 25, 1997, between the Company, the Guarantors and the Initial Purchasers (filed as Exhibit 1.02).	
4.05	Letter of Transmittal (filed as Exhibit 1.03).	
4.06	Notice of Guaranteed Delivery (filed as Exhibit 1.04).	
4.07	Credit Agreement, dated as of September 25, 1997, among the Company, the several Lenders from time to time parties thereto, and The Bank of New York, as administrative agent for the Lenders.	
4.08	Borrower Security Agreement, dated as of September 25, 1997, by and between the Company and The Bank of New York, as Administrative Agent of the Lenders.	
4.09	Subsidiary Guaranty and Security Agreement dated as of September 25, 1997, by and between the Company, the Guarantors, and The Bank of New York, as Administrative Agent.	
5.01	Opinion and Consent of Gibson, Dunn & Crutcher LLP, regarding validity and enforceability of the Notes and Guarantees.*	
10.01	Employment Agreement, dated as of August 1, 1997, between the Company and Edward G. Atsinger III.	
10.02	Employment Agreement, dated as of August 1, 1997, between the Company and Stuart W. Epperson.	
10.03.01	Employment Contract, dated November 7, 1991, between the Company and Eric H. Halvorson.	
10.03.02	First Amendment to Employment Contract, dated April 22, 1996, between the Company and Eric H. Halvorson.	
10.03.03	Second Amendment to Employment Contract, dated July 8, 1997, between the Company and Eric H. Halvorson.	
10.03.04	Deferred Compensation Agreement, dated November 7, 1991, between the Company and Eric H. Halvorson.	
10.04.01	Employment Agreement, dated February 9, 1995, between Salem Radio Network Incorporated and Greg R. Anderson.	
10.04.02	Letter Agreement dated December 22, 1995, by Inspiration Media of Texas, Inc. re compensation of Greg R. Anderson under Employment Agreement	

with Salem Radio Network Incorporated.

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* To be filed by amendment.

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
<C>	<S>	<C>
10.04.03	First Amendment to Employment Agreement, dated August 1, 1997 between Salem Radio Network Incorporated and Greg R. Anderson.	
10.05.01	Antenna/tower lease between Caron Broadcasting, Inc. (WHLO-AM/Akron, Ohio) and Messrs. Atsinger and Epperson expiring 2007.	
10.05.02	Antenna/tower/studio lease between Caron Broadcasting, Inc. (WTSJ-AM/Cincinnati, Ohio) and Messrs. Atsinger and Epperson expiring 2007.	
10.05.03	Antenna/tower lease between Caron Broadcasting, Inc. (WHK-FM/Canton, Ohio) and Messrs. Atsinger and Epperson expiring 2007.	
10.05.04	Antenna/tower/studio lease between Common Ground Broadcasting, Inc. (KKMS-AM/Eagan, Minnesota) and Messrs. Atsinger and Epperson expiring in 2006.	
10.05.05	Antenna/tower lease between Common Ground Broadcasting, Inc. (WHK-AM/Cleveland, Ohio) and Messrs. Atsinger and Epperson expiring 2008.*	
10.05.06	Antenna/tower lease (KFAX-FM/Hayward, California) and Salem Broadcasting Company, a partnership consisting of Messrs. Atsinger and Epperson, expiring in 2003.*	
10.05.07	Antenna/tower/studio lease between Inland Radio, Inc. (KKLA-AM/San Bernardino, California) and Messrs. Atsinger and Epperson expiring 2002.*	
10.05.08	Antenna/tower lease between Inspiration Media, Inc. (KGNW-AM/Seattle, Washington) and Messrs. Atsinger and Epperson expiring in 2002.*	
10.05.09	Antenna/tower lease between Inspiration Media, Inc. (KLFE-AM/Seattle, Washington) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring in 2004.*	
10.05.10	Antenna/tower lease between Oasis Radio, Inc (KAVC-FM/Rosamond, California) and The Atsinger Family Trust under a lease expiring in 2002.*	
10.05.11.01	Antenna/tower/lease between Pennsylvania Media Associates, Inc. (WZZD-AM/ WFIL-AM/Philadelphia, Pennsylvania) and Messrs. Atsinger and Epperson, as assigned from WEAZ-FM Radio, Inc., expiring 2004.*	
10.05.11.02	Antenna/tower/studio lease between Pennsylvania Media Associates, Inc. (WZZD-AM/ WFIL-AM/Philadelphia, Pennsylvania) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2004.*	
10.05.12	Antenna/tower lease between Radio 1210, Inc. (KPRZ-AM/Olivenhain, California) and The Atsinger Family Trust expiring in 2002.*	
10.05.13	Antenna/tower lease between Salem Media Corporation (WYLL-FM/Arlington Heights, Illinois) and Messrs. Atsinger and Epperson expiring in 2002.*	
10.05.14	Antenna/turner/studio leases between Salem Media Corporation (KLTX-AM/Long Beach and Paramount, California) and Messrs. Atsinger and Epperson	

	expiring in 2002.*	
10.05.15	Antenna/tower lease between Salem Media of Colorado, Inc. (KNUS-AM/Denver-Bolder, Colorado) and Messrs. Atsinger and Epperson expiring 2006.*	

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* To be filed by amendment.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
10.05.16	Antenna/tower lease between Salem Media of Ohio, Inc. (WRFD-AM/Columbus, Ohio) and Messrs. Atsinger and Epperson expiring 2002.*	
10.05.17.01	Studio Lease between Salem Media of Oregon, Inc. (KPDQ-AM/FM/Portland, Oregon) and Edward G. Atsinger III, Mona J. Atsinger, Stuart W. Epperson, and Nancy K. Epperson expiring 2002.*	
10.05.17.02	Antenna/tower lease between Salem Media of Oregon, Inc. (KPDQ-AM/FM/Raleigh Hills, Oregon and Messrs. Atsinger and Epperson expiring 2002.*	
10.05.18	Antenna/tower lease between Salem Media of Pennsylvania, Inc. (WORD-FM/WPIT-AM/ Pittsburgh, Pennsylvania) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2003.*	
10.05.19	Antenna/tower lease between Salem Media of Texas, Inc. (KSLR-AM/San Antonio, Texas) and Epperson-Atsinger 1983 Family Trust expiring 2007.*	
10.05.20	Antenna/tower lease between South Texas Broadcasting, Inc. (KENR-AM/KKHT-FM/Houston-Galveston, Texas) and Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2005.*	
10.05.21	Antenna/tower lease between Vista Broadcasting, Inc. (KFIA-AM/Sacramento, California) and The Atsinger Family Trust and Stuart W. Epperson Revocable Living Trust expiring 2005.*	
10.06.01	Asset Purchase Agreement dated as of June 5, 1996 by and between Radio 94 of Phoenix Limited Partnership and Salem Media of Arizona, Inc. (KOOL-AM, Phoenix, Arizona).*	
10.06.02	Asset Purchase Agreement dated as of September 3, 1996 by and between Caron Broadcasting, Inc. and Mortenson Broadcasting Company of Canton, LLC and Mortensen Broadcasting Company of Akron, LLC (WTOF-FM, Canton, Ohio and WHLO-AM, Akron, Ohio).*	
10.06.03.01	Asset Purchase Agreement dated March 28, 1996 by and between American Radio Assistance Corporation and Common Ground Broadcasting, Inc. (KDBX-FM, Banks, Oregon).*	
10.06.03.02	First Amendment to Asset Purchase Agreement dated as of July 22, 1996 by and between American Radio Systems Corporation and Common Ground Broadcasting, Inc. (KDBX-FM, Banks, Oregon).*	
10.06.04.01	Asset Purchase Agreement dated as of April 23, 1996 by and between OmniAmerica Group and WHK License Partnership and Inspiration Media of Ohio, Inc. (WHK-AM, Cleveland, Ohio).*	
10.06.04.02	First Amendment to the Asset Purchase Agreement dated as of July 23, 1996 by and between OmniAmerica Group and WHK License Partnership	

	and Inspiration Media of Ohio, Inc. (WHK-AM, Cleveland, Ohio).*	
10.06.05	Asset Purchase Agreement dated as of September 30, 1996 by and between Infinity Broadcasting Corporation of Dallas and Inspiration Media of Texas, Inc. (KEWS, Arlington, Texas; KDFX, Dallas, Texas).*	
10.06.06.01	Asset Purchase Agreement dated as of December 4, 1996 by and between Backbay Broadcasters, Inc. and New England Continental Media, Inc. (WBNW-AM, Boston, Massachusetts).*	

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* To be filed by amendment.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
10.06.06.02	First Amendment to the Asset Purchase Agreement dated as of February, 1997 by and between Backbay Broadcasters, Inc. and New England Continental Media, Inc. (WBNW-AM, Boston, Massachusetts).*	
10.06.07	Asset Purchase Agreement dated June, 1997 by and between New England Continental Media, Inc. and Hibernia Communications, Inc. (WPZE-AM, Boston, Massachusetts).*	
10.07.01	Tower Purchase Agreement dated August 22, 1997 by and between the Company and Sonsinger Broadcasting Company of Houston, L.P.*	
10.07.02	Amendment to the Tower Purchase Agreement dated November 10, 1997 by and between the Company and Sonsinger Broadcasting Company of Houston, L.P.	
10.07.03	Promissory Note dated November 11, 1997 made by Sonsinger Broadcasting Company of Houston, L.P. payable to the Company.	
10.08.01	Local Programming and Marketing Agreement dated June 13, 1997 between Sonsinger, Inc. and Inspiration Media, Inc.	
10.08.02	Local Programming and Marketing Agreement and Put/Call Agreement dated October 23, 1997 by and between Cherokee Broadcasting Co., Inc. and Salem Media of Georgia, Inc.	
10.09.01	Evidence of Key man life insurance policy no. 2256440M insuring Edward G. Atsinger III in the face amount of $5,000,000.	
10.09.02	Evidence of Key man life insurance policy no. 2257474H insuring Edward G. Atsinger III in the face amount of $5,000,000.	
10.09.03	Evidence of Key man life insurance policy no. 2257476B insuring Stuart W. Epperson in the face amount of $5,000,000.	
12.01	Statement regarding Computation of Ratio of Earnings to Fixed Charges.	
21.01	Subsidiaries of the Company.	
23.01	Consent of Ernst & Young LLP.	
23.02	Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.01).	
24.01	Powers of Attorney (included on Signature Pages of Registration Statement).	
25.01	Statement of Eligibility of Trustee.*	

27.01 Financial Data Schedule.
</TABLE>

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* To be filed by amendment.

EXHIBIT 1.01

EXECUTION ORIGINAL

$150,000,000

SALEM COMMUNICATIONS CORPORATION

9.5% SENIOR SUBORDINATED NOTES DUE 2007

PLACEMENT AGREEMENT

September 17, 1997

Furman Selz LLC
Smith Barney Inc.
BancBoston Securities Inc.
BNY Capital Markets, Inc.

c/o Furman Selz LLC
230 Park Avenue
New York, New York 10169

Dear Sirs:

Salem Communications Corporation, a corporation organized under the laws of the State of California (the "COMPANY"), proposes to issue and sell to the initial purchasers listed on Schedule I hereto (the "INITIAL PURCHASERS"), an aggregate of $150,000,000 principal amount of its 9.5% Senior Subordinated Notes Due 2007 (the "NOTES"). The Notes will be fully and unconditionally guaranteed on a senior subordinated basis as to payment of principal, premium, if any, and interest (the "GUARANTEES" and together with the Notes, the "SECURITIES"), jointly and severally, by all of the Company's subsidiaries (the "GUARANTORS"), which are listed on Schedule II hereto. The Securities are to be issued pursuant to an Indenture (the "INDENTURE"), to be dated as of September 25, 1997 among the Company, the Guarantors and The Bank of New York, a New York banking corporation, as trustee (the "TRUSTEE"). The Securities will be offered and sold to the Initial Purchasers (the "OFFERING") without being registered under the Securities Act of 1933, as amended (the "SECURITIES ACT"), in reliance upon certain exemptions set forth therein.

In connection with the offer and sale of the Securities, the Company has prepared a preliminary Offering Memorandum dated September 2, 1997 (the "PRELIMINARY MEMORANDUM") and a final Offering Memorandum dated September 17, 1997 (the "FINAL MEMORANDUM" and, together with the Preliminary Memorandum, each a "MEMORANDUM", which terms shall include, unless otherwise indicated herein, any amendments or supplements thereto) containing, among other things, a description of the terms of the Securities and information relating to the Company and its business. Unless otherwise defined in this Agreement, capitalized terms used herein have the meanings specified or referred to in the Final Memorandum.

On the Closing Date, the Company will utilize a portion of the net proceeds of the Offering to repay all outstanding indebtedness under its $150,000,000 Existing Credit Agreement and

will thereupon terminate such agreement and enter into the New Credit Agreement (the "CREDIT AGREEMENT REPLACEMENT").

The Initial Purchasers and their direct and indirect transferees each will be entitled to the benefits of a Registration Rights Agreement among the Company, the Guarantors and the Initial Purchasers (the "REGISTRATION RIGHTS AGREEMENTS"), to be entered into as of the Closing Date, pursuant to which the Company and the Guarantors will agree to use their best efforts to file with the Securities and Exchange Commission (the "COMMISSION") and have declared effective under the Securities Act the Exchange Offer Registration Statement registering the offer and sale of the Exchange Notes and guarantees referred to in the Registration Rights Agreement, or, in certain circumstances, a Shelf Registration Statement, registering the resale of the Securities, as the case may be.

1. <u>Representations and Warranties.</u> The Company and the Guarantors, jointly and severally, represent and warrant to, and agree with, the Initial Purchasers that as of the date hereof and on the Closing Date (or, with respect to representations and warranties with respect to a Memorandum, as of the date or dates stated):

(a) The Preliminary Memorandum, as of its date contained and as of the date hereof contains, and the Final Memorandum as of the Closing Date will contain, all the information specified in, and meets and will meet the requirements of, Rule 144A(d)(4) of the Act and the Preliminary Memorandum, as of its date and as of the date hereof is, and the Final Memorandum, as of the Closing Date will be, accurate in all material respects and does not 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 in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that the Company makes no representations or warranties as to the information contained in or omitted from each Memorandum in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of the Initial Purchasers specifically for inclusion in each Memorandum.

(b) The Company and the Guarantors had, have and will have, as the case may be, good and marketable title to all real property and good and marketable title to all personal property described in the Preliminary Memorandum as of its date and as of the date hereof and the Final Memorandum as of the Closing Date, as owned by them, in each case free and clear of all liens, encumbrances and defects except (i) liens permitted pursuant to Section 1012 of the Indenture or (ii) such as do not, individually or in the aggregate, materially interfere with the use made and proposed to be made of such property by the Company and the Guarantors; any real property and buildings held under lease by the Company or any of the Guarantors were, are or will be held, as the case may be, as described in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, by them under valid, subsisting and enforceable leases with such exceptions as are not material, individually or in the aggregate, and do not interfere materially with the use made and proposed to be made of such property by the Company and the Guarantors; all rent and other sums and charges payable by the Company and the Guarantors as tenants thereunder are current, no termination event or condition or uncured default on the part of the Company or any such Guarantor or, to the Company's knowledge, the landlord, exists under any such lease, except any such failure to pay rent, other sums or charges, termination event or condition or uncured default that would not, individually or in the aggregate, have a material adverse effect

on the condition (financial or otherwise), results of operation, business, prospects, net worth or assets of the Company and the Guarantors, taken as a whole, or on the ability of the Company and the Guarantors to perform their respective obligations under this Agreement, the Notes, the Guarantees, the Indenture and the Registration Rights Agreement (a "MATERIAL ADVERSE EFFECT"); each of the Company and the Guarantors has complied with all obligations, considering applicable grace periods, under all leases to which such person is a party and under which such person is in occupancy, except failures to comply as would not, individually or in the aggregate, have a Material Adverse Effect; with respect to all such leases, to the knowledge of the Company, no person has instituted or threatened to institute proceedings, or has taken or threatened to take any other action, to challenge or terminate, and no event or circumstance has occurred which reasonably could be expected to materially interfere with (x) the lessee's right to occupy the premises leased thereunder or to continue to use such premises in the manner in which it is currently being used, or (y) the lessor's right to continue to lease such premises to the lessee; none of such leases contains any provision restricting the incurrence of indebtedness by the lessee, or any unusual or burdensome provision which could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and to the Company's knowledge each of such leases, were it to be terminated, could be replaced at a total annual cost to the Company and the Guarantors that, individually, would not cause a Material Adverse Effect.

(c) The Company has no direct or indirect subsidiaries other than the Guarantors listed on Schedule II hereto, all the capital stock or general partnership interests, as the case may be, of each of which is owned by the Company or a Wholly Owned Restricted Subsidiary.

(d) Each of the Company and the Guarantors has been duly organized and was or is, or will be, as the case may be, validly existing as a corporation or general partnership, as the case may be, in good standing under the laws of the jurisdiction of its organization, with requisite power and authority (corporate and other) to own or lease its properties and conduct its business as described in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, and is duly qualified to do business as a foreign corporation or general partnership, as the case may be, and is in good standing under the laws of each jurisdiction in which the character of the business conducted by it or the location of the properties owned or leased by it make such qualification necessary, except to the extent that any such failure to be so qualified or be in good standing would not, individually

or in the aggregate, have a Material Adverse Effect.

(e) The Company had, has or will have, as the case may be, an authorized capitalization as set forth in the column headed "Actual" under the caption "Capitalization" in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, and all of the issued and outstanding shares of Capital Stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable; and all of the issued and outstanding shares of capital stock of each Guarantor have been duly and validly authorized and issued, are fully paid and non-assessable, and are owned directly by the Company or a Wholly Owned Restricted Subsidiary, free and clear of all liens, encumbrances, equities or claims, other than the liens created by the pledge of shares of stock of the Guarantors, as of the date hereof, pursuant to the Existing Credit Agreement, and as of the Closing Date, pursuant to the New Credit Agreement.

(f) Each of the Company and the Guarantors has requisite corporate or partnership power and authority, as the case may be, to execute and deliver, and to perform its respective obligations under, this Agreement, the Indenture, the Notes, the Guarantees and the Registration Rights Agreement, to consummate the transactions contemplated hereby and thereby, and to issue, sell and deliver the Securities to be sold by it to the Initial Purchasers as provided herein and therein.

(g) The Notes have been duly and validly authorized by all necessary corporate action (including, without limitation, required stockholder approvals, if any) and, when executed and authenticated in accordance with the provisions of the Indenture, and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws, and will be entitled to the benefits of the Indenture; and the Securities, the Indenture and the Registration Rights Agreement will conform, as of the Closing Date, to the descriptions thereof contained in each Memorandum.

(h) The Guarantees have been duly and validly authorized by all necessary corporate or partnership action (including, without limitation, required stockholder, shareholder or general partner approvals, if any) and, when executed and authenticated in accordance with the terms of the Indenture and delivered to the Initial Purchasers in accordance with the terms of this Agreement, will be legal, valid and binding obligations of the Guarantors enforceable against the Guarantors in accordance with their terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws, and will be entitled to the benefits of the Indenture.

(i) This Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate or partnership action (including, without limitation, required stockholder, shareholder or general partner approvals, if any) of the Company and each Guarantor, and this Agreement has been executed and delivered by the Company and each Guarantor and constitutes the legal, valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws.

(j) The Indenture and the consummation of the transactions contemplated thereby, including the issuance of the Securities, have been duly and validly authorized by all necessary corporate or partnership action (including, without limitation, required stockholder, shareholder or general partner approvals, if any) of Company and each Guarantor, and when the Indenture

is executed and delivered by the Company and each Guarantor, the Indenture

will be a legal, valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws, and will be in sufficient form for qualification under the Trust Indenture Act of 1939, as amended (the "TRUST INDENTURE ACT") and the rules and regulations of the Commission promulgated thereunder.

(k) The Registration Rights Agreement and the consummation of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate or partnership action (including, without limitation, required stockholder, shareholder or general partner approvals, if any) of the Company and each Guarantor, and when the Registration Rights Agreement is executed and delivered by the Company and each Guarantor, the Registration Rights Agreement will be a legal, valid and binding agreement of the Company and each Guarantor, enforceable against the Company and each Guarantor in accordance with its terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws.

(l) Neither the Company nor any Guarantor is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, nor will the execution or delivery of this Agreement, the Indenture or the Registration Rights Agreement nor the consummation of the transactions contemplated hereby or thereby, result in a violation of, or constitute a default under, the Certificates or Articles of Incorporation, by-laws or other governing documents of the Company or any of the Guarantors, or any loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or any other agreement or instrument to which the Company or any of the Guarantors is a party or by which any of them is bound, or to which any of their respective properties is subject, except for such violations of or such defaults under any such loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or other agreement or instrument, as would not, individually or in the aggregate, have a Material Adverse Effect; nor will the performance by the Company and the Guarantors of their respective obligations hereunder or thereunder cause a material violation of any law, rule, administrative regulation, license or decree of any court, governmental agency or body having jurisdiction over the Company or any of the Guarantors or any of their respective properties, or result in the creation or imposition of any lien, charge, claim or encumbrance upon any property or asset of the Company or any of the Guarantors, except, in each case, as would not, individually or in the aggregate, have a Material Adverse Effect. No consent, approval, authorization or order of, or filing or registration or qualification with, any court or governmental agency or body or financial institution, or any other party under any loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or any other agreement or instrument to which the Company or any of the Guarantors is a party or by which any of them is bound or to which any of their respective properties is subject, will be required as of the Closing Date on the part of the Company or

any Guarantor for the authorization, issuance, sale and delivery of the Securities, or the execution, delivery and performance by the Company and the Guarantors of their respective obligations under this Agreement, the Indenture and the Registration Rights Agreement or the consummation of the transactions contemplated hereby or thereby, except (1) as have been obtained, (2) as may be required under the "Blue Sky" laws of the various states in connection with the offer and sale of the Securities and (3) as may be required by the Securities Act, the "Blue Sky" laws of the various states, the Trust Indenture Act and the bylaws and rules of the National Association of Securities Dealers, Inc. ("NASD"), in conjunction with an exchange offer for, or registered resale of, the Securities pursuant to the Registration Rights Agreement and the qualification of the Indenture and the Trustee.

(m) The Company and each Guarantor held, holds or will hold, as the case may be, all material licenses, certificates, permits, consents, orders, authorizations and approvals (collectively, "LICENSES") from governmental authorities which are necessary to the conduct of their businesses in the manner and to the extent operated as described in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date; such Licenses are in full force and effect and no proceeding has been instituted or, to the Company's

knowledge, is threatened, pending or contemplated which in any manner affects or draws into question the validity or effectiveness thereof; such Licenses contain no materially burdensome restrictions not customarily imposed by the Federal Communications Commission (the "FCC") on radio stations of the same class and type as the Company's radio stations (the "STATIONS"); the operation of the Stations in the manner and to the extent operated as described in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, was, is or will be, as the case may be, in accordance with the Communications Act of 1934, as amended and the Telecommunications Act of 1996, as amended, and all orders, rules and regulations of the FCC, in each case, in all material respects; to the knowledge of the Company, no event has occurred that permits (nor has an event occurred that with notice or lapse of time or both would permit) the revocation or termination of such Licenses or that might result in any other material impairment of the rights of the Company or the Guarantors therein other than revocations or terminations that would not, individually or in the aggregate, have a Material Adverse Effect; and the Company and the Guarantors are in substantial compliance with all statutes, orders, rules or regulations of the FCC relating to or affecting the broadcasting operations of either of the Stations.

(n) The Company and each Guarantor own, possess or currently have the rights to use patent rights, inventions, trademarks, service marks, trade names and copyrights (including, without limitation, the service marks "Salem Communications Corporation" and "Salem Radio Network") necessary to conduct the general business now operated by them, and neither the Company nor any of the Guarantors has received any written notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to, any patent, patent rights, inventions, trademarks, service marks, trade names or copyrights which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(o) To the knowledge of the Company and the Guarantors, each of them is in compliance in all material respects with all Environmental Laws (as defined below), except to the extent that failure to comply with such Environmental Laws would not have, individually or in the aggregate, a Material Adverse Effect. None of the Company or any of the Guarantors is the subject of any pending or, to the knowledge of the Company, threatened Federal, state or local investigation evaluating whether any remedial action by the Company or

the Guarantors is needed to respond to a release of any Hazardous Materials (as defined below) into the environment, resulting from the business operations of the Company or any of the Guarantors or ownership or possession of any of their properties or assets or is in contravention of any Environmental Law that the Company reasonably believes could reasonably be expected to result, individually or in the aggregate, in a fine or penalty in excess of $100,000 or in a Material Adverse Effect. None of the Company or the Guarantors has received any written notice or claim, nor are there pending or, to the knowledge of the Company, threatened lawsuits or governmental proceedings against them, with respect to violations of or liabilities under any Environmental Law or in connection with any release of any Hazardous Material into the environment that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. As used herein, "ENVIRONMENTAL LAWS" means any Federal, state or local law, regulation, license, permit, certificate, consent, order, approval or other authorization applicable to the business operations of the Company or any of the Guarantors or ownership or possession of any of their properties or assets relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants and contaminants, and "HAZARDOUS MATERIALS" means those substances, wastes, pollutants or contaminants that are regulated by or from the basis of liability under any Environmental Laws.

(p) Each of the Company and the Guarantors has timely filed all Federal, state and local income and other material tax returns and notices required to be filed by applicable law; no audit, administrative proceedings or court proceedings are presently pending with regard to any material potential Federal, state or local tax of any nature; the Company has no knowledge of any tax deficiencies which could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; each of the Company and the Guarantors has paid (within the time and in the manner prescribed by law) all Federal, state and local taxes of any nature which are shown on its returns to be due, in each case except for those not yet delinquent and those being contested in good faith by appropriate proceedings diligently conducted for which each of the Company and the Guarantors has established on its books and records adequate reserves to pay all outstanding tax liabilities in accordance with GAAP; neither the Company nor any of the Guarantors has requested any extension of time within which to file any material tax return, which return has not since been filed; the amounts currently set up as provisions for taxes or otherwise by the Company and the Guarantors on their books and records are sufficient for the payment of all their unpaid Federal, state and local

taxes accrued through the dates as of which they speak, and for which the Company and the Guarantors may be liable in their own right, or as a transferee of the assets of, or as successor to any other corporation, association, partnership, joint venture or other entity;

(q) Each of the Company and the Guarantors maintains (and in the future will maintain) a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(r) Each of the Company and the Guarantors, immediately after the Closing Date and after giving effect to the issuance and sale of the Securities and the application of the

proceeds thereof will, in the opinion of the Company, be Solvent. As used herein, the term "SOLVENT" means, with respect to any such entity on a particular date (i) the fair valuation of the property of such entity is greater than the total amount of known liabilities (including known contingent liabilities) of such entity, (ii) such entity will be able to pay its debts and liabilities as they mature and (iii) such entity will not have unreasonably small capital for the business in which it is engaged, as now conducted and as proposed to be conducted following the consummation of the Offering and the application of the proceeds thereof.

(s) Except as described in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, there was, is or will be, as the case may be, no action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator involving the Company or any Guarantor or any property of the Company or any Guarantor which is pending or, to the knowledge of the Company, contemplated against the Company or any Guarantor that, individually or in the aggregate, could have a Material Adverse Effect.

(t) Neither the Company nor any Guarantor is in violation of any law, ordinance, governmental rule or regulation or court decree to which it may be subject, which violation could have, individually or in the aggregate, a Material Adverse Effect.

(u) The Company and the Guarantors 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; since 1986, the Company has not failed to obtain insurance coverage of any nature by reason of the refusal of insurers to provide such coverage; and the Company does not have any reason to believe that it will not be able to renew its existing insurance coverage from similar insurers as may be necessary to continue its business at a cost that would not have, individually or in the aggregate, a Material Adverse Effect.

(v) Except as disclosed in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, neither the Company nor any of the Guarantors had, has or will have, as the case may be, violated any Federal, state or local law relating to discrimination in employment nor any applicable wage or hour laws, nor any provisions of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations promulgated thereunder ("ERISA"), nor has the Company or any of the Guarantors engaged in any unfair labor practice, which in each case could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect. Except as disclosed in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, there was, is or will be, as the case may be (i) no unfair labor practice complaint pending against the Company or any of the Guarantors or, to the knowledge of the Company, threatened against any of them, before the National Labor Relations Board or any state or local labor relations board and neither the Company nor any of the Guarantors is party to any collective bargaining agreement, (ii) no significant strike, labor dispute, slowdown or stoppage pending against the Company or any of the Guarantors, or, to the knowledge of the Company, threatened against any of them and (iii) to the knowledge of the Company, no union representation question existing, with respect to employees of the Company or any of the Guarantors, except (with respect to any matter specified in clause (i), (ii) or (iii) above, individually or in the aggregate) such as would not have a Material Adverse Effect, and the Company and the Guarantors have no reason to

believe that the relationship of the Company and the Guarantors with their

employees is likely to have, individually or in the aggregate, a Material Adverse Effect.

(w) Subsequent to the respective dates as of which information is given in each Memorandum (i) the Company and the Guarantors have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction not in the ordinary course of business except as described in or contemplated by each Memorandum; and (ii) there has not been any material adverse change in the condition (financial or otherwise), results of operations, business, prospects, net worth or assets of the Company and the Guarantors, taken as a whole, from the date as of which information is given in each Memorandum.

(x) The statements set forth, in the Preliminary Memorandum as of its date and as of the date hereof and in the Final Memorandum as of the Closing Date, under the captions "Description of Certain Indebtedness" insofar as they purport to constitute a description of the terms of the indebtedness of the Company other than the Securities and under "Business--Corporate Structure and Reorganization" insofar as they purport to constitute a description of the terms of the documents pursuant to which the Reorganization was consummated were, are or will be, as the case may be, accurate, complete and fair in all material respects.

(y) Neither the Company nor any of the Guarantors nor any of their respective officers, directors or employees has employed any broker or finder or incurred any liability for any brokerage fees, commissions or finders' fees in connection with the issuance of the Securities, other than to the Initial Purchasers pursuant to this Agreement.

(z) Neither the Company nor any of the Guarantors nor any agent thereof acting on behalf of any of them has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Securities and the use of the proceeds therefrom to violate Section 7 of the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") or any regulation promulgated thereunder, including, without limitation, Regulation G (12 C.F.R. Part 207), Regulation T (12 C.F.R. Part 220), Regulation U (12 C.F.R. Part 221) or Regulation X (12 C.F.R. Part 224) of the Board of Governors of the Federal Reserve System, in each case as in effect on the date hereof or as the same may hereafter be in effect on the Closing Date.

(aa) Assuming that the representations, warranties and covenants of the Initial Purchasers contained in this Agreement are true and correct and have been and will be complied with, no registration of the Securities under the Securities Act or qualification of an indenture under the Trust Indenture Act is required for the offer, sale and delivery of the Securities to the Initial Purchasers or the initial resale thereof in the manner contemplated by this Agreement.

(ab) In connection with the offer and sale of the Securities, the Company and the Guarantors have not taken and will not take, directly or indirectly, any action prohibited by Regulation M under the Exchange Act.

(ac) The Securities satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act.

(ad) Ernst & Young LLP, whose report appears in each Memorandum, are independent accountants with respect to the Company.

(ae) The consolidated financial statements of the Company and notes thereto (including the related schedules, if any) included in the Preliminary Memorandum as of its date and as of the date hereof presented or present, as the case may be, and in the Final Memorandum as of the Closing Date will present, fairly, in all material respects, the consolidated financial position of the Company and the Guarantors and the consolidated results of their operations and cash flows purported to be shown thereby, at the dates and for the periods indicated, and have been prepared in accordance with GAAP throughout the periods indicated (except as otherwise indicated therein and subject, in the case of interim statements, to normal year-end adjustments); the summary and selected consolidated financial information included in the Preliminary Memorandum as of its date and as of the date hereof presented or present, as the case may be, and in the Final Memorandum as of the Closing Date will present, fairly in all material respects the information shown therein in accordance with the adjustments and assumptions described therein, have been prepared, in all material respects, in accordance with the rules and guidelines of the Commission with respect to the financial data presented and, in the Company's opinion, give effect to assumptions which have been made on a reasonable basis and the adjustments used therein are appropriate to give effect to the transactions or circumstances referred to therein; and the other financial, accounting and statistical information and data related to the Company and the Guarantors set forth in the Preliminary Memorandum as of its date and as of the date hereof presented or present, as the case may

be, and in the Final Memorandum as of the Closing Date will present fairly, in all material respects, the information purported to be shown thereby at the respective dates and for the respective periods to which they apply, and except as disclosed therein, have been prepared on a basis consistent with the financial statements and the books and records of the entities as to which such information is shown.

(af) Neither the Company nor any of its affiliates (as defined in Rule 501 under the Securities Act, "AFFILIATE") has directly, or through any agent, (i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the Securities in a manner that would require the registration under the Securities Act of the Securities as contemplated to be offered or (ii) engaged in any form of general solicitation or general advertising in connection with the offering of the Securities (as such terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(ag) Neither the Company nor any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds therefrom as described in each Memorandum under the caption "Use of Proceeds" will be, an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (the "INVESTMENT COMPANY ACT").

(ah) The Reorganization has been duly and validly consummated, and such consummation did not and will not result in a violation of, or constitute a default under, the Certificate or Articles of Incorporation, by-laws or other governing documents of the Company or any of the Guarantors, or any loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or any other agreement or instrument to

which the Company or any of the Guarantors is a party or by which any of them is bound or to which any of their respective properties is subject, except for such violations of or such defaults under any such loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or other agreement or instrument, as would not have, individually or in the aggregate, a Material Adverse Effect; the performance by the Company and the Guarantors of their respective obligations with respect to such Reorganization did not and will not cause a material violation of any law, rule, administrative regulation, license or decree of any court, governmental agency or body having jurisdiction over the Company or any of the Guarantors or any of their respective properties, or result in the creation or imposition of any lien, charge, claim or encumbrance upon any property or asset of the Company or any of the Guarantors. Except for such consents, approvals and authorizations which have been obtained, no consent, approval, authorization or order of, or filing or registration or qualification with, any court, governmental agency or body or financial institution, or any other party under any loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or any other agreement or instrument to which the Company or any of the Guarantors is a party or by which any of them is bound or to which any of their respective properties is subject, is required in connection with the consummation of the Reorganization, other than consents or approvals the failure of which to obtain would not, individually or in the aggregate, have a Material Adverse Effect.

(ai) The list of the Company's owned and/or operated Stations set forth under the caption "Business--General" and the list of studios and tower and antenna sites set forth under the caption "Business--Properties and Facilities" each is accurate and complete in all material respects with respect to the information it purports to present.

(aj) The Company has no knowledge that any block programming customer of the Company and the Guarantors intends to cease to be a customer of the Company and the Guarantors which cessation could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(ak) The failures, exclusions and other exceptions to the representations and warranties of the Company and the Guarantors, taken as a whole, would not have a Material Adverse Effect.

(al) Neither the Company nor any of its affiliates does business with the government of Cuba or with any person or affiliate located in Cuba within the meaning of Section 517.075, Florida Statutes 1996, as amended, and all regulations promulgated thereunder.

Representations and warranties of the Company and the Guarantors made to their "KNOWLEDGE" shall be understood for purposes of this Agreement to be made to the knowledge after due inquiry of the executive officers and directors of the Company or the Guarantor, as the case may be, unless otherwise stated in this

Agreement.

2. Offering; Restrictions on Transfer. The Initial Purchasers have advised the Company that the Initial Purchasers will make an offering of the Securities purchased by the Initial Purchasers hereunder on the terms and conditions set forth in the Memorandum, as soon as practicable after this Agreement is entered into as in the Initial Purchasers' sole judgment is advisable. Each

Initial Purchaser hereby, severally and not jointly, represents and warrants to, and agrees with, the Company that:

(a) the Securities have not been registered under the Securities Act and may not be offered or sold except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act; such Initial Purchaser (i) has not and will not solicit offers for, or offer to sell, the Securities by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act and (ii) has and will solicit offers for the Securities only from, and will offer the Securities only to, (A) persons who it reasonably believes to be "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act in transactions meeting the requirements of Rule 144A or (B) a limited number of other institutional investors reasonably believed by such Initial Purchasers to be "accredited investors" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and, in the case of such purchaser described in this clause (ii)(B), provide the Company a letter in the form of Exhibit A to each Memorandum; and

(b) It is either a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act or an "accredited investor" within the meaning of Rule 501 under the Securities Act, and, if an accredited investor, will provide the Company prior to the Closing Date with a letter in the form of Exhibit A attached to each Memorandum.

The Initial Purchasers understand that the Company, and, with respect to their opinions delivered pursuant to this Agreement, counsel to the Company and counsel to the Initial Purchasers, will rely upon the accuracy and truth of the foregoing representations, warranties and agreements and the Initial Purchasers hereby consent to such reliance.

3. Purchase and Delivery; Commission. (a) The Company agrees to sell to the Initial Purchasers and the Initial Purchasers, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agree to purchase from the Company the aggregate principal amount of Notes at a purchase price of 97.25% of such aggregate principal amount and (b) the Guarantors hereby agree to issue the Guarantees.

Payment for the Notes shall be made to the Company or its order by wire transfer of, immediately available funds to an account specified by the Company by written notice to the Initial Purchasers not less than two business days prior to the Closing Date, at 10:00 a.m. New York City time on September 25, 1997 or at such other time and date as the Company may agree upon in writing, such time and date being herein called the "CLOSING DATE," against delivery of the Securities at the offices of Furman Selz LLC, 230 Park Avenue, New York, New York 10169, or such other location as the Initial Purchasers shall designate, at 10:00 a.m., New York City time on the Closing Date.

The Securities, if in certificated form, shall be made available for inspection, checking and packaging by the Initial Purchasers at the above-mentioned New York offices of Furman Selz LLC, at least 24 hours prior to the time of delivery.

It is understood that each certificate evidencing Securities shall bear a legend to the following effect, unless the Company and the Trustee determine otherwise consistent with applicable law:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER SECTION 5 OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND , ACCORDINGLY, MAY NOT BE OFFERED OR SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF ANY PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "ACCREDITED INVESTOR"), (2) AGREES THAT IT WILL NOT WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE COMPANY, OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A

QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THIS SECURITY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE OR REGISTRAR), (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SECURITY, IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, WRITTEN LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

The Company shall pay any transfer taxes payable in connection with the initial delivery to the Initial Purchasers of the Securities.

4. Initial Purchasers's Conditions to Closing. The obligation of the Initial Purchasers to purchase and pay for the Securities will be subject to the accuracy of the representations and warranties on the part of the Company and the Guarantors herein, to the accuracy of the statements of the authorized representatives of the Company and the Guarantors made in any certificates pursuant to the provisions hereof, to the performance by the Company and the Guarantors of their respective obligations hereunder and to the following additional conditions precedent:

(a) Subsequent to the date hereof or, if earlier, the dates as of which information is given in the Final Memorandum, there shall not have been any change which, in the judgment of the Initial Purchasers, has or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect such that it is impractical or inadvisable to offer and deliver the Securities as contemplated by each Memorandum. No stop order or other similar decree preventing the use of either Memorandum, or any order asserting that the transactions contemplated hereunder are subject to the registration requirements of the Securities Act or "Blue Sky" laws of any jurisdiction has been issued and no proceeding for that purpose has commenced or is pending or, to the best knowledge of the Company after due inquiry, is contemplated.

(b) The Company shall have furnished to the Initial Purchasers a certificate of the Company and the Guarantors, signed by the President and the Vice President - Finance of the Company and by the President and Vice President of the Guarantors, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Final Memorandum, the Indenture, the Registration Rights Agreement and this Agreement and that:

(i) the representations and warranties of the Company and the Guarantors that are qualified as to materiality in this Agreement are true and correct, and those not so qualified are true and correct in all material respects, on and as of the Closing Date with the same effect as if made on the Closing Date and the Company and the Guarantors have complied with all the agreements and satisfied all the conditions in this Agreement on their respective parts to be performed or satisfied at or prior to the Closing Date;

(ii) since the date of the most recent financial statements included in the Final Memorandum, there has been no material adverse change in the condition (financial or other), results of operations, business, prospects, net worth or assets of the Company and the Guarantors, taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Final Memorandum; and

(iii) the FCC broadcast station licenses listed under the caption "Business--Federal Regulation of Radio Broadcasting" in the Final Memorandum as of the Closing Date, are all of such licenses granted with respect to Stations owned or operated by the Company, the Guarantors and, in the case of each Station operated but not owned by the Company or a Guarantor, the licensee of such Station; the Company,

the Guarantors and such licensees hold licenses for each of their respective Stations sufficient to operate each such Station and each such license is validly issued in the

name of the Company, a Guarantor, or such licensee, is in full force and effect and any assignments thereof have been approved by orders of the FCC.

(c) The Company shall have furnished to the Initial Purchasers the opinion of Gibson, Dunn & Crutcher LLP, counsel for the Company and the Guarantors, or, to the extent acceptable to the Initial Purchasers, of Eric H. Halvorson, general counsel to the Company and the Guarantors, each dated the Closing Date, to the effect that:

(i) each of the Company and the Guarantors is validly existing, as a corporation or general partnership in good standing under the laws of its jurisdiction of organization with requisite corporate or partnership power and authority to own or lease its properties and conduct its business as described in the Final Memorandum, and is duly qualified to do business as a foreign corporation or partnership and is in good standing under the laws of each jurisdiction in which the character of the business conducted by it or the location of the properties owned or leased by it make such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have, individually or in the aggregate, a Material Adverse Effect;

(ii) all of the issued and outstanding shares of Capital Stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable; and all of the issued and outstanding shares of Capital Stock of each Guarantor have been duly and validly authorized and issued, are fully paid and non-assessable, and are owned directly by the Company or a Wholly Owned Restricted Subsidiary;

(iii) each of the Company and the Guarantors has the requisite corporate or partnership power and authority to execute and deliver, and to perform its respective obligations under, this Agreement, the Indenture, the Notes, the Guarantees and the Registration Rights Agreement (subject, in the case of the Registration Rights Agreement, to approvals required under the Securities Act), to consummate the transactions contemplated hereby and thereby, and to issue, sell and deliver the Securities to be sold by it to the Initial Purchasers as provided herein and therein;

(iv) each of this Agreement, the Indenture and the Registration Rights Agreement, and the consummation of each of the transactions contemplated hereby and thereby, has been duly and validly authorized by all necessary corporate or partnership action (including, without limitation, all required stockholder, shareholder and general partner approvals, if any) of the Company and each Guarantor, to the extent each is a party thereto; each of this Agreement, the Indenture and the Registration Rights Agreement has been executed and delivered by each of the Company and the Guarantors party thereto; and each of the Indenture and the Registration Rights Agreement constitutes a legal, valid and binding agreement of each of the Company and the Guarantors party thereto, enforceable against each of the Company and the Guarantors party thereto in accordance with their respective terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in

equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws;

(v) the Notes have been duly and validly authorized by the Company by all necessary corporate action (including, without limitation, all required stockholder approvals, if any) and, when executed and authenticated in accordance with the provisions of the Indenture, and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (z) with respect to rights to indemnity or contribution, may be limited by applicable

law or by the policies underlying such laws, and will be entitled to the benefits of the Indenture; and the Securities, the Indenture and the Registration Rights Agreement conform in all material respects to the descriptions thereof contained in the Final Memorandum on or prior to the Closing Date;

(vi) the Guarantees have been duly and validly authorized by all necessary corporate or partnership action (including, without limitation, all required stockholder, shareholder and general partner approvals, if any) and, when executed and authenticated in accordance with the terms of the Indenture and delivered to the Initial Purchasers in accordance with the terms of this Agreement, will be legal, valid and binding obligations of the Guarantors enforceable against the Guarantors in accordance with their terms, except as such enforceability (x) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally, (y) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and will be entitled to the benefits of the Indenture and (z) with respect to rights to indemnity or contribution, may be limited by applicable law or by the policies underlying such laws;

(vii) the statements set forth in the Final Memorandum under the caption "Certain Federal Income Tax Considerations", insofar as such statements constitute a summary of legal matters, are accurate in all material respects; *provided* that no inference shall be drawn that such counsel is giving any opinion with respect to tax matters as they apply to any particular holder of Securities.

(viii) to the knowledge of such counsel, there is no action, suit or proceeding before any court or governmental agency, authority or body or any arbitrator which is pending or threatened against the Company or any Guarantor that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, except as described in the Final Memorandum;

(ix) no consent, approval, authorization or order of, or filing or registration or qualification with, any court or governmental agency or body or financial institution, or any other party under any loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or any other agreement or instrument described in the Final Memorandum to which the Company or any of the

Guarantors is a party or by which any of them is bound or to which any of their respective properties is subject, is required on the part of the Company or any Guarantor for the authorization, issuance, sale and delivery of the Securities, or the execution, delivery and performance by the Company and the Guarantors of their respective obligations under this Agreement, the Indenture and the Registration Rights Agreement or the consummation of the transactions contemplated hereby or thereby, except (1) as have been obtained, (2) as may be required under the "Blue Sky" laws of the various states in connection with the offer and sale of the Securities and (3) as may be required by the Securities Act, the "Blue Sky" laws of the various states, the Trust Indenture Act and the bylaws and rules of the NASD, in conjunction with an exchange offer for, or registered resale of, the Securities pursuant to the Registration Rights Agreement and the qualification of the Indenture and the Trustee;

(x) neither the Company nor any Guarantor is, or with the giving of notice or lapse of time or both would be, in violation of or in default under, nor does the execution and delivery of this Agreement, the Indenture and the Registration Rights Agreement, nor will the consummation of the transactions contemplated hereby and thereby, result in a violation of, or constitute a default under, the Certificates or Articles of Incorporation, by-laws or other governing documents of the Company or any of the Guarantors, or any loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or any other agreement or instrument described in the Final Memorandum to which the Company or any of the Guarantors is a party or by which any of them is bound, or to which any of their respective properties is subject, except for such violations of or such defaults under any such loan agreement, indenture, mortgage, deed of trust, lease, network affiliation agreement, programming contract or other agreement or instrument, as would not, individually or in the aggregate, have a Material Adverse Effect; nor will the performance by the Company and the Guarantors of their respective obligations hereunder and thereunder violate any law, rule or administrative regulation, to such counsel's knowledge, any license or any decree of any court, governmental agency or body having jurisdiction over the Company or any of the Guarantors, or any of

their respective properties, or, to such counsel's knowledge, result in the creation or imposition of any lien, charge, claim or encumbrance upon any property or asset of the Company or any of the Guarantors, except such violation, lien, charge, claim or encumbrance as would not, individually or in the aggregate, have a Material Adverse Effect;

(xi) no registration of the Securities under the Securities Act is required for the sale of the Securities to the Initial Purchasers as contemplated by this Agreement or for the initial resale thereof in the manner contemplated in this Agreement, assuming that (a) the offering of the Securities has been conducted solely in the manner contemplated by the Final Memorandum, this Agreement, the Indenture and the Registration Rights Agreement, (b) the Initial Purchasers' and the Company's representations and warranties in this Agreement are true, (c) the representations of accredited investors in the form set forth in Exhibit A to the Final Memorandum are true, (d) each purchaser is a qualified institutional buyer or an accredited investor, and (e) the Initial Purchasers deliver (or cause the delivery) promptly to each such purchaser purchasing the Securities from the Initial Purchasers, a copy of the Final Memorandum;

(xii) pursuant to exemptions under the Investment Company Act and based upon no-action letters issued by the staff of the Commission, neither the Company nor any of the Guarantors is, and after giving effect to the offering and sale of the Securities and the application of the proceeds therefrom as described in the Final Memorandum under the caption "Use of Proceeds", will be, an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act;

(xiii) when the Securities are issued and delivered pursuant to this Agreement, the Securities will not be of the same class (within the meaning of Rule 144A under the Securities Act) as securities of the Company and the Guarantors, if any, which are listed on a national securities exchange registered under Section 6 of the Exchange Act and the rules and regulations of the Commission promulgated thereunder or quoted in a United States automated interdealer quotation system; accordingly, the offer and sale of the Securities in the manner contemplated by this Agreement and the Final Memorandum will be in compliance with paragraph (d)(3) of Rule 144A under the Securities Act;

(xiv) the Final Memorandum appears on its face to comply as to form in all material respects with the applicable requirements of paragraph (d)(4) of Rule 144A under the Securities Act;

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws of any jurisdiction other than the laws of the State of New York or the State of California, the corporation laws of the State of Delaware, or the laws of the United States of America, to the extent they deem proper and specified in such opinion, upon the opinion of other counsel of good standing whom they believe to be reliable and who are satisfactory to counsel for the Initial Purchasers and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and public officials.

In addition such counsel shall state that such counsel assisted in the preparation of the Final Memorandum and no facts have come to the attention of such counsel that lead such counsel to believe that the Final Memorandum (excluding financial statements and other financial and statistical data contained therein, as to which such counsel need not express an opinion) as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company shall have furnished to the Initial Purchasers the opinion of Fletcher, Heald & Hildreth, P.L.C., special communications counsel to the Company, dated the Closing Date, to the effect that:

(i) for each Station stated in the Final Memorandum as being owned by the Company, the Company or one of the Guarantors and, for each Station stated in the Final Memorandum as being operated but not owned by the Company or a Guarantor, the licensee of such Station, holds the licenses for the operation of such Station and all such licenses are in full force and effect;

(ii) based on a review of the pertinent public files of the FCC, appropriate files of such counsel and an inquiry of the lawyers thereof who have had substantial responsibility for the Company's

legal matters handled by such counsel, such counsel confirms that, other than rulemaking proceedings or similar proceedings of general applicability to entities such as the Company or to facilities such as the Stations, there is no action, suit, or proceeding before the FCC pending or to such counsel's knowledge, threatened against or affecting the Company or any of the Guarantors that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(iii) no authorizations, consents, approvals, licenses, filings or registrations with the FCC are required in connection with the execution, delivery or performance by the Company or any Guarantor of this Agreement, the Indenture, the Registration Rights Agreement, the Notes or the Guarantees, or the consummation of the transactions contemplated hereby or thereby; and

(iv) such counsel assisted in the preparation of the Final Memorandum and no facts have come to the attention of such counsel that lead them to believe that the statements contained under the captions "Risk Factors--Regulatory Matters" and "Business--Federal Regulation of Radio Broadcasting" in the Final Memorandum as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The Initial Purchasers shall have received on the Closing Date the opinion or opinions of Milbank, Tweed, Hadley & McCloy, dated the Closing Date, on such matters as the Initial Purchasers may reasonably request and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(f) The Company, the Guarantors and the Trustee shall have executed and delivered the Indenture in substantially the form of the draft dated the date hereof with such changes as may be reasonably satisfactory to the Initial Purchasers, and the Indenture shall be in full force and effect.

(g) The Company shall have furnished to the Initial Purchasers on the date hereof and on the Closing Date, a letter of Ernst & Young LLP, as independent auditors to the Company, addressed to the Initial Purchasers and the Board of Directors of the Company and dated the date hereof or the Closing Date as the case may be, in form and substance satisfactory to the Initial Purchasers, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the consolidated financial statements, summary and selected consolidated financial information and certain other financial information contained in the Final Memorandum.

(h) The Securities shall be eligible for trading on the Private Offerings, Resales and Trading through Automated Linkages Market ("PORTAL") system of the NASD.

(i) The Company, the Trustee and The Depository Trust Company shall have executed and delivered the letter of representations with respect to the Securities in substantially the form of the draft dated the date hereof with such changes as may be reasonably satisfactory to the Initial Purchasers.

(j) The Company and the Guarantors shall have executed and delivered the Registration Rights Agreement in substantially the form of the draft dated the date hereof with such changes as may be reasonably satisfactory to the Initial Purchasers, and the Registration Rights Agreement shall be in full force and effect.

(k) The Company and the Guarantors shall have furnished to the Initial Purchasers an accurate certificate dated as of the Closing Date, in form and substance satisfactory to the Initial Purchasers, signed by the Secretary of the Company and each Guarantor, and attaching Articles or Certificates of Incorporation, bylaws, resolutions, a specimen of the Notes, evidence with respect to FCC licenses and such other documents and records as the Initial Purchasers may request.

The Company and the Guarantors will furnish the Initial Purchasers with such additional opinions, certificates, letters and documents as the Initial Purchasers may reasonably request.

5. Covenants of the Company. In further consideration of the agreements of the Initial Purchasers herein obtained, each of the Company and the Guarantors covenants and agrees with the Initial Purchasers as follows:

(a) To furnish the Initial Purchasers, without charge, during the

period mentioned in paragraph (c) below, as many copies of each Memorandum as the Initial Purchasers may reasonably request;

(b) During the period mentioned in paragraph (c) below, before amending or supplementing the Final Memorandum, to furnish the Initial Purchasers a copy of each such proposed amendment or supplement, and to make no such proposed amendment or supplement to which the Initial Purchasers reasonably objects;

(c) If, during such period after the date hereof and prior to the date on which all of the Securities have been sold by the Initial Purchasers, any event shall occur as a result of which the Final Memorandum as then amended or supplemented would, in the judgement of the Company or counsel to the Initial Purchasers, include any untrue statement of a material fact, or omit to state a material fact necessary 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 to amend or supplement the Final Memorandum to comply with applicable law, promptly to prepare and furnish, at its own expense, to the Initial Purchasers, either an amendment or supplement to the Final Memorandum that corrects such statement or omission or effects such compliance;

(d) During the period mentioned in paragraph (c) above, to advise the Initial Purchasers promptly of the happening of any event as a result of which the Final Memorandum would, in the opinion of the Company, include any untrue statement of a material fact, or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) To endeavor to qualify the Securities for offer and sale under the securities laws of such jurisdictions in the United States as the Initial Purchasers may reasonably request, to file such statements and reports as may be required by the laws of each such jurisdiction in which the Securities have been so qualified, and to supply the Initial Purchasers with such information as is necessary for the determination of the legality of the Securities for investment under the laws of such jurisdictions as the Initial Purchasers may request; except that in no event shall the Company or any Guarantor be obligated in connection therewith to qualify as a foreign corporation, or to execute a general consent to service of process;

(f) Not, for a period of 180 days following the date hereof, without the prior written consent of Furman Selz LLC, to offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any Securities;

(g) So long as any Securities are outstanding, to provide the Trustee and holders of any of the Securities copies of its annual reports and of the information, documents and reports that the Company or any Guarantor is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act within 15 days after it files them with the Commission and if, during any period in which Securities are outstanding, the Company is not obligated to file annual reports, documents or other reports with the Commission pursuant to Section 13 or 15(d) of the Exchange Act, to furnish to the Trustee the same such annual reports, documents or other reports as if the Company were so subject. In addition, at all times prior to the declaration of effectiveness of the registration statement required pursuant to the Registration Rights Agreement, upon the request of any holder of Securities or any prospective purchaser of the Securities designated by such holder, the Company shall supply to such holder or such prospective purchaser the information required under Rule 144A under the Securities Act, unless the Company is then subject to Section 13 or 15(d) of the Exchange Act and reports filed thereunder satisfy the information requirements of Rule 144A(d)(4) as then in effect;

(h) If requested by the Initial Purchasers, to use all reasonable efforts to maintain the securities as PORTAL securities in accordance with the rules and regulations adopted by the NASD relating to trading in the PORTAL market through such time as a registration statement covering the Notes shall have become effective or all of the Notes shall have become eligible for resale without the requirement that such resales comply with the volume or manner of sale restrictions of Rule 144 of the Act;

(i) To hold the Initial Purchasers harmless against any documentary, stamp or similar transfer or issue tax, including any interest and penalties, on the issue, sale and delivery of the Securities in accordance with the terms of this Agreement and on the execution and delivery of this Agreement, the Indenture and the Registration Rights Agreement which are or may be required to be paid under the laws of the United States or any political subdivision or taxing authority thereof or therein;

(j) Not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) that is or will be integrated with the sale of the Securities in a manner

that would require the registration of the Securities under the Securities Act;

(k) Not to solicit any offer to buy, offer or sell the Securities by means of any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act;

(l) To comply with all of the terms and provisions of the Registration Rights Agreement;

(m) For a period of five years following the Closing Date, to furnish to the Initial Purchasers copies of any annual reports, quarterly reports and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission, and such other documents, reports and information as shall be furnished by the Company to the Trustee or to the holders of the Securities pursuant to the Indenture;

(n) During the period from the Closing Date to the date that is two years after the Closing Date, not, and not permit any of its "affiliates" (as defined in Rule 144 of the Act) to, resell any Securities that have been acquired by any of them except for Securities purchased by the Company of any such affiliate and resold in a transaction registered under the Act or exempt from the registration requirements of the Act;

(o) To use the proceeds from the sale of the Securities in the manner set forth in the Final Memorandum; and

(l) On the Closing Date, the Company shall repay all amounts owing under the Existing Credit Agreement by wire transfer from the Initial Purchasers of the proceeds of the offering of the Securities to the lenders under the Existing Credit Agreement and shall terminate the Existing Credit Agreement and enter into the New Credit Agreement. On or before the Closing Date, the Company shall terminate and pay all amounts due under any outstanding interest rate swap or other interest rate hedging agreements. The Company promptly shall provide the Initial Purchasers evidence of each such action.

6. Expenses. Whether or not this Agreement becomes effective or is terminated or the sale of the Securities to the Initial Purchasers is consummated, the Company agrees to pay (i) the costs incident to the authorization, issuance, sale and delivery of the Securities and any taxes payable in that connection; (ii) the costs (including, without limitation, fees and expenses of the Company's accountants and counsel) incident to the preparation, printing and delivery and distribution to the Initial Purchasers of each Memorandum and any amendments and exhibits thereto, as provided in this Agreement; (iii) the costs of delivery and shipping of the Indenture, the Registration Rights Agreement, this Agreement and related documents, including, but not limited to any "Blue Sky" memoranda; (iv) the fees payable to rating agencies in connection with the rating of the Securities; (v) the fees and expenses (including reasonable fees and disbursement of counsel to the Initial Purchasers in connection therewith) of qualifying the Securities for offering and sale under the securities laws of the several jurisdictions; (vi) any applicable filing fees associated with filings made with the NASD in connection with the PORTAL application for the Securities; (vii) the costs and charges of the Trustee and any paying agent or registrar; and (viii) all other costs and expenses incident to the performance of its obligations hereunder for which provision is not otherwise made in this Section 6.

7. Indemnification and Contribution. (a) Each of the Company and the Guarantors agrees to indemnify and hold harmless the Initial Purchasers, its officers, authorized representatives

and directors and each person, if any, who controls the Initial Purchasers within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, or is under common control with, or is controlled by, the Initial Purchasers, from and against any and all losses, claims, damages and liabilities (including, without limitation, any reasonable legal or other expenses actually incurred by the Initial Purchasers or any such controlling or affiliated person in connection with defending or investigating any such action or claim) caused by, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Memorandum if the Company shall have furnished any amendments or supplements thereto, or in any "blue sky" application or other document executed by the Company or any of the Guarantors in connection with in any such application procedure or based upon written information furnished by the Company or any of the Guarantors specifically to be filed in any state or other jurisdiction in order to qualify

any or all the Securities under the securities laws thereof or specifically to be filed with the Commission or any securities association or securities exchange (each, an "APPLICATION"), or caused by, arising out of or based upon any omission or alleged omission to state therein 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, except insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue statement or omission or alleged untrue statement or omission relating to the Initial Purchasers made in any Memorandum, or any Application, made in reliance upon and in conformity with information relating to the Initial Purchasers furnished to the Company in writing by the Initial Purchasers expressly for use therein; _provided, however_, that the Company and the Guarantors shall not be required to indemnify any such person if such untrue statement or omission or alleged untrue statement or omission was contained or made in the Preliminary Memorandum and corrected in the Final Memorandum and the Final Offering Memorandum does not contain any other untrue statement or omission or alleged untrue statement or omission of a material fact that was the subject matter of the related proceeding and any such loss, claim, damage, liability or expense suffered or incurred by such person resulted from any action, claim or suit by any person who purchased Securities that are the subject thereof from the Initial Purchasers and it is established in the related proceeding that the Initial Purchasers failed to deliver or provide a copy of the Final Memorandum to such person with or prior to the written confirmation of the sale of such Securities sold to such person if required by applicable law, unless such failure to deliver or provide a copy of the Final Memorandum was a result of noncompliance by the Company and the Guarantors with Section 5(a) hereof.

(b) The Initial Purchasers agree to indemnify and hold harmless the Company, the Guarantors, their respective officers and directors and each person, if any, who controls the Company and the Guarantors within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company and the Guarantors to the Initial Purchasers, but only with reference to information relating to the Initial Purchasers furnished to the Company in writing by or on behalf of the Initial Purchasers expressly for use in either Memorandum.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be instituted or asserted against any person in respect of which indemnity may be sought pursuant to either of paragraph (a) or (b) above, such person (hereinafter called the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (hereinafter called the "INDEMNIFYING PARTY") in writing; _provided, however_, that the failure to so notify the indemnifying party shall not relieve it of any obligation or liability that it may have hereunder or otherwise (unless and only to the extent that such failure directly results in the loss or compromise of any material rights or defenses by the indemnifying party and the indemnifying party was not otherwise aware of such action or claim). The indemnifying party, upon request of the

indemnified party, shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others that the indemnifying party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such action or proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed in writing to the contrary, (ii) the indemnifying party shall have failed within a reasonable period of time to retain counsel reasonably satisfactory to the indemnified party, or (iii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party or any affiliate of either and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that, unless there exists a conflict among indemnified parties, the indemnifying party shall not, in connection with any one such proceeding or separate but substantially similar related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any appropriate local counsel) for all indemnified parties, and that all such fees and expenses shall be reimbursed promptly after the receipt of the invoice therefor as they are incurred. Any such separate firm shall be designated in writing by Furman Selz LLC in the case of parties indemnified pursuant to paragraph (a) above and by the Company in the case of parties indemnified pursuant to paragraph (b) above. The indemnifying party shall not be liable for any settlement of any proceeding effected without its prior written consent, but if settled with such consent or if there be a final judgment for the plaintiff for which the indemnified party is entitled to indemnification pursuant to this Agreement, the indemnifying party agrees to indemnify and hold harmless each indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), effect any settlement or compromise of any

pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement or compromise (A) includes an unconditional release of such indemnified party, in form and substance reasonably satisfactory to such indemnified party from all liability on claims that are the subject matter of such proceeding, and (B) does not include any statement as to an admission of fault, culpability or failure to act by or on behalf of any indemnified party.

(d) To the extent the indemnification provided in paragraph (a) or (b) of this Section 7 is for any reason unavailable to (other than by reason of exceptions provided therein), or insufficient to hold harmless, an indemnified party in respect of any losses, claims, damages, liabilities or expenses (or actions in respect thereof) referred to therein, then each indemnifying party under such paragraphs, in lieu of indemnifying such indemnified party thereunder and 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 in such proportion as is appropriate to reflect (i) the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, not only such relative benefits but also the relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand 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 Guarantors on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities shall be deemed to be in the same proportion as the total proceeds from the offering of the Securities (net of discounts and commissions but before deducting expenses) received by the Company and the

Guarantors bears to the total discounts and commissions received by the Initial Purchasers in respect thereof, in each case as set forth in the Final Memorandum. The relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand 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 and the Guarantors on the one hand or by the Initial Purchasers on the other hand, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, and any other equitable considerations appropriate in the circumstances.

(e) The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to Section 7(d) hereof were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses actually incurred by such indemnified party in connection with defending or investigating any such action or claim. Notwithstanding the provisions of Section 7(d) hereof, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Securities purchased and resold by it exceeds the amount of any damages that the Initial Purchaser has otherwise been required to pay or has paid by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution provisions contained in this Section 7 and the representations and warranties of the Company and the Guarantors contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of the Initial Purchasers or any person controlling the Initial Purchasers or under common control with or controlled by the Initial Purchasers or by or on behalf of the Company, the Guarantors, their respective officers, authorized representatives or directors or any person controlling the Company and the Guarantors and (iii) acceptance of and payment for any of the Securities.

The indemnity and contribution agreements contained in this Section 7 will be in addition to any liability that the indemnifying party or parties may otherwise have to the indemnified party or parties referred to above.

8. *Termination and Survival.* This Agreement may be terminated for any reason at any time prior to the delivery and payment of the Securities on

the Closing Date, as the case may be, by the Initial Purchasers upon written notice of such termination to the Company, if prior to such time (i) there has been, since the respective dates as of which information is given in each Memorandum, (A) any material adverse change in the condition, (financial or otherwise), results of operations, business, prospects, net worth or assets of the Company and the Guarantors, taken as a whole, whether or not arising in the ordinary course of business or (B) except as contemplated by this Agreement, any material transaction entered into by the Company or the Guarantors other than in the ordinary course of business, or (ii) there has occurred any outbreak or escalation of hostilities or other calamity or crisis or material change in existing national or international financial, political, economic or securities market conditions, the effect of which is such as to make it, in the judgment of the Initial Purchasers, impracticable or inadvisable to offer and deliver the Securities in the manner contemplated

in the Final Memorandum or enforce contracts for the sale of Securities, or (iii) trading generally on the New York Stock Exchange or quotations on the Nasdaq National Market, either has been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required by either of said organizations or by order of the Commission or any other governmental authority or, if a banking moratorium has been declared, by either Federal or New York authorities, or (iv) any downgrading shall have occurred in the rating accorded the Securities by any "nationally recognized statistical rating organization," as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Act.

In the event of any such termination, the provisions of Section 6 hereof, the indemnity agreement and contribution provisions set forth in Section 7 hereof, and the provisions of Sections 9 and 14 hereof shall remain in effect.

9. <u>Representations, Warranties and Agreements to Survive Delivery.</u> All representations, warranties and agreements contained in this Agreement, or contained in certificates of officers of the Company or the Guarantors submitted pursuant hereto, including indemnity and contribution agreements, shall remain operative and in full force and effect, regardless of any termination of this Agreement, or any investigation made by or on behalf of the Initial Purchasers or any person controlling the Initial Purchasers or by or on behalf of the Company, the Guarantors, or their respective officers or directors, and shall survive acceptance of and payment for the Notes hereunder.

10. <u>Notices.</u> All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted by any standard form of telecommunication. Notices to the Initial Purchasers shall be directed to 230 Park Avenue, New York, New York 10169, Attention: Syndicate Department, with a copy to Milbank, Tweed, Hadley & McCloy, 601 South Figueroa Street, 30th Floor, Los Angeles, California, 90017, Attention: Kenneth J. Baronsky, Esq.; notices to the Company shall be directed to it at 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012, Attention: Chief Operating Officer, with a copy to Gibson, Dunn & Crutcher LLP, Jamboree Center, 4 Park Plaza, Irvine, California, 92614, Attention: Thomas D. Magill, Esq..

11. <u>Headings.</u> The headings of the sections of this document have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

12. <u>Parties.</u> This Agreement shall inure to the benefit of and be binding upon the Company, the Guarantors, the Initial Purchasers, any controlling persons referred to herein and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provisions herein contained. No purchaser of Securities from the Initial Purchasers shall be deemed to be a successor by reason merely of such purchase.

13. <u>Counterparts.</u> This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. <u>Governing Law.</u> THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE LAW OF CONFLICTS OF LAWS THEREOF.

Please confirm your agreement to the foregoing by signing in the space

provided below for that purpose and returning to us a copy hereof, whereupon this Agreement shall constitute a binding agreement between the Company and the Guarantors, on the one hand, and the Initial Purchasers on the other hand.

Very truly yours,

SALEM COMMUNICATIONS CORPORATION
a California corporation

/s/ Edward G. Atsinger
By:______________________________
Edward G. Atsinger, III
President and Chief Executive Officer

ATEP RADIO, INC.,
BISON MEDIA, INC.,
CARON BROADCASTING, INC.,
COMMON GROUND BROADCASTING, INC.,
GOLDEN GATE BROADCASTING
COMPANY, INC.,
INLAND RADIO, INC.,
INSPIRATION MEDIA OF TEXAS, INC.,
INSPIRATION MEDIA, INC.,
NEW ENGLAND CONTINENTAL MEDIA, INC.,
NEW INSPIRATION BROADCASTING
COMPANY, INC.,
OASIS RADIO, INC.,
PENNSYLVANIA MEDIA ASSOCIATES, INC.,
RADIO 1210, INC.,
SALEM COMMUNICATIONS CORPORATION, a
Delaware corporation
SALEM MEDIA CORPORATION,
SALEM MEDIA OF CALIFORNIA, INC.,
SALEM MEDIA OF COLORADO, INC.,
SALEM MEDIA OF LOUISIANA, INC. and
SALEM MEDIA OF OHIO, INC.,
SALEM MEDIA OF OREGON, INC.,
SALEM MEDIA OF PENNSYLVANIA, INC.,
SALEM MEDIA OF TEXAS, INC.,
SALEM MUSIC NETWORK, INC.,
SALEM RADIO NETWORK INCORPORATED,
SALEM RADIO REPRESENTATIVES, INC.,
SOUTH TEXAS BROADCASTING, INC.,
SRN NEWS NETWORK, INC.,
VISTA BROADCASTING, INC.,

/s/ Edward G. Atsinger
By:______________________________
Edward G. Atsinger, III
President and Chief Executive Officer

BELTWAY MEDIA PARTNERS

By: GOLDEN GATE BROADCASTING COMPANY, INC., its general partner

/s/ Edward G. Atsinger
By:____________________________
Edward G. Atsinger, III
President and Chief Executive Officer

By: SALEM COMMUNICATIONS CORPORATION, a California corporation, its general partner

/s/ Edward G. Atsinger
By:_______________________
Edward G. Atsinger, III
President and Chief Executive Officer

By: NEW INSPIRATION BROADCASTING COMPANY, INC., its general partner

/s/ Edward G. Atsinger
By:_______________________
Edward G. Atsinger, III
President and Chief Executive Officer

Accepted:
September 17, 1997

FURMAN SELZ LLC
SMITH BARNEY INC.
BANCBOSTON SECURITIES INC.
BNY CAPITAL MARKETS, INC.

By: Furman Selz LLC

/s/ Harlan Wakoff
By:___________________________
Harlan Wakoff
Vice President

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Schedule I

Initial Purchasers	Amount of Notes to be Purchased
<S>	<C>
Furman Selz LLC	$ 75,000,000
Smith Barney Inc.	45,000,000
BancBoston Securities Inc.	15,000,000
BNY Capital Markets, Inc.	15,000,000
Total	$150,000,000

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Schedule II

Subsidiaries of the Company

Name:	Jurisdiction of formation:	Qualified in:
<S>	<C>	<C>
ATEP Radio, Inc.	California	
Beltway Media Partners	Virginia	
Bison Media, Inc.	Colorado	Washington
Caron Broadcasting, Inc.	Ohio	Maryland
Common Ground Broadcasting, Inc.	Oregon	Arizona, Minnesota and Ohio
Golden Gate Broadcasting Company, Inc.	California	
Inland Radio, Inc.	California	
Inspiration Media of Texas, Inc.	Texas	
Inspiration Media, Inc.	Washington	
New England Continental Media, Inc.	Massachusetts	
New Inspiration Broadcasting Company, Inc.	California	
Oasis Radio, Inc.	California	
Pennsylvania Media Associates, Inc.	Pennsylvania	
Radio 1210, Inc.	California	
Salem Communications Corporation	Delaware	
Salem Media Corporation	New York	Illinois
Salem Media of California, Inc.	California	
Salem Media of Colorado, Inc.	Colorado	
Salem Media of Louisiana, Inc.	Louisiana	
Salem Media of Ohio, Inc.	Ohio	
Salem Media of Oregon, Inc.	Oregon	
Salem Media of Pennsylvania, Inc.	Pennsylvania	
Salem Media of Texas, Inc.	Texas	
Salem Music Network, Inc.	Texas	Colorado and Tennessee
Salem Radio Network Incorporated	Delaware	Texas and Virginia
Salem Radio Representatives, Inc.	Texas	California, Illinois, New York, Tennessee and Virginia
South Texas Broadcasting, Inc.	Texas	
SRN News Network, Inc.	Texas	District of Columbia and Virginia
Vista Broadcasting, Inc.	California	

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<TYPE>EX-1.02
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EXHIBIT 1.02

Execution Original

REGISTRATION RIGHTS AGREEMENT

Among

Salem Communications Corporation, a California corporation

ATEP Radio, Inc.,
Beltway Media Partners,
Bison Media, Inc.,
Caron Broadcasting, Inc.,
Common Ground Broadcasting, Inc.,
Golden Gate Broadcasting Company, Inc.,
Inland Radio, Inc.,
Inspiration Media, Inc.,
Inspiration Media of Texas, Inc.,
New England Continental Media, Inc.,
New Inspiration Broadcasting Company, Inc.,
Oasis Radio, Inc.,
Pennsylvania Media Associates, Inc.,
Radio 1210, Inc.,
Salem Communications Corporation, a Delaware corporation
Salem Media Corporation,
Salem Media of California, Inc.,
Salem Media of Colorado, Inc.,
Salem Media of Louisiana, Inc.,
Salem Media of Ohio, Inc.,
Salem Media of Oregon, Inc.,
Salem Media of Pennsylvania, Inc.,
Salem Media of Texas, Inc.,
Salem Music Network, Inc.,
Salem Radio Network Incorporated,
Salem Radio Representatives, Inc.,
South Texas Broadcasting, Inc.,
SRN News Network, Inc.,
Vista Broadcasting, Inc.,

and

Furman Selz LLC,
Smith Barney Inc.,
BancBoston Securities Inc.,
and
BNY Capital Markets, Inc.

Dated as of September 25, 1997

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (the "AGREEMENT"), dated as of September 25, 1997, by and among Salem Communications Corporation, a California corporation ("SALEM" or the "COMPANY"), the Guarantors (as defined below), and Furman Selz LLC, Smith Barney Inc., BancBoston Securities Inc., and BNY Capital Markets, Inc., as the initial purchasers (the "INITIAL PURCHASERS") of the Company's 9 1/2% Senior Subordinated Notes due 2007 (the "NOTES"), which are guaranteed (the "GUARANTEES") by the following subsidiaries of the Company:

ATEP Radio, Inc., a California corporation, Beltway Media Partners, a Virginia partnership, Bison Media, Inc., a California corporation, Caron Broadcasting, Inc., an Ohio corporation, Common Ground Broadcasting, Inc., an Oregon corporation, Golden Gate Broadcasting Company, Inc., a California corporation, Inland Radio, Inc., a California corporation, Inspiration Media of Texas, Inc., a Texas corporation, Inspiration Media, Inc., a Washington corporation, New England Continental Media, Inc., a Massachusetts corporation, New Inspiration Broadcasting Company, Inc., a California corporation, Oasis Radio, Inc., a California corporation, Pennsylvania Media Associates, Inc., a Pennsylvania corporation, Radio 1210, Inc., a California corporation, Salem Communications Corporation (DE) Salem Media Corporation, a New York corporation, Salem Media of California, Inc., a California corporation, Salem Media of Colorado, Inc., a Colorado corporation, Salem Media of Louisiana, Inc., a Louisiana corporation, Salem Media of Ohio, Inc., an Ohio corporation, Salem Media of Oregon, Inc., an Oregon corporation, Salem Media of Pennsylvania, Inc., a Pennsylvania corporation, Salem Media of Texas, Inc., a Texas corporation, Salem Music Network, Inc., a Texas corporation, South Texas Broadcasting, Inc., a Texas

corporation, Salem Radio Network Incorporated, a Delaware corporation, Salem Radio Representatives, Inc., a Texas corporation, SRN News Network, Inc., a Texas corporation, and Vista Broadcasting, Inc., a California corporation, (each a "GUARANTOR" and collectively the "GUARANTORS").

This Agreement is made pursuant to the Placement Agreement, dated September 17, 1997, among the Company, the Guarantors and the Initial Purchasers (the "PLACEMENT AGREEMENT"), which provides for the sale by the Company to the Initial Purchasers of $150,000,000 aggregate principal amount of the Company's 9 1/2% Senior Subordinated Notes due 2007 (the "NOTES"), which Notes are guaranteed (the "GUARANTEES") to the extent set forth in the Indenture (as defined below), the Notes and the Guarantees.

In order to induce the Initial Purchasers to enter into the Placement Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchasers and their direct and indirect transferees the registration rights with respect to the Notes and the Guarantees as set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Placement Agreement.

1. Definitions.

As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"BUSINESS DAY" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in The City of New York, the State of California or the city in which the Corporate Trust Office (as defined in the Indenture) is located are authorized or obligated by law or executive order to close.

"CLOSING DATE" shall mean the date on which the Notes are initially issued by the Company and the Guarantees are initially issued by the Guarantors, in each case, to the Initial Purchasers.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"COMPANY" shall have the meaning set forth in the preamble.

"EFFECTIVE TIME," in the case of (i) an Exchange Offer, shall mean the time and date as of which the Commission declares the Exchange Offer Registration Statement effective or as of which the Exchange Offer Registration Statement otherwise becomes effective and (ii) a Shelf Registration, shall mean the time and date as of which the Commission declares the Shelf Registration effective or as of which the Shelf Registration otherwise becomes effective.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

"EXCHANGE DATE" shall have the meaning set forth in Section 2(a)(ii).

"EXCHANGE GUARANTEES" shall have the meaning assigned thereto in Section 2(a) hereof.

"EXCHANGE NOTES" shall have the meaning assigned thereto in Section 2(a) hereof.

"EXCHANGE OFFER" shall have the meaning assigned thereto in Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION STATEMENT" shall mean an exchange offer registration statement of the Company and the Guarantors on Form S-4 (or, if

applicable, on another appropriate form) which covers all of the Exchange Securities, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"EXCHANGE SECURITIES" shall have the meaning assigned thereto in Section 2(a) hereof.

"GUARANTEES" shall have the meaning set forth in the preamble.

"GUARANTORS" shall have the meaning set forth in the preamble.

"HOLDER" shall mean any Initial Purchaser for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of Registrable Securities;

provided, that for purposes of Sections 3, 4 and 5 of this Agreement, the term "HOLDER" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"HOLDERS' INFORMATION" shall have the meaning assigned thereto in Section 5(a) hereof.

"INDENTURE" shall mean the Indenture, dated as of September 25, 1997, among the Company, the Guarantors and The Bank of New York, as trustee, as the same shall be amended from time to time.

"INITIAL PURCHASERS" shall have the meaning set forth in the preamble.

"MAJORITY HOLDERS" shall mean the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities; provided that, for purposes of this definition, whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company, its subsidiaries or any of their respective affiliates (as such term is defined in Rule 405 under the Securities Act) (other than the Initial Purchasers or subsequent Holders of Registrable Securities if such subsequent Holders are deemed to be such affiliates solely by reason of their holding of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage or amount.

"NASD" shall mean the National Association of Securities Dealers, Inc.

"NOTES" shall have the meaning set forth in the preamble.

"OFFER TERMINATION DATE" shall have the meaning set forth in Section 2(a)(iii).

"PARTICIPATING BROKER-DEALER" shall have the meaning set forth in Section 4(a) hereof.

"PENALTY AMOUNTS" shall have the meaning assigned thereto in Section 2(d) hereof.

"PERSON" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"PRESCRIBED TIME PERIOD" shall have the meaning set forth in Section 2(d)(i).

"PROSPECTUS" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus

supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including all material incorporated by reference or deemed to be incorporated by reference therein.

"PROSPECTUS DELIVERY REQUIREMENT SITUATION" shall have the meaning set forth in Section 2(e).

"PLACEMENT AGREEMENT" shall have the meaning set forth in the preamble.

"REGISTRABLE SECURITIES" shall mean the Securities; provided, however, that any such Securities shall cease to be Registrable Securities (i) when a Registration Statement with respect to such Registrable Securities shall have been declared effective under the Securities Act and such Securities shall have been disposed of or exchanged pursuant to such Registration Statement, (ii) upon the expiration of the Exchange Offer period with respect to any Exchange Offer Registration Statement if all Registrable Securities validly tendered in connection with such Exchange Offer shall have been exchanged for Exchange Securities, (iii) when such Securities have been sold to the public pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the Securities Act or (iv) when such Securities shall have ceased to be outstanding; provided, however, that if an opinion of counsel to the effect described in Section 2(d)(i)(B) is delivered to the Company and the Guarantors, then such Securities held by the Initial Purchasers shall not cease to be Registrable Securities solely by reason of clause (ii) above.

"REGISTRATION DEFAULT" shall have the meaning assigned thereto in Section 2(d) hereof.

"REGISTRATION EXPENSES" shall mean any and all expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation: (i) all Commission, stock exchange or NASD registration and filing fees, (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws, (iii) all expenses of any Person in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, underwriting agreements, securities sales agreements, indentures and any other documents necessary in order to comply with this Agreement, (iv) all fees and disbursements relating to the qualification of the Indenture and the Guarantors under applicable securities laws, (v) the fees and disbursements of the Trustee and its counsel and of any escrow agent as custodian, (vi) the fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the Holders in connection with an Exchange Offer Registration Statement and a Shelf Registration Statement, (vii) the fees and disbursements of the independent public accountants of the Company and the Guarantors, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, but excluding underwriting discounts, if any, and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder and (viii) fees, disbursements and expenses of any "qualified independent underwriter" engaged, if any, (ix) rating agency fees, (x) Securities Act liability insurance, if the Company desires such insurance, (xi) fees and expenses of all other Persons retained by the Company, (xii) internal expenses of the Company (including, without limitation, all salaries and expenses of officers and employees of the Company performing legal or accounting duties), (xiii) the expense of any annual

audit and (xiv) the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange.

"REGISTRATION STATEMENT" shall mean any registration statement of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"RESALE PERIOD" shall have the meaning assigned thereto in Section 2(a) hereof.

"RESTRICTED HOLDER" shall mean (i) a holder that is an affiliate of the Company or any of the Guarantors within the meaning of Rule 405, (ii) a Holder who acquires Exchange Securities outside the ordinary course of such Holder's business or (iii) a Holder who has arrangements or understandings with any Person to participate in the Exchange Offer for the purpose of distributing Exchange Securities.

"RULE 144," "RULE 144A," "RULE 174," "RULE 405," "RULE 415," and "RULE 424" shall mean, in each case, such rule promulgated under the Securities Act or any similar rule that may be adopted by the Commission.

"SECURITIES" shall mean collectively, the Notes and the Guarantees.

"SECURITIES ACT" shall mean the Securities Act of 1933, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

"SHELF REGISTRATION" shall mean a registration under the Securities Act effected pursuant to Section 2(b) hereof.

"SHELF REGISTRATION STATEMENT" shall mean a "SHELF" registration statement of the Company and the Guarantors prepared pursuant to the provisions of Section 2(b) of this Agreement which covers all of the Registrable Securities on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference or deemed incorporated by reference therein.

"TRUSTEE" means The Bank of New York, as trustee under the Indenture.

"TRUST INDENTURE ACT" shall mean the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

Unless the context otherwise requires, any reference herein to a "SECTION" or "CLAUSE" refers to a Section or clause, as the case may be, of this Agreement, and the words "HEREIN," "HEREOF"

and "HEREUNDER" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision. Unless the context otherwise requires, any reference to a statute, rule or regulation shall be deemed to be a statute, rule or regulation (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

2. Registration under the Securities Act.

(a) Except as set forth in Section 2(b) below, the Company and the Guarantors agree to use their best efforts to file under the Securities Act as soon as practicable after the Closing Date, but in no event later than 75 days after such date, an Exchange Offer Registration Statement relating to an offer by the Company and the Guarantors to exchange (the "EXCHANGE OFFER") (i) any and all of the Notes for a like aggregate amount of notes issued by the Company, which notes are identical in all material respects to the Notes (the "EXCHANGE NOTES"), except that the Exchange Notes have been registered pursuant to an effective registration statement under the Securities Act on the appropriate form, do not contain restrictions on transfers (except as they may be held by Restricted Holders) and provide for the additional amounts contemplated in Section 2(d) below for any periods before such exchange and (ii) any and all of the Guarantees for like guarantees by the Guarantors, which guarantees are identical to the Guarantees (the "EXCHANGE GUARANTEES," and together with the Exchange Notes, the "EXCHANGE SECURITIES") except that they have been registered pursuant to an effective registration statement under the Securities Act on the appropriate form and do not contain restrictions on transfers. The Company and the Guarantors agree to use their best efforts to cause the Exchange Offer Registration Statement to become effective under the Securities Act as soon as prac ticable after the filing of the Exchange Offer Registration Statement but in no event later than 150 days after the Closing Date. The Exchange Offer shall be registered under the Securities Act on the appropriate form and shall comply with all applicable tender offer and other rules and regulations under the Exchange Act. The Company and the Guarantors further agree to use their best efforts to commence and consummate the Exchange Offer promptly after the Exchange Offer Registration Statement has become effective, hold the Exchange

Offer open for not less than 20 Business Days (or longer, if required by applicable law) after the date notice of the Exchange Offer has been mailed to Holders and exchange Securities for all Securities that have been properly tendered and not withdrawn on or prior to the expiration of the Exchange Offer and to consummate such Exchange Offer within 180 days after the Closing Date. The Exchange Offer will be deemed to have been completed, as the case may be, only if the Exchange Securities received by Holders other than Restricted Holders in the Exchange Offer are, upon receipt, transferable by each such Holder without restriction under the Securities Act and the Exchange Act and without material restrictions under the blue sky or securities laws of the States of the United States of America. The Exchange Offer shall be deemed to have been completed upon the Company and the Guarantors having exchanged, pursuant to the Exchange Offer, the Exchange Securities for all outstanding Securities, pursuant to the Exchange Offer, properly tendered and not withdrawn before the expiration of the Exchange Offer, which shall be on a date that is not less than 20 Business Days (or longer, if required by applicable law) following the commencement of the Exchange Offer. The Company and the Guarantors shall commence the Exchange Offer by mailing the related Prospectus and accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law:

(i) that the Exchange Offer is being made pursuant to this Agreement and that all Registrable Securities validly tendered will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 Business Days from the date such notice is mailed) (each such date being an "EXCHANGE DATE");

(iii) that a Holder electing to have Registrable Securities exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Securities, together with the enclosed letters of transmittal, to the institution and at the address specified in the notice prior to the close of business on the last Exchange Date (the "OFFER TERMINATION DATE"); and

(iv) that a Holder will be entitled to withdraw such Holder's election, not later than the close of business on the Offer Termination Date, by sending to the institution and at the address specified in the notice a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing its election to have such Registrable Securities exchanged.

As soon as practicable after the Offer Termination Date, the Company and the Guarantors shall:

(A) accept for exchange Registrable Securities or portions thereof tendered and not validly withdrawn pursuant to the Exchange Offer; and

(B) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and the Guar antors and issue, and cause the Trustee to promptly authenticate and mail to each Holder who has properly tendered and not withdrawn Registrable Securities pursuant to the Exchange Offer, an Exchange Security in aggregate principal amount equal to the aggregate principal amount of the Registrable Securities surrendered by such Holder. The Company shall use its best efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the Securities Act, the Exchange Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate applicable law or any applicable interpretation of the staff of the Commission. The Company shall inform the Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right, subject to applicable law, to contact such Holders and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

Each Holder of Securities participating in the Exchange Offer shall be required to represent to the Company and the Guarantors that at the time of the consummation of the Exchange Offer (i) such Holder is not an "affiliate" of the Company or any Guarantor within the meaning of Rule 405 under the Securities Act, (ii) the Exchange Securities being acquired by it pursuant to the Exchange Offer are being acquired in the ordinary course of the business of the Person receiving such Exchange Securities and (iii) such Holder has no arrangement or understanding with any Person to participate in the distribution of the Exchange Securities. If such Holder is a Participating Broker-Dealer that will receive Exchange Securities for its own account in exchange for the Registrable Securities that were acquired as a result of market-making activities or other trading activities, it will

be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

(b) In the event that (i) due to a change in applicable law or current interpretations by the Commission, the Company and the Guarantors are not permitted to effect the Exchange Offer for all of the Securities, (ii) the Exchange Offer for all of the Securities is not for any other reason consummated within 180 days after the Closing Date, (iii) any Holder shall, within 30 days after commencement of the Exchange Offer, notify the Company that such Holder (x) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, (y) may not resell Exchange Securities acquired by it in the Exchange Offer to the public without delivering a prospectus and that the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (z) is a broker-dealer and holds Securities acquired directly from the Company and Guarantors or an "AFFILIATE" of the Company or any Guarantor, then in addition to or in lieu of conducting the Exchange Offer contemplated by Section 2(a), or (iv) at the request of any of the Initial Purchasers, the Company and the Guarantors will be required to file a "SHELF" registration statement (a "SHELF REGISTRATION STATEMENT") covering resales (a) by the Holders of Registrable Securities in the event the Company and the Guarantors are not permitted to effect the Exchange Offer pursuant to the foregoing clause (i) or the Exchange Offer is not consummated within 180 days after the Closing Date pursuant to the foregoing clauses (i) or (ii) or (b) by the Holders of Registrable Securities with respect to which the Company and the Guarantors receive notice pursuant to the foregoing clauses (iii) or (iv). The Trustee will promptly deliver to the Holders written notice that the Company and the Guarantors will be complying with the provisions of this Section 2(b). The Company and the Guarantors agree to use their best efforts to cause the Shelf Registration Statement to become or be declared effective and to keep such Shelf Registration Statement continuously effective for a period of time ending on the second anniversary of the Effective Time (the "EFFECTIVE PERIOD") or such shorter period that will terminate when all of the Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement. The Company and the Guarantors shall, if they file a Shelf Registration Statement, provide to each Holder of the Registrable Securities copies of the Prospectus contained therein and notify each such Holder when the Shelf Registration Statement has become effective. The Company and the Guarantors further agree to supplement or make amendments to the Shelf Registration Statement, as and when required by the rules, regulations or instructions applicable to the registration form used by the Company and the Guarantors for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registrations, and the Company and the Guarantors agree to furnish to the Holders of the Registrable Securities copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission.

(c) The Company and the Guarantors shall, jointly and severally, pay all Registration Expenses in connection with any registration pursuant to Section 2(a) or Section 2(b). Each Holder shall pay all underwriting discounts, if any, and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Exchange Offer Registration Statement or a Shelf Registration Statement, as the case may be.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effec tive unless it has been declared effective by the Commission; *provided*, *however*, that, if, after it has

been declared effective, the offering of Registrable Securities pursuant to an Exchange Offer Registration Statement or a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the Commission or any other governmental agency or court, such Registration Statement will be deemed not to have been effective during the period of such interference until the offering of Registrable Securities pursuant to such Registration Statement may legally resume. If the Company and the Guarantors shall fail to comply with this Agreement or if the Exchange Offer Registration Statement or the Shelf Registration Statement fails to become effective (any such event, a "REGISTRATION DEFAULT"), then, as liquidated damages, registration default amounts (the "PENALTY AMOUNTS"), shall become payable in respect of the Notes as follows:

(i) (A) if an Exchange Offer Registration Statement (or, in the event of a change in applicable law or due to current interpretations by the Commission, the Company and the Guarantors are not permitted to effect the Exchange Offer, a Shelf Registration Statement), is not filed within 75 days following the Closing Date, (B) in the event that within the 30 days after commencement of the Exchange Offer, any Holder of the Registrable Securities shall notify the Company that such Holder (x) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, (y) may not resell Exchange Securities acquired by it in the Exchange Offer to the public without delivering a prospectus and that the

Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (z) is a broker-dealer and holds Securities acquired directly from the Company or any Guarantor or an "affiliate" of the Company or any Guarantor and a Shelf Registration Statement is not filed within 75 days after such notice or (C) upon the request of an Initial Purchaser, a Shelf Registration Statement is not filed within 75 days after such request, then commencing on either the 76th day after the Closing Date or the expiration of either of the 75-day time periods set forth in clauses (B) and (C) above (either, a "PRESCRIBED TIME PERIOD"), as the case may be, Penalty Amounts shall be accrued on the Notes over and above the stated payment rates thereon at a rate of 0.25% per annum for the first 90 days immediately following either the 76th day after the Closing Date or the expiration of the Prescribed Time Period, as the case may be, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(ii) if an Exchange Offer Registration Statement or a Shelf Registration Statement is filed pursuant to clause (i) above and is not declared effective within either 150 days following the Closing Date or 75 days following the expiration of the applicable Prescribed Time Period, as the case may be, then commencing on the 151st day after the Closing Date or the 76th day following the expiration of the Prescribed Time Period, as the case may be, Penalty Amounts shall be accrued on the Notes over and above the accrued stated payment rates thereon at a rate of 0.25% per annum for the first 90 days immediately following the 151st day after the Closing Date or the 76th day after the expiration of the Prescribed Time Period, as the case may be, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; and

(iii) if either (A) the Company and the Guarantors have not exchanged Exchange Securities for all Securities validly tendered in accordance with the terms of the Exchange Offer on or prior to 180 days after the Closing Date, or (B) if applicable, a Shelf Registration Statement has been declared effective and such Shelf Registration Statement ceases to be

effective prior to the end of the Effective Period, or such shorter period that will terminate when all of the Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, then, subject to certain exceptions, Penalty Amounts shall be accrued on the Notes over and above the stated payment rates at a rate of 0.25% per annum for the first 90 days immediately following (x) the 181st day after the Closing Date in the case of (A) above or (y) the day such Shelf Registration Statement ceases to be effective in the case of (B) above, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

provided, however, that the Penalty Amounts rate on any of the applicable Notes may not exceed 1.0% per annum; and *provided further*, that (1) upon the filing of the Exchange Offer Registration Statement or a Shelf Registration Statement (in the case of clause (i) above), (2) upon the effectiveness of the Exchange Offer Registration Statement or a Shelf Registration Statement (in the case of clause (ii) above), or (3) upon the exchange of Exchange Securities for all Securities tendered in the Exchange Offer or upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective prior to the end of the Effective Period (in the case of clause (iii) above), Penalty Amounts as a result of such clause (i), (ii) or (iii) shall cease to accrue.

Any Penalty Amounts due pursuant to clause (i), (ii) or (iii) above will be payable in cash on the various payment dates related to the Notes. The Penalty Amounts will be determined by multiplying the applicable Penalty Amounts rate by the principal amount of the Notes multiplied by a fraction, the numerator of which is the number of days such Penalty Amounts rate was applicable during such period, and the denominator of which is 360.

If the Company and the Guarantors effect the Exchange Offer, the Company and the Guarantors will be entitled to close the Exchange Offer provided that they have accepted all Registrable Securities theretofore validly tendered in accordance with the terms of the Exchange Offer. Registrable Securities not tendered in the Exchange Offer shall bear interest at the same rate as in effect at the time of issuance of the Registrable Securities.

(e) Without limiting the remedies available to the Initial Purchasers and the Holders, the Company and the Guarantors acknowledge that any failure by the Company and the Guarantors to comply with their obligations under Section 2(a) and Section 2(b) hereof may result in material irreparable injury to the Holders for which there is no adequate remedy at law, that it will not be possible to measure damage for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may seek to obtain such relief as may be required to specifically enforce the Company's and the Guarantors' obligations under Section 2(a) and Section 2(b) hereof.

3. Registration Procedures.

In connection with the obligations of the Company and the Guarantors with respect to the Registration Statements pursuant to Section 2(a) and Section 2(b) hereof, the Company and the Guarantors shall as promptly as practicable:

(a) prepare and file with the Commission a Registration Statement on the appropriate form under the Securities Act, which form shall (x) be selected by the Company and the

Guarantors, (y) in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof and (z) comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith or incorporated by reference therein, as the case may be, and use their best efforts to cause such Registration Statement to become effective and remain effective as promptly as practicable in accordance with Section 2 hereof;

(b) prepare and file with the Commission such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act or, in the case of a Shelf Registration, file, or cause to be filed, promptly all reports required to be filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act required to be incorporated by reference therein; and keep each Prospectus current during the period described under Section 4(3) and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities; the Company shall be deemed not to have used its best efforts to keep a Registration Statement effective during the applicable period if it voluntarily takes any action that would result in selling Holders of the Registrable Securities covered thereby seeking to sell Exchange Securities not being able to sell such Registrable Securities or such Exchange Securities during that period unless such action is required by applicable law;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities to which such Shelf Registration Statement relates, to counsel for the Initial Purchasers and to counsel for the Holders, without charge, one conformed copy of the Shelf Registration Statement (and any post-effective amendment thereto) and exhibits thereto and as many copies of each Prospectus, including each preliminary Prospectus and any amendment or supplement thereto, reasonably requested to facilitate the public sale or other disposition of the Registrable Securities; and the Company's and the Guarantors' consent to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the selling Holders of Registrable Securities and underwriters or agents, if any, and dealers, if any, in each case in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus or any amendment or supplement thereto in accordance with applicable law;

(d) use their best efforts (i) to register or qualify the Registrable Securities under all applicable state securities or blue sky laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement is declared effective by the Commission; _provided_ that where Exchange Notes held or Registrable Notes are offered other than through an underwritten offering, the Company agrees to cause its counsel to perform blue sky investigations and file registrations and qualifications required to be filed pursuant to this Section 3(d), (ii) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Shelf Registration Statement is required to remain effective under Section 2(b) above and for so long as may be necessary to enable any such Holder, agent or underwriter to complete its distribution of the Securities pursuant to such Registration Statement but in no event longer than two years and (iii) to cooperate with such Holders and each underwriter, if any, in connection with any filings required to be made with the NASD and do any and

all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; _provided, however_, that the Company and the Guarantors shall not be required to (A) qualify to do business as foreign corporations or as dealers in securities in any jurisdiction where they would not otherwise be required to qualify but for this Section 3(d), (B) file any general consent to service of process or (C) subject themselves to taxation in excess of a nominal dollar amount in any such jurisdiction if they

are not so subject;

(e) in the case of a Shelf Registration and in case a Participating Broker-Dealer is required to deliver a Prospectus contained in an Exchange Registration Statement under the Securities Act ("PROSPECTUS DELIVERY REQUIREMENT SITUATION"), notify each Holder of Registrable Securities, counsel for the Holders and for the Initial Purchasers (or, if applicable, separate counsel for the Holders) and, if requested by such Persons, confirm such advice in writing, (i) when the Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective, (ii) of any request by the Commission or any state securities authority for amendments and supplements to the Registration Statement and Prospectus or for additional information after the Registration Statement has become effective, (iii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose, (iv) if the Company or any Guarantor receives any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose, (v) of the happening of any event during the period a Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or any document incorporated by reference therein in order to make the statements therein not misleading or which requires the making of any changes in the Prospectus or documents incorporated by reference therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading and (vi) of any determination by the Company and the Guarantors that a post-effective amendment to the Registration Statement would be appropriate;

(f) use their best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment and provide prompt notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities and managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends (unless required by applicable securities laws) and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders or managing underwriters, if any, may reasonably request;

(h) in the case of a Shelf Registration or a Prospectus Delivery Requirement Situation, upon the occurrence of any event contemplated by Section 3(e)(v) or (vi) hereof, use their best efforts to prepare a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities,

such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that the Company and the Guarantors agree to notify the Holders to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event;

(i) a reasonable time prior to the filing of any Registration Statement, any Prospectus, any amendment to a Registration Statement or amendment or supplement to a Prospectus or any document incorporated by reference therein, provide copies of such document to the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, counsel for the Holders) and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, counsel for the Holders) available for discussion of such document, and shall not at any time file or make any amendment to the Registration Statement, any Prospectus or any amendment of or supplement to a Registration Statement or a Prospectus, of which the Initial Purchasers and their counsel (and, in the case of a Shelf Registration Statement, counsel for the Holders) shall not have previously been advised and furnished a copy or to which the Initial Purchasers or their counsel (and, in the case of a Shelf Registration Statement, counsel for the Holders) shall reasonably object;

(j) obtain a CUSIP number for all Exchange Securities or Registrable Securities (if applicable), as the case may be, and provide the Trustee with printed certificates for the Registrable Notes in a form eligible for deposit with the Depository Trust Company, in each case not later than the Effective Time;

(k) cause the Indenture to be qualified under the Trust Indenture Act

in connection with the registration of the applicable Exchange Securities or applicable Registrable Securities, as the case may be, cooperate with the Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the Trust Indenture Act and execute, and use their best efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable the Indenture to be so qualified in a timely manner;

(l) in the case of a Shelf Registration or Prospectus Delivery Requirement Situation, make reasonably available for inspection by one representative of the Holders of the Registrable Securities, counsel for the Holders and accountants designated by the Holders and reasonably acceptable to the Company and the Guarantors, at reasonable times and in a reasonable manner and subject to the execution of customary confidentiality agreements, all financial and other records, pertinent documents and properties of the Company and the Guarantors, and cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested, and as is customary for similar due diligence examinations, by any such representative, attorney or accountant in connection with a Shelf Registration Statement;

(m) if requested by any Holder of Registrable Securities covered by a Registration Statement, (i) promptly include in a Prospectus supplement or post-effective amendment or document incorporated by reference in such Prospectus such information with respect to such Holder as such Holder requests to be included therein, (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company and the Guarantors have received notification

of the matters to be included in such filing and (iii) supplement or make amendments to such Registration Statement; and

(n) in the case of a Shelf Registration or an Exchange Offer Registration, if the Initial Purchasers on behalf of the Holders shall so request, enter into such customary agreements and take all such other reasonable actions in connection therewith (including, those reasonably requested by counsel for the Holders) in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, (i) to the extent possible, make such representations and warranties to the Holders of such Registrable Securities and underwriters, if any, with respect to the business of the Company, the Guarantors and their respective subsidiaries, the Registration Statement, the Prospectus and documents deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested, (ii) obtain opinions of counsel to the Company and the Guarantors (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to counsel to the Holders) and updates, in each case, addressed to each selling Holder of Registrable Securities, or underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings, and such other matters as may reasonably be requested, (iii) obtain "cold comfort" letters from the independent certified public accountants of the Company and the Guarantors (and, if necessary, any other certified public accountant of any subsidiary of the Company, any Guarantor or any business acquired by the Company or Guarantor for which financial statements and financial data are or are required to be included or incorporated by reference in the Registration Statement) and updates, in each case, addressed to each selling Holder of Registrable Securities, or underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings, (iv) deliver such documents and certificates as may be reasonably requested by counsel for the Holders or underwriters, if any, to evidence the continued validity of the representations and warranties of the Company and the Guarantors made pursuant to clause (i) above and to evidence compliance with any customary conditions in an underwriting agreement and (v) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable than those set forth in Section 5 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate principal amount of Registrable Securities covered by such Registration Statement and the managing underwriters or agent) with respect to all parties to be indemnified pursuant to Section 5 hereof and the underwriters.

(o) comply, as to all matters within the Company's and the Guarantors' control, with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such Registration Statement in accordance with the intended methods of disposition by the Holders thereof provided for in such Registration Statement;

(p) use their best efforts to obtain the consent or approval of each governmental agency or authority, whether federal, state or local, which may be required to be obtained by the Company and the Guarantors to effect the Shelf Registration or the offering or sale of Securities in connection therewith or to enable the selling Holder or Holders to offer, or to consummate the disposition

of, their Registrable Securities;

(q) notify in writing each Holder of Registrable Securities of any proposal by the Company and the Guarantors to amend or waive any provision of this Agreement pursuant to Section 7(b) hereof and of any amendment or waiver effected pursuant thereto, each of which notices shall contain the text of the amendment or waiver proposed or effected, as the case may be;

(r) in the event that any broker-dealer registered under the Exchange Act shall underwrite any Registrable Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules and the By-Laws of the NASD or any successor thereto, as amended from time to time) thereof, whether as a Holder of such Registrable Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, assist such broker-dealer in complying with the requirements of such Rules and By-Laws, including by (A) if such Conduct Rules or By-Laws shall so require, permitting a "qualified independent underwriter" (as defined in such Conduct Rules or By-Laws (or any successor thereto)) to participate in the preparation of the Registration Statement relating to such Registrable Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Registrable Securities, (B) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (C) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Conduct Rules or By-Laws of the NASD;

(s) make generally available to its security holders as soon as practicable but in any event not later than eighteen months after the effective date of such Registration Statement, an earnings statement of the Company and its subsidiaries complying with Section 11(a) of the Securities Act (including Rule 158 thereunder);

(t) Upon consummation of an Exchange Offer, obtain an opinion of counsel to the Company addressed to the Trustee for the benefit of all Holders of Registrable Securities participating in the Exchange Offer and which includes an opinion that (i) the Company and the Guarantors have duly authorized, executed and delivered the Exchange Securities and the related indenture, and (ii) each of the Exchange Securities and related indenture constitutes a legal, valid and binding obligation of the Company and the Guarantors, enforceable against the Company and the Guarantors in accordance with its respective terms (with customary exceptions).

(u) If an Exchange Offer is to be consummated, upon delivery of the Registrable Securities by Holders to the Company (or to such other Person as directed by the issuers) in exchange for the Exchange Securities the Company shall mark, or cause to be marked, on such Registrable Securities that such Registrable Securities are being cancelled in exchange for the Exchange Notes; in no event shall such Registrable Securities be marked as paid or otherwise satisfied.

4. Participation of Broker-Dealers in Exchange Offer.

(a) Each of the Company and the Guarantors understands that the staff of the Commission has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as

a result of market-making or other trading activities (a "PARTICIPATING BROKER-DEALER"), may be deemed to be an "UNDERWRITER" within the meaning of the Securities Act in connection with any resale of such Exchange Securities and, therefore, must deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the Exchange Securities received by it in the Exchange Offer.

Each of the Company and the Guarantors understands that it is the staffs position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker-Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligations under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

(b) In light of the above, notwithstanding the other provisions of this Agreement, the Company and the Guarantors agree: to cause the Exchange

Offer Registration Statement to remain effective for a period 180 days after the Offer Termination Date (or such earlier date as each Participating Broker-Dealer shall have notified the Company and the Guarantors in writing that such Participating Broker-Dealer has resold all such Exchange Securities received in the Exchange Offer) and shall amend or supplement the Prospectus or document incorporated by reference therein, as the case may be, contained in the Exchange Offer Registration Statement, as would otherwise be contemplated by Section 3(h) for such a period, and Participating Broker-Dealers shall not be authorized by the Company and the Guarantors to deliver and shall not deliver such Prospectus after such period in connection with the resales contemplated by this Section 4.

(c) The Initial Purchasers shall have no liability to the Company, the Guarantors or any Holder for costs and expenses of the Exchange Offer Registration with respect to any request that they make pursuant to Section 4(b) above.

5. Indemnification and Contribution.

(a) The Company and the Guarantors, jointly and severally, agree to indemnify and hold harmless the Initial Purchasers, each Holder and each Person, if any who controls the Initial Purchasers or any Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and expenses (including the reasonable fees and expenses of counsel and other expenses in connection with investigating, defending or settling such action or claim) arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment or supplement thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the Securities Act (including all documents incorporated therein by reference) or arising out of or based upon any omissions or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (as amended or supplemented if the Company and the Guarantors shall have furnished any amendments or supplements thereto), or arising out of or based upon any omission or alleged

omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, EXCEPT insofar as such losses, claims, damages, liabilities or expenses arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission which has been made therein or omitted therefrom in reliance upon and in conformity with the information furnished in writing to the Company and the Guarantors by or on behalf of any Holder expressly for use in connection therewith ("HOLDERS' INFORMATION"); provided, however that the indemnification contained in this paragraph (a) with respect to any preliminary Prospectus shall not inure to the benefit of the Holders (or to the benefit of any Person controlling any Holder) on account of any such loss, claim, damage, liability or expense arising from the sale of such Registrable Securities or Exchange Securities by the Holders to any Person if a copy of the final Prospectus shall not have been delivered or sent to such Person at or prior to written confirmation of such sale, and the untrue statement or alleged untrue statement or omission or alleged omission of a material fact contained in the preliminary Prospectus was corrected in the final Prospectus, provided that the Company and the Guarantors have delivered the final Prospectus to the Holders in requisite quantity on a timely basis to permit delivering and sending. The foregoing indemnity agreement shall be in addition to any liability which the Company and the Guarantors may otherwise have.

(b) If any action, suit or proceeding shall be brought against the Holders or any Person controlling the Holders in respect of which indemnity may be sought against the Company and the Guarantors, such Holders or such controlling Person shall promptly notify the parties against whom indemnification is being sought (the "INDEMNIFYING PARTIES"), and such indemnifying parties shall assume the defense thereof, including the employment of counsel and payment of all fees and expenses. Such Holders or any such controlling Person shall have the right to employ separate counsel in any such action, suit or proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Holders or such controlling Person unless (i) the indemnifying parties have agreed in writing to pay such fees and expenses, (ii) the indemnifying parties have failed to assume the defense and employ counsel, or (iii) the named parties to any such action, suit or proceeding (including any impleaded parties) include both such Holders or such controlling Person and the indemnifying parties and such Holders or such controlling Person shall have been advised by its counsel that representation of such indemnified party and any indemnifying party by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them (in which

case the indemnifying party shall not have the right to assume the defense of such action, suit or proceeding on behalf of such Holders or such controlling Person). It is understood, however, that the indemnifying parties shall, in connection with any one such action, suit or proceeding or separate but substantially similar or related actions, suits or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys (in addition to any local counsel) at any time for such Holders and controlling Persons not having actual or potential differing interests with such Holder or among themselves, which firm shall be designated in writing by Furman Selz, and that all such fees and expenses shall be reimbursed as they are incurred. The indemnifying parties shall not be liable for any settlement of any such action, suit or proceeding effected without their written consent, but if settled with such written consent, or if there be a final judgment for the plaintiff in any such action, suit or proceeding, the indemnifying parties agree to indemnify and hold harmless any Holders, to the extent provided in the preceding paragraph, and any

such controlling Person from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

(c) Each Holder agrees, severally and not jointly, to indemnify and hold harmless each of the Company, the Guarantors, each of their respective directors and officers, and any Person who controls the Company or any of the Guarantors within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Company and the Guarantors to each Holder, but only with respect to the Holders' Information. If any action, suit or proceeding shall be brought against the Company, any of the Guarantors, any of their respective directors or officers, or any such controlling Persons based on any Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto), and in respect of which indemnity may be sought against any Holder pursuant to this paragraph (c), such Holder shall have the rights and duties given to the Company and the Guarantors by paragraph (b) above (except that if the Company and the Guarantors shall have assumed the defense thereof such Holder shall not be required to do so, but may employ separate counsel therein and participate in the defense thereof, but the fees and expenses of such counsel shall be at such Holder's expense), and the Company, the Guarantors, their respective directors and officers, and any such controlling Persons shall have the rights and duties given to the Holders by paragraph (b) above. The foregoing indemnity agreement shall be in addition to any liability which any Holders may otherwise have.

(d) If the indemnification provided for in this Section 5 is unavailable to an indemnified party under paragraphs (a) or (c) hereof in respect of any losses, claims, damages, liabilities or expenses referred to therein, then an indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities or expenses (i) in such proportion as is appropriate to reflect the relative benefits of the Company and the Guarantors on the one hand, the Holders on another hand, and the Initial Purchasers on another hand, from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors on the one hand, the Holders on another hand, and the Initial Purchasers on another hand, in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors from the offering of the Securities included in any Registration Statement shall in each case be deemed to include the proceeds received by the Company in connection with the offering of the Securities pursuant to the Placement Agreement. The parties hereto agree that any underwriting discount or commission or reimbursement of fees paid to the Initial Purchasers pursuant to the Placement Agreement shall not be deemed to be a benefit received by the Initial Purchasers in connection with the offering of the Securities included in any Registration Statement. The relative fault of the Company and the Guarantors on the one hand, the Holders on another hand, and the Initial Purchasers on another hand, 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 and the Guarantors on the one hand, by the Holders on another hand, and the Initial Purchasers on another hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company, the Guarantors and each Holder agree that it would not be just or equitable if contribution pursuant to this Section 5 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities and expenses referred to in paragraph (d)

above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Not withstanding the provisions of this Section 5, no Holder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which Registrable Securities were sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The Holders' obligations to contribute pursuant to this Section 5 are several in proportion to the aggregate principal amount of Securities purchased by such Holder and not joint.

(f) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability or claims that are the subject matter of such action, suit or proceeding and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of any indemnified party.

(g) Any losses, claims, damages, liabilities or expenses (including counsel fees pursuant to paragraph (b) above) for which an indemnified party is entitled to indemnification or contribution under this Section 5 shall be paid by the indemnifying party to the indemnified party as such losses, claims, damages, liabilities or expenses are incurred. The indemnity and contribution agreements contained in this Section 5 shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Holder or any Person controlling any Holder, the Company's or any Guarantor's directors or officers or any Person controlling the Company or any Guarantor, (ii) acceptance of any Exchange Securities and (iii) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. Underwritten Offerings, Rule 144.

(a) Selection of Underwriters. If any of the Registrable Securities covered by the Shelf Registration are to be sold pursuant to an underwritten offering, the managing underwriter or underwriters thereof shall be designated by the Holders of at least a majority in aggregate principal amount of the Registrable Securities to be included in such offering, provided that such designated managing underwriter or underwriters is or are reasonably acceptable to the Company.

(b) Participation by Holders. Each Holder of Registrable Securities hereby agrees with each other such Holder that no such Holder may participate in any underwritten offering hereunder unless such Holder (i) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve

such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

(c) Rule 144. For so long as the Company is subject to the reporting requirements of Section 13 or 15 of the Exchange Act, the Company covenants to the Holders of Registrable Securities that the Company shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder, that if it ceases to be so required to file such reports, it will upon the request of any Holder of Registrable Securities (i) make publicly available such information as is necessary to permit sales pursuant to Rule 144 under the Securities Act, (ii) deliver such information to a prospective purchaser as is necessary to permit sales pursuant to Rule 144 under the Securities Act and it will take such further action as any Holder of Registrable Securities may reasonably request, and shall take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any Holder of Registrable Securities in connection with that Holder's sale pursuant to Rule 144, the Company shall deliver to such Holder a written statement as to whether

it has complied with such requirements.

7. Miscellaneous.

(a) No Inconsistent Agreements. The Company and the Guarantors have not entered into, and on or after the date of this Agreement will not enter into, any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

(b) Entire Agreement, Amendments and Waivers. This Agreement and the other writings referred to herein or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of the Majority Holders; provided, however, that no departure from the provisions of Section 5 hereof shall be effective as against any Holder of Registrable Securities unless consented to in writing by such Holder.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company and the Guarantors by means of a notice given in accordance with the

provisions of this Section 7(c), which address initially is, with respect to the Initial Purchasers, the address set forth in the Placement Agreement; and (ii) if to the Company or the Guarantors at the Company's address set forth in the Placement Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 7(c).

All such notices and communications shall be deemed to have been duly given at the time delivered, if personally delivered; five Business Days after being deposited in the mail, postage pre-paid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment or assumption, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Placement Agreement. If any transferees of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities, shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchasers shall have no liability or obligation to the Company or the Guarantors with respect to any failure by a Holder (other than the Initial Purchasers) to comply with, or any breach by any Holder of, the obligations of such Holder under this Agreement.

(e) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, the Guarantors and the Initial Purchasers and shall have the right to enforce such agreements directly to the extent they deem such enforcement necessary or advisable to protect their rights hereunder.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this Agreement are for convenience of

reference only and shall not limit or otherwise affect the meaning hereof.

(h) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO AGREES TO SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(i) Severability. In the event that one or more of the provisions contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

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

Salem Communications Corporation, a California corporation

By: /s/ Edward G. Atsinger, III
Edward G. Atsinger, III
President and Chief Executive Officer

ATEP Radio, Inc.,
Bison Media, Inc.,
Caron Broadcasting, Inc.,
Common Ground Broadcasting, Inc.,
Golden Gate Broadcasting Company, Inc.,
Inland Radio, Inc.,
Inspiration Media, Inc.,
Inspiration Media of Texas, Inc.,
New England Continental Media, Inc.,
New Inspiration Broadcasting Company, Inc.,
Oasis Radio, Inc.,
Pennsylvania Media Associates, Inc.,
Radio 1210, Inc.,
Salem Communications Corporation, a Delaware corporation
Salem Media Corporation,
Salem Media of California, Inc.,
Salem Media of Colorado, Inc.,
Salem Media of Louisiana, Inc.,
Salem Media of Ohio, Inc.,
Salem Media of Oregon, Inc.,
Salem Media of Pennsylvania, Inc.,
Salem Media of Texas, Inc.,
Salem Music Network, Inc.,
Salem Radio Network Incorporated.,
Salem Radio Representatives, Inc.,
South Texas Broadcasting, Inc.,
SRN News Network, Inc.,
and
Vista Broadcasting, Inc.,

By: /s/ Edward G. Atsinger, III
Edward G. Atsinger, III
President and Chief Executive Officer

Beltway Media Partners

By: Salem Communications Corporation, a California corporation, its general partner

By: /s/ Edward G. Atsinger, III
Edward G. Atsinger, III
President and Chief Executive Officer

By: Golden Gate Broadcasting Company, Inc., its general partner

By: /s/ Edward G. Atsinger, III

Edward G. Atsinger, III
President and Chief Executive Officer

By: New Inspiration Broadcasting Company, Inc., its general partner

By: /s/ Edward G. Atsinger, III

Edward G. Atsinger, III
President and Chief Executive Officer

Confirmed as of the date first above mentioned.

FURMAN SELZ LLC
SMITH BARNEY INC.
BANCBOSTON SECURITIES INC.
BNY CAPITAL MARKETS, INC.

By: Furman Selz LLC

By: /s/ Harlan J. Wakoff

Harlan Wakoff
Vice President

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LETTER OF TRANSMITTAL
OFFER FOR ALL OUTSTANDING
PRIVATELY PLACED 9 1/2% SERIES A SENIOR SUBORDINATED NOTES DUE 2007

IN EXCHANGE FOR

9 1/2% SERIES B SENIOR SUBORDINATED NOTES DUE 2007

OF

SALEM COMMUNICATIONS CORPORATION

THIS EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 1998, UNLESS EXTENDED

The Exchange Agent is The Bank of New York, whose mailing address, facsimile number and telephone number are as follows:

(INSURED OR REGISTERED RECOMMENDED):

<TABLE>
<S> <C>

By Hand Delivery:	By Mail or Overnight Express:
The Bank of New York	The Bank of New York
101 Barclay Street	101 Barclay Street - Floor 7E
Corporate Trust Services Window	New York, New York 10286
Ground Level	Attn: [ ]
New York, New York 10286	Reorganization Department
Attn: [ ]	
Reorganization Department	

</TABLE>

By Facsimile:

(212) 815-6339

By Telephone:

(212) 815-[TBD]

DESCRIPTION OF SECURITIES TENDERED

<TABLE>
<CAPTION>

NAME AND ADDRESS OF REGISTERED HOLDER AS IT APPEARS ON THE PRIVATELY PLACED 9 1/2% SERIES A SENIOR SUBORDINATED NOTES DUE 2007 ("OLD NOTES")	CERTIFICATE NUMBER(S) OF OLD NOTES TRANSMITTED	PRINCIPAL AMOUNT OF OLD NOTES TRANSMITTED

</TABLE>

NOTE: SIGNATURES MUST BE PROVIDED BELOW. PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

Ladies and Gentlemen:

1. The undersigned hereby agrees to exchange the aggregate principal amount of privately placed 9 1/2% Series A Senior Subordinated Notes Due 2007 (the "Old Notes") for a like principal amount of 9 1/2% Series B Senior Subordinated Notes Due 2007 (the "Notes") of the Company, upon the terms and subject to the conditions contained in the Registration Statement on Form S-4 filed by Salem Communications Corporation, a California corporation, with the Securities and Exchange Commission (the "Registration Statement") and the accompanying Prospectus dated , 1997 included therein (the "Prospectus"), receipt of which is hereby acknowledged.

2. The undersigned hereby acknowledges and agrees that the Notes will bear interest from and including September 25, 1997, the date of issuance of the Old Notes. Accordingly, the undersigned will forgo accrued but unpaid interest on his, her or its Old Notes that are exchanged for Notes from and including September 25, 1997 but will receive such interest under the Notes.

3. The undersigned hereby represents and warrants that he, she or it has full authority to tender the Old Notes described above. The undersigned will, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to complete the exchange of the Old Notes.

4. The undersigned understands that the tender of the Old Notes pursuant to all of the procedures set forth in the Prospectus will constitute an agreement between the undersigned and the Company as to the terms and conditions set forth in the Prospectus.

5. The undersigned hereby represents and warrants that the undersigned is acquiring the Notes in the ordinary course of the business of the undersigned and that the undersigned is not engaged in, and does not intend to engage in, a distribution of the Notes.

6. If the undersigned is a broker-dealer, (i) it hereby represents and warrants that it acquired the Old Notes for its own account as a result of market-making activities or other trading activities and (ii) it hereby acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act of 1933, as amended (the "Securities Act"), in connection with any resale of the Notes received hereby. The acknowledgment contained in the foregoing sentence shall not be deemed an admission that the undersigned is an "underwriter" within the meaning of the Securities Act.

7. Any obligation of the undersigned hereunder shall be binding upon the successors, assigns, executors, administrators, trustees in bankruptcy and legal and personal representatives of the undersigned.

SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS
(SEE INSTRUCTION 1)

To be completed ONLY IF the Notes are to be issued in the name of someone other than the undersigned or are to be sent to someone other than the undersigned or to the undersigned at an address other than that provided above.

Issue to:
Name ____
(PLEASE PRINT)
Address ____

____

____
(INCLUDE ZIP CODE)
Mail to:
Name ____
(PLEASE PRINT)
Address ____

____

____
(INCLUDE ZIP CODE)

SIGNATURE

____
(NAME OF REGISTERED HOLDER)

By: ____

Name: ____

Title: ____

(Must be signed by registered holder exactly as name appears on Old Notes. If signature is by trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please set forth full title. See Instruction 3.)

Address: ____

Telephone No.: ____

Taxpayer Identification No.: ____

Signature Guaranteed By: ____
(SEE INSTRUCTION 1)

Title: ____

Name of Institution: ____

Address: ____

Date: ____

PLEASE READ THE INSTRUCTIONS BELOW, WHICH FORM A PART OF THIS LETTER OF TRANSMITTAL.

INSTRUCTIONS

1. GUARANTEE OF SIGNATURES. Signatures on this Letter of Transmittal must be guaranteed by a firm that is a member of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. or by a commercial bank or trust company having an office in the United States which is a member of a recognized Medallion Signature Program approved by the Securities Transfer Association, Inc. (an "Eligible Institution") unless (i) the "Special Issuance and Delivery Instructions" above have not been completed or (ii) the Old Notes described above are tendered for the account of an Eligible Institution.

2. DELIVERY OF LETTER OF TRANSMITTAL AND OLD NOTES. The Old Notes, together with a properly completed and duly executed Letter of Transmittal (or a facsimile thereof), should be mailed or delivered to the Exchange Agent at the address set forth above.

THE METHOD OF DELIVERY OF OLD NOTES AND OTHER DOCUMENTS IS AT THE ELECTION AND RISK OF THE RESPECTIVE HOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL (WITH RETURN RECEIPT), PROPERLY INSURED, IS SUGGESTED.

3. GUARANTEED DELIVERY PROCEDURES. Registered holders who wish to tender their Old Notes and (i) whose Old Notes are not immediately available or (ii) who cannot deliver their Old Notes, the Letter of Transmittal or any other required documents to the Exchange Agent prior to the Expiration Date, may effect a tender if:

(a) The tender is made through an Eligible Institution;

(b) Prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the registered holder of the Old Notes, the certificate number or numbers of such Old Note(s) and the principal amount of Old Notes tendered, stating that the tender is being made thereby and guaranteeing that, within five New York Stock Exchange trading days after the Expiration Date, the Letter of Transmittal (or facsimile thereof) together with the certificate(s) representing the Old Notes and any other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent; and

(c) Such properly completed and executed Letter of Transmittal (or facsimile thereof), as well as the certificate(s) representing all tendered Old Notes in proper form for transfer and all other documents required by the Letter of Transmittal are received by the Exchange Agent within five New York Stock Exchange trading days after the Expiration Date.

Upon request of the Exchange Agent, a Notice of Guaranteed Delivery will be sent to registered holders who wish to tender their Old Notes according to the guaranteed delivery procedures set forth above.

4. SIGNATURES ON LETTER OF TRANSMITTAL, BOND POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by a person other than a registered holder of any Old Notes, such Old Notes must be endorsed or accompanied by appropriate bond powers, in either case signed exactly as the name or names of the registered holder or holders appear on the Old Notes.

If this Letter of Transmittal or any Old Notes or bond power is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such person should so indicate when signing, and, unless waived by the Company, proper evidence satisfactory to the Company of their authority to so act must be submitted.

5. EXCHANGE OF OLD NOTES ONLY. Only the above-described Old Notes may be exchanged for Notes pursuant to the Exchange Offer.

6. MISCELLANEOUS. All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered Old Notes will be resolved by the Company, whose determination will be final and

binding. The Company reserves the absolute right to reject any or all tenders that are not in proper form or the acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right to waive any irregularities or conditions of tender as to particular Old Notes. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in this Letter of Transmittal) will be final and binding. Unless waived, any irregularities in connection with tenders or consents must be cured within such time as the Company shall determine. Neither the Company nor the Exchange Agent shall be under any duty to give notification of defects in such tenders or shall incur liabilities for failure to give such notification. Tenders of Old Notes will not be deemed to have been made until such irregularities have been cured or waived. Any Old Notes received by the Exchange Agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holder thereof.

IMPORTANT TAX INFORMATION

Under current Federal income tax law, an Old Noteholder whose tendered Old Notes are accepted for payment generally is required to provide the Exchange Agent (as agent for the payer) with his or her correct taxpayer identification number ("TIN") on Substitute Form W-9 below. If such Old Noteholder is an individual, the TIN is his or her social security number. If the Exchange Agent is not provided with the correct TIN, the Old Noteholder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such Old Noteholders with respect to Notes exchanged pursuant to the Offer may be subject to backup withholding.

Certain Old Noteholders (including, among others, all corporations and certain foreign individuals) may not be subject to these backup withholding and reporting requirements. Exempt Old Noteholders should indicate their exempt status on Substitute Form W-9. In order for a foreign individual to

qualify as an exempt recipient, that Old Noteholder must submit a properly completed Internal Revenue Service Form W-8, signed under penalties of perjury, attesting to his or her exempt status. Such statements can be obtained from the Exchange Agent. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Exchange Agent is required to withhold 31 percent of any such payments made to the Old Noteholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to an Old Noteholder with respect to Old Notes exchanged pursuant to the Offer, each Old Noteholder is required to notify the Exchange Agent of his, her or its correct TIN by completing the Substitute Form W-9 below certifying the TIN provided on such form is correct (or that such Old Noteholder is awaiting a TIN) and that (1) the Old Noteholder has not been notified by the Internal Revenue Service that he, she or it is subject to backup withholding as a result of a failure to report all interest or dividends or (2) the Internal Revenue Service has notified the Old Noteholder that he, she or it is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE EXCHANGE AGENT

The Old Noteholder is required to give the Exchange Agent the social security number or employer identification number of the record owner of the Old Notes. If the Old Notes are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidelines on which number to report.

PAYER'S NAME: THE BANK OF NEW YORK AS AGENT

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE	PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	---------------------- Social Security Number OR ----------------------- Employer Identification Number
	PART 2--Certification Under penalties of perjury, I certify that:	
PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding. Certification Instructions--You must cross out Item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under-reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out such Item (2).	
	SIGNATURE: _____________ DATE: _____________	PART 3

Awaiting
TIN [_]

NOTE: FAILURE TO COMPLETE THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31 PERCENT OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9" FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9

CERTIFICATE OF AWAITING TAX IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within sixty (60) days, 31 percent of all reportable payments made to me thereafter will be withheld until I provide a number.

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____	____
Signature	Date

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NOTICE OF GUARANTEED DELIVERY

FOR

OFFER FOR ALL OUTSTANDING

PRIVATELY PLACED 9 1/2% SERIES A SENIOR SUBORDINATED NOTES DUE 2007

IN EXCHANGE FOR

9 1/2% SERIES B SENIOR SUBORDINATED NOTES DUE 2007

OF

SALEM COMMUNICATIONS CORPORATION

Registered holders of privately placed 9 1/2% Series A Senior Subordinated Notes Due 2007 (the "Old Notes") who wish to tender their Old Notes in exchange for a like principal amount of 9 1/2% Series B Senior Subordinated Notes Due 2007 (the "Notes") and whose Old Notes are not immediately available or who cannot deliver their Old Notes and Letter of Transmittal or any other documents required by the Letter of Transmittal to The Bank of New York, (the "Exchange Agent") prior to the Expiration Date, must use this Notice of Guaranteed Delivery or one substantially equivalent hereto. This Notice of Guaranteed Delivery may be delivered by hand or sent by facsimile transmission or mail to the Exchange Agent. See "THE EXCHANGE OFFER--Procedures for Tendering" in the Prospectus.

THE EXCHANGE AGENT FOR THE OFFER IS

THE BANK OF NEW YORK

By Mail or Overnight Express
(insured or registered recommended):

<TABLE>

<S>	<C>
By Hand Delivery	By Mail or Overnight Express
THE BANK OF NEW YORK	THE BANK OF NEW YORK
101 BARCLAY STREET	101 BARCLAY STREET--FLOOR 7E
CORPORATE TRUST SERVICES WINDOW	NEW YORK, NEW YORK 10286
GROUND LEVEL	ATTN: [ ]
NEW YORK, NEW YORK 10286	REORGANIZATION DEPARTMENT

ATTN: [ ]
REORGANIZATION DEPARTMENT

By Facsimile:	By Telephone:
(212) 815-6339	(212) 815-[TBD]

</TABLE>

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED ON THE LETTER OF TRANSMITTAL FOR GUARANTEE OF SIGNATURES.

Ladies and Gentlemen:

The undersigned hereby tenders the principal amount of Old Notes indicated below, upon the terms and subject to the conditions contained in the Registration Statement on Form S-4 filed by Salem Communications Corporation, a California corporation, with the Securities and Exchange Commission (the "Registration Statement") and the accompanying Prospectus dated , 1997 included therein (the "Prospectus"), receipt of which is hereby acknowledged.

DESCRIPTION OF SECURITIES TENDERED

<TABLE>
<S> <C> <C>

NAME AND ADDRESS OF REGISTERED HOLDER AS IT APPEARS ON THE OLD NOTES	CERTIFICATE NUMBER(S) OF OLD NOTES TRANSMITTED	PRINCIPAL AMOUNT OF OLD NOTES TRANSMITTED
__________________________	__________________________	__________________________
__________________________	__________________________	__________________________
__________________________	__________________________	__________________________
__________________________	__________________________	__________________________
__________________________	__________________________	__________________________

</TABLE>

THE FOLLOWING GUARANTEE MUST BE COMPLETED
GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a member of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office, branch, agency or correspondent in the United States, which is a member of a recognized Medallion Signature Program approved by the Securities Transfer Association, Inc., hereby guarantees to deliver to the Exchange Agent at one of its addresses set forth above, the Old Notes, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, and any other documents required by the Letter of Transmittal within five New York Stock Exchange, Inc. trading days after the date of execution of this Notice of Guaranteed Delivery.

Name of Firm: ____

____
(AUTHORIZED SIGNATURE)

Address: ____
(ZIP CODE)

Area Code and Telephone Number: ____

Name: ____
(PLEASE TYPE OR PRINT)

Title: ____

Date: , 1997

NOTE:DO NOT SEND OLD NOTES WITH THIS NOTICE OF GUARANTEED DELIVERY. OLD

NOTES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

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EXHIBIT 3.01

1381287
ENDORSED
FILED
in the office of the Secretary
of State of the State of California
JUL 24 1986
MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION OF
SALEM COMMUNICATIONS CORPORATION

ONE: The name of this Corporation is Salem Communications Corporation.

TWO: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the Corporation's initial agent for service of process is Edward G. Atsinger, III, 2310 Ponderosa Drive, Suite 29, Camarillo, California 93010.

FOUR: The total number of shares which the Corporation is authorized to issue is one hundred thousand (100,000).

Dated: July 22, 1986

Stuart A. Comis

STUART A. COMIS
Sole Incorporator

I declare that I am the person who executed the above Articles of Incorporation and such instrument is my act and deed.

Stuart A. Comis

STUART A. COMIS
Sole Incorporator

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EXHIBIT 3.02

BYLAWS OF
SALEM COMMUNICATIONS CORPORATION

ARTICLE I
SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.

The annual meeting of shareholders shall be held each year on a

date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.

A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.

All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of a special meeting, the general nature of the business to be transacted or (b)

in the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United states Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough

shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (*i.e.*, to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are

entitled, or distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.

The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken

for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been

received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting. This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.

For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.

Every person entitled to vote for directors or on any other

matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed

by, or attendance at the meeting and voting in person by, the person executing the proxy; or (b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.

Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the

trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II
DIRECTORS; MANAGEMENT

Section 1. POWERS.

Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.

The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an

amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.

Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to

each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular

and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III
OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a president, vice-president, secretary, and a chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.

The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.

The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.

Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.

In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform

such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV
CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual

business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and

records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.

The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.

A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to

in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or

the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.

The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V
GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.

A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that

certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and canceled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI
OFFICES

Section 1. PRINCIPAL OFFICES.

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII
AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or

repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of

authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.03

PARTNERSHIP AGREEMENT OF BELTWAY MEDIA PARTNERS

THIS AGREEMENT is made and entered into this 1st day of August, 1991, by and among NEW INSPIRATION BROADCASTING COMPANY, INC., a California corporation, GOLDEN GATE BROADCASTING CO., INC., a California corporation, and SALEM COMMUNICATIONS CORPORATION, a California corporation ("Salem Communications"), hereinafter referred to individually as a "Partner" and collectively as "Partners."

W I T N E S S E T H

WHEREAS, the Partners desire to form a Partnership (as hereinafter defined) to acquire, own and operate radio station WAVA (FM) located in Arlington, Virginia (the "Station"); and

WHEREAS, the Partners have agreed upon the terms and conditions pursuant to which they will operate the Partnership, which terms and conditions are herein reduced to writing.

NOW, THEREFORE, in consideration of the promises contained herein, the Partners agree as follows:

ARTICLE I

GENERAL PROVISIONS

1.1. Name. The Partners hereby form a partnership pursuant to the provisions of the Virginia Uniform Partnership Act to do business under the name "Beltway Media Partners" (the "Partnership").

1.2. Term. The term of the Partnership shall commence on the date of this Agreement and shall continue until terminated upon a vote of Partners representing a majority of the Partnership Interests. For purposes of this Agreement, a Partner's "Interest" is defined as that Partner's interest in the Partnership and in the profits and losses of the Partnership as set forth pursuant to Section 4.1, below.

1.3. Purpose and Objectives. The purpose and business of the Partnership shall be to acquire, own, manage and ultimately sell the Station.

1.4. Office. The Partnership may maintain one or more offices at such location or locations as the Managing Partner (as hereinafter defined) shall determine.

1.5. Definitions.

(a) "Capital Account" means, with respect to any Partner, the Capital Account maintained for such person in accordance with the following provisions:

(i) To each person's Capital Account there shall be credited such person's Capital Contributions, such person's distributive share of Profits, and any items in the nature of income or gain which are specially allocated, and the amount of any Partnership liabilities assumed by such person or which are secured by any property distributed to such person;

(ii) To each person's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such person pursuant to any provision of this Agreement, such person's distributive share of Losses, and any items in the nature of expenses or losses which are specially allocated, and the amount of any liabilities of such person assumed by the Partnership or which are secured by any property contributed by such person to the Partnership;

(iii) In the event any interest in the Partnership is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest;

(iv) In determining the amount of any liability for purposes of sections (i) and (ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance or Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations.

(b) "Capital Contributions" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership with respect to the Partnership Interest held by such Partner pursuant to the terms of this Agreement.

(c) "Code" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(d) "Depreciation" means, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with references to such beginning Gross Asset Value using any reasonable method selected by the Managing Partner.

(e) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the Partnership;

(ii) The Gross Asset Value of all Partnership assets shall be adjusted to equal their respective gross fair market value, as determined by the Managing Partner, as of the following times: (a) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of Property as consideration for an interest in the Partnership; and (c) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii) (g); provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Managing Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) The Gross Asset Value of any Partnership asset distributed to any Partner shall be the gross fair market value of such asset on

the date of distribution; and

(iv) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section 1.5(a) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this section (iv) to the extent the Managing Partner determines that an adjustment pursuant to section (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this section (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to section (i), section (ii) or section (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

(f) "Nonrecourse Deductions" has the meaning set forth in Section 1.704-1T(b)(4)(iv)(b) of the Regulations. The amount of Nonrecourse Deductions for a Partnership fiscal year equals the net increase, if any, in the amount of Partnership Minimum Gain during that fiscal year, determined according to the provisions of Section 1.704-1T(b)(4)(iv)(b) of the Regulations.

(g) "Partner Loan Nonrecourse Deductions" means any Partnership deductions that would be Nonrecourse Deductions if they were not attributable to a loan made or guaranteed by a Partner within the meaning of Regulations Section 1.704-1T(b)(4)(iv)(h).

(h) "Partnership Minimum Gain" has the meaning set forth in Regulations Section 1.704-1T(b)(4)(iv)(c).

(i) "Percentage Interest" means, with respect to any Partner, the Percentage interest set forth opposite such Partner's name on Exhibit B attached hereto. In the event any Partnership interest is transferred in accordance with the provisions of this Agreement, the transferee of such interest shall succeed to the Percentage Interest of his transferor to the extent it relates to the transferred interest.

(j) "Profits" and "Losses" means, for each fiscal year or other period, an amount equal to the Partnership's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(l) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this section shall be added to such taxable income or loss ;

(ii) Any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits and Losses pursuant to this section (j) shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to section 1.5(e)(ii) or section 1.5(e)(iii) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period, computed in accordance with section 1.5(d) hereof; and

(vi) Notwithstanding any other provision of this section, any items which are specially allocated shall not be taken into account in

computing Profits or Losses.

(k) "Regulations" means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

ARTICLE II

MANAGEMENT AND OPERATIONS

2.1. Managing Partner. The management and operation of the Partnership shall be the responsibility of, and shall be solely vested in, a managing partner ("Managing Partner"). The initial Managing Partner of the Partnership is Salem Communications. The Managing Partner is authorized and empowered to take such action as it deems necessary to carry out the purposes of the Partnership set forth in Section 1.3, above. Upon the vote of Partners representing a majority of the Partnership Interests, the Partners can elect or to remove the current Managing Partner and appoint a new Managing Partner.

2.2. Authority of Managing Partner. Without limiting the general authority of the Managing Partner, the Managing Partner shall be authorized to appoint agents, retain legal counsel and auditors, contract for professional services, maintain bank accounts, deposit and draw checks, arrange for the taking and holding of title to assets, make elections available to the Partnership and file tax returns under Federal and state tax laws, take custody of investments or appoint custodians for the same, vote the Partnership's interest in other entities, and execute agreements and contracts.

2.3. Compensation and Reimbursement of Expenses. The Managing Partner shall be paid an annual management fee for its services to the Partnership in the amount set forth on Exhibit A attached hereto. The Managing Partner shall be reimbursed for all reasonable and customary out-of-pocket expenses incurred by the Managing Partner in connection with the Partnership's business.

ARTICLE III

CAPITAL CONTRIBUTIONS; LOANS

3.1. Capital Contributions. Upon the execution hereof, each Partner shall make a Capital Contribution to the Partnership in the amount described in the attached Exhibit B. Further Capital Contributions shall be made by the Partners to the Partnership (i) upon the consent of all the Partners for any reason, or (ii) upon the call of the Managing Partner and the approval by Partners representing a majority of Partnership Interests for additional funds to pay the expenses of the Partnership. The additional Capital Contribution made by each Partner shall be equal to its pro rata share of the total additional contribution necessary, determined on the basis of its Percentage Interest.

3.2. Failure to Make Capital Contributions. If a Partner fails, in whole or in part, to timely make its share of a required Capital Contribution (the "Defaulting Partner"), the nondefaulting Partners ("Nondefaulting Partners") may, but shall not be obligated to, make any additional Capital Contribution in an amount equal to the portions not made by the Defaulting Partner. If a Nondefaulting Partner contributes funds to the Partnership which should have been contributed by a Defaulting Partner, such contributions shall be treated as a loan, hereinafter referred to as a "default loan," made by the Nondefaulting Partner to the Defaulting Partner. The default loan shall be payable on demand with interest equal to the lesser of (i) the maximum rate permitted by law or (ii) two (2) points over the prime rate of interest as announced from time to time by Security Pacific National Bank, or its successor (the "Prime Rate"). To the extent the Defaulting Partner does not repay the default loan directly, the default loan shall, except as provided below, be repaid by the Defaulting Partner out of the Partnership distributions otherwise payable to the Defaulting Partner. If a default loan is not repaid in full within ninety (90) days after it is made, the Nondefaulting Partner shall have an option to purchase the Defaulting Partner's Interest. The option shall be exercisable by written notice to the Defaulting Partner given at any time after the option arose and before the default loan is repaid in full. The option price shall be an amount equal to the Defaulting Partner's total cash contributed including the amount the Defaulting Partner is deemed to have contributed as a result of the default loan, less the amount of the principal and interest still outstanding on the default loan. If the option granted herein is exercised, the closing of the purchase of the Defaulting Partner's Interest shall occur on the thirtieth (30th) day following the date of exercise of the option. At closing, one-half of the amount due to the Defaulting Partner by the Nondefaulting Partner shall be paid in cash, and the balance shall be evidenced by a Promissory Note which

shall provide that the principal, together with interest at the Prime Rate on the date of closing, shall be payable on the first anniversary of closing. Upon closing of the purchase, the default loan obligation of the Defaulting Partner to the Nondefaulting Partner shall cease. If more than one Nondefaulting Partner desires to make the additional contribution, each such Nondefaulting Partner shall be entitled to make an additional contribution and purchase the Defaulting Partner's Interest on a pro rata basis based upon its Interest.

3.3. No Interest on Capital Contributions. No Partner shall be paid interest on any capital contribution.

3.4. Treatment of Capital Contributions. The Partnership shall not redeem or repurchase any Interests, except as provided in Article V, below, and no Partner shall have the right to withdraw or receive any return of its capital contribution, except as provided in Sections 4.2 and 4.3. No capital contribution is required to be returned in the form of property other than cash.

3.5. Capital Accounts. A Capital Account shall be established for each Partner on the books and records of the Partnership.

3.6. Loans by Partners to the Partnership. In the event the Partnership's funds are insufficient to meet the costs, expenses, obligations, liabilities and charges, or to make any expenditure authorized by this Agreement, and additional capital contributions are not made pursuant to Section 3.1, above, and additional funds are not available from third parties on terms

acceptable to the Managing Partner, the Partners may (but shall not be required to) advance such funds to the Partnership. To the extent more than one of the Partners desires to make a loan, it shall be permitted to make loans on a pro rata basis in accordance with its Percentage Interest. All amounts so advanced shall take the form of a loan and shall bear interest at a rate equal to the sum of (i) the Prime Rate, plus (ii) two percent (2%) per annum. Such loans will be repaid prior to any other distributions to the Partners.

ARTICLE IV

DISTRIBUTIONS OF CASH AND ALLOCATIONS OF PROFIT AND LOSS

4.1. Distributions of Cash and Sale Proceeds. Subject to Section 4.4, below, distributions of cash available to distribute to the Partners, after paying all current expenses and reserving for other expenses and purposes, shall be distributed to the Partners in proportion to their Percentage Interests, as and when determined by the Managing Partner.

4.2. Distribution Upon Dissolution. Subject to Section 4.4, below, upon dissolution of the Partnership, the assets of the Partnership shall be liquidated and the proceeds thereof shall be distributed as follows:

(a) First, to the payment of obligations of the Partnership to third parties;

(b) Second, to the payment of obligations to any Partner; and

(c) Thereafter, to the Partners in proportion to the positive balances in their Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods.

4.3. Compliance with Certain Requirements of Regulations. In the event the Partnership is "liquidated" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), (a) distributions shall be made pursuant to section 4.2 to the Partners who have positive Capital Accounts in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(2), and (b) if any Partner's Capital Account has a deficit balance (after giving effect to all contributions, distributions, and allocations for all taxable years, including the year during which such liquidation occurs), such Partner shall contribute to the capital of the Partnership the amount necessary to restore such deficit balance to zero in compliance with Regulations Section 1.704-1(b)(2)(ii)(b)(3).

4.4. Distributions to Repay Default Loans. In the event that a Partner made a default loan pursuant to the provisions of Section 3.2, above, then the amounts which would otherwise have been distributed to the Defaulting Partner pursuant to the provisions of Sections 4.1 or 4.2, above, shall be distributed

to the Partner making the default loan (pro rata based upon total amount then due, if more than one default loan exists) until the default loan is repaid in full. The amount so distributed shall be deemed to be payment by the Defaulting Partner on the default loan and such payment shall be credited first to interest and then to principal.

4.5. Assets Available for Distribution. Except as otherwise provided in this Agreement, each holder of an Interest shall look solely to the assets of the Partnership for all distributions from the Partnership and the return of its capital contribution thereto and shall have no recourse (upon dissolution or otherwise) against the other Partners or any of their affiliates.

4.6. Allocation of Profits and Losses. Except to the extent agreed otherwise by the Partners, after giving effect to the special allocations set forth below, Profits and Losses for any fiscal year shall be allocated among the Partners in proportion to their Percentage Interests.

4.7. Special Allocations.

(a) Code Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations.

(b) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be specially allocated among the Partners in proportion to their Percentage Interests.

(c) Partner Loan Nonrecourse Deductions. Any Partner Loan Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Partner who bears the risk of loss with respect to the loan to which such Partner Loan Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-1T(b) (4) (iv) (h).

(d) Curative Allocations. The allocations set forth in sections 4.7(b) and 4.7(c) hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Section 1.704-1(b). Notwithstanding an other provisions of this section 4, the Regulatory Allocations shall be taken into account in allocating other Profits, Losses, and items of income, gain, loss, and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other Profits, Losses, and other items and the Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Regulatory Allocations had not occurred. Notwithstanding the preceding sentence, Regulatory Allocations relating to (a) Nonrecourse Deductions shall not be taken into account except to the extent that there has been a reduction in Partnership Minimum Gain, and (b) Partner Loan Nonrecourse Deductions shall not be taken into account except to the extent that there would have been a reduction in Partnership Minimum Gain if the loan to which such deductions are attributable were not made or guaranteed by a Partner within the meaning of Regulations Section 1.704-1T(b)(4)(iv)(h).

4.8. Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its Initial Gross Asset Value.

In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to section 1.5(e) hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

Any elections or other decisions relating to such allocations shall be made by the Managing Partner in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this section 4.8 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Person's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provisions of this Agreement.

ARTICLE V

TRANSFER OF PARTNERSHIP INTEREST

5.1. General Restrictions. No partner shall sell, assign, pledge, hypothecate, encumber or in any way transfer any portion of its Interest, whether voluntarily or by operation of law, during the term of this Agreement without the prior, express, written consent of the partner(s), including the transferring Partner, then owning at least eighty percent (80%) of the Interests. Any permitted transferee, as defined below, pledgee or security holder shall hold such interest subject to the provisions of this Article V.

5.2. Sale to Third Parties; Transfer of Control. If (i) a Partner proposes to sell, transfer or otherwise dispose of its Interest, or any portion thereof, to a party, including another Partner, other than as permitted by Section 5.1, above, (ii) a Partner is to be divested of its Interest, or any portion thereof, through seizure or sale by legal process or through operation of law, or (iii) there shall occur a proposed "transfer of control", as defined below, of a Partner, the Interest shall first be offered simultaneously for sale to the Partnership and the other Partners in writing (the "Offer"). The Offer shall state the Interest, or portion thereof, to be sold, the name and address of the prospective purchaser or transferee of control, and the proposed price and terms of payment of the sale. The Partnership and the non-offering Partners shall have the option to purchase the Interest, or portion thereof, described in the Offer upon the same terms and conditions and at the same price as set forth in the Offer, or for an amount equal to the Appraised Value of such Interest, or portion thereof; provided, however, that if any Partner is to be divested of its Interest, or portion thereof, through seizure or sale by legal process or any transfer through operation of law, or in the event of a proposed transfer of control of a Partner, the offering price shall be equal to the Appraised Value. If the Interest, or portion thereof, is purchased at its Appraised Value, the purchase price shall be paid in not more than five (5) equal annual principal installments, the

first due on the date of closing, and subsequent installments due on the anniversary thereof, plus interest payable annually together with each principal payment and accruing on the unpaid principal balance at the Prime Rate. The closing for a sale hereunder shall occur not more than sixty (60) days after the last acceptance of the Offer.

5.3. Acceptance of Offer. The Partnership may, with approval of a majority of the Partnership Interests, exclusive of the offering Partner's Interest, accept the Offer as to all or any portion of the Interest being offered within the later of (i) thirty (30) days after the date of receipt of the Offer or, (ii) if requested by the Partnership or any Partner that could potentially purchase the Interest within thirty (30) days after the date of receipt of the Offer, thirty (30) days after the determination of the Appraised Value of such Interest. If the Partnership does not accept the Offer with respect to all of the Interest being offered within such thirty (30) day period, then the Managing Partner shall call a meeting of all Partners, other than the Partner whose Interest is being offered, by giving ten (10) days notice thereof to the Partners entitled thereto (the "Offeree Partners"). Such meeting shall be held not more than thirty (30) days after the expiration of the thirty (30) day period during which the Offer may be accepted by the Partnership. The Managing Partner shall make successive offers of the Interest, or portion thereof, not accepted by the Partnership to those Offeree Partners present or legally represented, in accordance with the procedures set forth in Section 5.4, below. Such successive offers shall continue until either the entire Interest so offered is accepted or until it is determined by successive offerings that the entire Interest so offered will not be accepted.

5.4. Procedure at Meeting. At the meeting called in accordance with Section 5.3, above, the Managing Partner shall offer the portion of the Interest not accepted by the Partnership to the Offeree Partners who are present or legally represented at the meeting, in the following manner:

(a) The Managing Partner shall offer to each Offeree Partner present or legally represented, and each may accept, only that percentage of the Interest not accepted by the Partnership as the Interest of such Offeree Partner bears to the Interests of all Offeree Partners present or legally

represented.

(b) If the entire Interest offered is not accepted in accordance with the procedures set forth in Subsection (a), above, the Managing Partner shall thereafter make successive offerings during each of which the Managing Partner shall offer to each Offeree Partner present or legally represented who had not previously refused to accept all of the Interest offered to it at such meeting, that percentage of the Interest not previously accepted by those present at the meeting as its Interest, including any Interest accepted at the meeting, bears to the Interests, including any Interest accepted at the meeting, of all Offeree Partners present or legally represented who have not previously refused to accept all of the Interest offered to them at such meeting.

5.5. Non-Acceptance. If a Partner proposes to dispose of its Interest, or any portion thereof, or is to be divested of its Interest as provided in Section 5.2(i) or (ii), above, and if the offer of sale is not accepted by the Partnership and the Offeree Partners with respect to the entire Interest offered for sale, then the offering Partner shall have the right to sell or transfer such non-

accepted Interest to the third party designated in the Offer, on the same terms and conditions specified in the Offer; provided that said sale or transfer is made within ninety (90) days after the date on which the Offer was made to the Partnership and the Offeree Partners under Section 5.2, above, and the transferee shall take such Interest free from the restrictions of this Agreement. The Partnership and the Offeree Partners shall provide the selling Partner with such documents as may be necessary to permit the sale of said Interest free from the restrictions of this Agreement. In the event that neither the Partnership nor the Offeree Partners nor the third party purchases the entire Interest within the period provided above, the Interest shall again be subject to the restrictions of this Agreement.

5.6. Notice of Disposition. No assignment or other disposition of any Interest shall be effective until notice in writing of the assignment or other disposition has been received by the Managing Partner and recorded in the books of the Partnership.

5.7. Remedy for Violation. Upon any sale, transfer, pledge, bequest, or other disposition of any Interest in violation of any of the provisions of this Article V or any other provisions of this Agreement, the Partnership shall have, in addition to such other remedies and damages as may be available to it under applicable law, the right and option at any time within two (2) years after the discovery of such sale or other disposition in violation of this Agreement, to purchase all or any of such Interest from the holder thereof at the price at which such Interest was sold or transferred, or the Appraised Value as of such date, whichever is lower.

5.8. Definition of Appraised Value. For purposes of this Article V, Appraised Value shall mean the fair market value of the assets of the Partnership less the liabilities of the Partnership, determined by an appraiser selected by the Partnership and an appraiser selected by the transferring Partner, or if such appraisers are unable to agree on a value, they shall jointly appoint a third appraiser, and the value shall be determined by a majority of these three (3) appraisers.

5.9. Transfer of Control. For purposes of this Agreement, a transfer of control shall be defined as a transaction or series of transactions whereby more than fifty percent (50%) of the voting stock of a Partner is held by a person or persons other than Edward G. Atsinger III, Stuart W. Epperson, their spouses, their children and trusts created for the primary benefit of their spouses and children.

ARTICLE VI

BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.

6.1. Books and Records. Books and records of the Partnership shall be maintained at the principal office of the Partnership or at any other place determined by the Managing Partner and shall be available for examination by any Partner or its duly authorized representative(s) at any reasonable time.

6.2. Accounting. The books of account of the Partnership shall be kept on a calendar year basis using such method of accounting as the Managing Partner shall determine.

6.3. Expenses of the Partnership. All expenses of organizing and operating the Partnership shall be borne by the Partnership. Expenses of operating the Partnership shall be deemed to include, without limitation, legal and accounting fees, fees and expenses paid to other persons employed by the Partnership, brokerage fees and commissions, and all other fees and expenses associated with the activities of the Partnership.

6.4. Special Basis Adjustment. In connection with any transfer of a Partnership interest, the Managing Partner shall have the option to cause the Partnership to make an election to adjust the basis of the Partnership's property in the manner provided in Section 734(b) and 743(b) of the Code.

6.5. Tax Matters Partner. The Managing Partner shall be the party designated to receive all notices from the Internal Revenue Service which pertain to the tax affairs of the Partnership. The Managing Partner shall be the "Tax Matters Partner" pursuant to the Code.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.1. Amendment. This Partnership Agreement shall not be amended except upon the written agreement of all of the Partners.

7.2. Binding Effect. The covenants and agreements contained herein shall be binding upon, and inure to the benefit of the Partners and their successors and assigns.

7.3. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

7.4. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect of those portions of this Agreement which are valid.

7.5. Headings. Section headings are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

7.6. Interpretation. When the context in which words are used in this Agreement indicates that such is the intent, words in the singular shall include plural and vice versa.

7.7. Partition. The Partners hereby waive their rights, if any, to partition Partnership property.

IN WITNESS WHEREOF, the undersigned have executed this Partnership Agreement as of the day, month and year first above written.

NEW INSPIRATION BROADCASTING COMPANY, INC.

By: ___________________________________

GOLDEN GATE BROADCASTING CO., INC.

By: ___________________________________

SALEM COMMUNICATIONS CORPORATION

By: ___________________________________

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EXHIBIT A

Annual Management Fees

<TABLE>
<CAPTION>

NET SALES FROM	TO	FEE BASE	PLUS	OF NET SALES OVER
$ 25,000	$ 49,999	$ 3,000	7.50%	$ 25,000
$ 50,000	$ 74,999	$ 4,875	7.75%	$ 50,000
$ 75,000	$ 99,999	$ 6,813	8.00%	$ 75,000
$100,000	$149,999	$ 8,813	8.25%	$100,000
$150,000	$199,999	$12,938	8.50%	$150,000
$200,000	$249,999	$17,188	8.75%	$200,000
$250,000	$299,999	$21,563	9.00%	$250,000
$300,000	$349,999	$26,063	9.25%	$300,000
$350,000	$399,999	$30,688	9.50%	$350,000
$400,000	$449,999	$35,438	9.75%	$400,000
$450,000	$499,999	$40,313	10.00%	$450,000
$500,000 or more		$45,313		

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EXHIBIT B

<TABLE>
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PARTNER	PERCENTAGE INTEREST	INITIAL CAPITAL CONTRIBUTION
New Inspiration Broadcasting Company, Inc.	45%	45%
Golden Gate Broadcasting Company, Inc.	40%	40%
Salem Communications Corporation	15%	15%

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15

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EXHIBIT 3.04

1388591
ENDORSED
FILED
in the office of the Secretary
of State of the State of California
OCT 10 1986
MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION OF
ATEP RADIO, INC.

ONE: The name of this Corporation is ATEP RADIO, INC.

TWO: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the Corporation's initial agent for service of process is Eric H. Halvorson, 2310 Ponderosa Drive, Suite 29, Camarillo, California 93010.

FOUR: The total number of shares which the Corporation is authorized to issue is one hundred thousand (100,000).

Dated: October 9, 1986

Eric H. Halvorson

Eric H. Halvorson
Sole Incorporator

I declare that I am the person who executed the above Articles of Incorporation and such instrument is my act and deed.

Eric H. Halvorson

Eric H. Halvorson
Sole Incorporator

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EXHIBIT 3.05

BYLAWS OF ATEP RADIO, INC. A CALIFORNIA CORPORATION

ARTICLE I SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.

The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.

A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.

All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in

the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (*i.e.*, to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.

The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been

solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.
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Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.
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Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting

shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II

DIRECTORS; MANAGEMENT

Section 1. POWERS.

Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.

The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at

that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time,

the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.
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The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.
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Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.
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Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.
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Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.
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Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least

forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.
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A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III
OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a chairman of the board, president, vice-president, secretary, and chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.

The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.
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The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.
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Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.
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A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.
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The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.
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Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.
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In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.
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The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV
CORPORATE RECORDS AND REPORTS--INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the

records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.

The corporation shall keep at its principal executive office, or if its

principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.
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The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.
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Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.
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The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
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A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.

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The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the

general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V
GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.
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For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.
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All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.
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The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.
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A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of

the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it

may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and canceled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI
OFFICES

Section 1. PRINCIPAL OFFICES.

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII
AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.
- ---------

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.06

ARTICLES OF INCORPORATION
OF
BISON MEDIA, INC.

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SECRETARY OF STATE
04-11-96 11:45

FIRST: The name of the corporation is Bison Media, Inc.

SECOND: The address of the registered office of the Corporation in the State of Colorado is 6760 CORPORATION DR., SUITE 340, COLORADO SPRINGS, COLORADO, 80919 and the name of its registered agent at that address is Ken Sasso.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the laws of the state of Colorado. In furtherance of the foregoing purposes, the Corporation shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon corporations organized under the laws of the State of Colorado. In addition, it may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes.

FOURTH: The Corporation shall be authorized to issue one class of stock designated "Common Stock." The total number of shares which the Corporation shall have authority to issue is 1,000, each having no par value.

Each shareholder of record shall have one vote for each share of stock which is outstanding in his or her name on the books of the Corporation and which is entitled to vote. In the election of directors each shareholder shall be entitled to cast for any one candidate no greater number of votes than the number of shares held by such shareholder; no shareholder shall be entitled to cumulate votes on behalf of any candidate.

No shareholder of the Corporation shall have any preemptive or similar right to acquire any additional unissued or treasury shares of stock, or other securities of any class, or any rights, warrants or options to purchase stock, or securities of any kind convertible into stock or bearing stock purchase warrants or privileges.

The Board of Directors of the Corporation (the "Board") may from time to time distribute to the shareholders in partial liquidation, or out of stated capital or capital surplus of the Corporation, a portion of its assets; in cash or property, subject to the limitations contained in the statutes of Colorado.

The Corporation shall have the right to impose restrictions on the transfer of shares of the Corporation.

A quorum for shareholder meetings will consist of a majority of the shares issued and outstanding and entitled to vote at the meeting.

When a quorum is present, and notwithstanding that the applicable statute requires a vote of two-thirds of the shares entitled to vote

to take action, the affirmative vote of a majority of the shares issued and outstanding and entitled to vote on the subject matter shall be the act of the shareholders.

FIFTH: The name and mailing address of the incorporator of the Corporation is:

Jonathan L. Block, Esq.
Salem Communications Corporation
4880 Santa Rosa Road
Suite 300
Camarillo, CA 93012

SIXTH: The number of directors shall be no less than two and no greater than five, except that there need be only as many directors as there are shareholders if the outstanding shares are held of record by fewer than three persons. The term of office of each director shall be until the next annual meeting of the shareholders and thereafter until his or her successor is elected and qualified.

The initial Board shall consist of two persons who shall serve until their successors are elected and qualified. The beginnings of the terms of office of the directors shall be contemporaneous. The names and addresses of the initial directors are:

Edward G. Atsinger, III	4880 Santa Rosa Road Suite 300 Camarillo, Ca 93012
Stuart Epperson	4880 Santa Rosa Road Suite 300 Camarillo, Ca 93012

SEVENTH: In furtherance and not in limitation of the powers conferred by statue, the Board is expressly authorized to make, repeal, alter, amend and rescind the Bylaws of the Corporation.

EIGHTH: Elections of the directors may be by written ballot if the Board so determines.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on shareholders herein are granted subject to this reservation.

TENTH: No Contract or transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for that reason or solely because the director or officer is present at or participates

in the meeting of the Board or committee thereof which authorizes, approves, or ratifies the contract or transaction or solely because his or their votes are counted for such purpose if the contract or transaction was fair as to the Corporation.

ELEVENTH: The Corporation is authorized to eliminate or limit the personal liability of its directors in accordance with and subject to the limitations of the terms of Colorado Revised Statutes (S) 7-3-101(i) (u) as follows: No director shall be personally liable to the Corporation or its shareholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing, a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for acts specified in Section 7-5-114 of the Colorado Corporation code, or (iv) for any transaction from which the director derived an improper personal benefit. If the Colorado Corporation Code is amended after the effective date of this Eleventh Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director will be eliminated or limited to the fullest extent permitted by the Colorado Corporation Code, as so amended. Any repeal or modification of this Eleventh Article by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

TWELFTH: The Corporation is authorized to provide indemnification of its directors, officers, employees and agents in accordance with and subject to the limitations of the terms of Colorado Revised Statutes (S) 7-3-101.5. Such indemnification may be provided pursuant to the

Corporation's Bylaws, by vote of the shareholders or of disinterested directors, by agreement or otherwise.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation to do business both within and without the State of Colorado, and pursuant to the Colorado Corporation Code, does make and file these Articles of Incorporation as of this 29th day of March, 1996.

Name: Jonathan L. Block

Jonathan L. Block, Esq.
Incorporator

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FILING FEE: $50.00	DENVER, CO 80202	SECRETARY OF STATE
MUST SUBMIT TWO COPIES	(303) 894-2251	04-11-96 11:45
	FAX (303) 894-2242	

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ARTICLES OF INCORPORATION

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Corporation Name Bison Media, Inc.

Principal Business Address 6760 Corporate Dr., Suite 340, Colorado Springs, CO 80919
(Include City, State, Zip)

Cumulative voting shares of stock is authorized. Yes [ ] No [x]
If duration is less than perpetual enter number of years ____________

Preemptive rights are granted to shareholders. Yes [ ] No [x]
STOCK INFORMATION: (If additional space is needed, continue on a separate sheet of paper.)

<S>	<C>	<C>	<C>	<C>	<C>
Stock Class	Common	Authorized Shares	1,000	Par Value	None
Stock Class		Authorized Shares		Par Value	

The name of the initial registered agent and the address of the registered office is: (If another corporation, use last name space)

Last Name Sasso First & Middle Name Ken

Street Address 6760 Corporate Dr., Suite 340, Colorado Springs, CO 80919
(Include City, State, Zip)

THE UNDERSIGNED CONSENTS TO THE APPOINTMENT AS THE INITIAL REGISTERED AGENT.

Signature of Registered Agent Kenneth W. Sasso

These articles are to have a delayed effective date of: ____________

INCORPORATORS: Names and addresses: (If more than two, continue on a separate sheet of paper.)

NAME	ADDRESS
Jonathan L. Block	
4880 Santa Rosa Rd., Ste 300 Camarillo, CA 93012	

Incorporators who are natural persons must be 18 years or more. The undersigned, acting as incorporator(s) of a corporation under the Colorado Business Corporation Act, adopt the above Articles of Incorporation.

Signature Jonathan L. Block Signature ____________

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REVISED 7/95

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Exhibit 3.07

BYLAWS OF BISON MEDIA, INC.

ARTICLE I OFFICES

The principal office of BISON MEDIA, INC., (the "Corporation") shall be located in Colorado Springs, Colorado. The Corporation may have such other offices and places of business, either within or outside Colorado, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

The registered office of the Corporation is required by the Colorado Corporation Code to be maintained in Colorado. The registered office may be, but need not be, identical with the principal office if in Colorado, and the address of the registered office may be changed from time to time by the Board of Directors (the "Board").

ARTICLE II SHAREHOLDERS

Section 2.1. Application of Article II. So long as there is only one shareholder of the Corporation, Sections 2.5, 2.9 and 2.10 shall not apply to the Corporation and any provisions thereof need not be fulfilled except as otherwise required by the Colorado Corporations Code or Articles of Incorporation as amended.

Section 2.2. Annual Meetings. Annual meetings of the stockholders of the Corporation for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings shall be held on or before April 30 at such time and place as the Board shall determine by resolution.

Section 2.3. Special Meetings. A special meeting of the stockholders for the transaction of any proper business may be called at any time by the Board or by the President or the holders of 20% or more of the common stock of the Corporation.

Section 2.4. Place of Meeting. The Board may designate any place, either within or outside Colorado, as the place for any annual meeting or special meeting called by the Board. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the Board, the place of meeting shall be the registered office of the Corporation in Colorado.

Section 2.5. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting to each shareholder of record entitled to vote at such meeting; except that, if the

authorized shares are to be increased, at least 30 days notice shall be given. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

Section 2.6. Adjournment. When a meeting is for any reason adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 2.7. Organization. The President or any Vice President shall call meetings of shareholders to order and act as chairman of such meetings. In the absence of said officers, any shareholder entitled to vote at that meeting, or

any proxy of any such shareholder, may call the meeting to order and a chairman shall be elected by a majority of the shareholders entitled to vote at the meeting. In the absence of the Secretary or any assistant Secretary of the Corporation, any person appointed by the chairman shall act as Secretary of such meeting.

Section 2.8. Agenda and Procedure. The Board of Directors shall have the responsibility for establishing an agenda for each meeting of shareholders, subject to the rights of shareholders to raise matters for consideration which may otherwise properly be brought before the meeting although not included within the agenda. The Chairman shall be charged with the orderly conduct of all meetings of shareholders; provided, however, that in the event of any difference in opinion with respect to the proper course of action which cannot be resolved by reference to statute, or to the Articles of Incorporation, or these Bylaws, Robert's Rules of Order (as last revised) shall govern the disposition of the matter.

Section 2.9. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board may provide that the stock transfer books shall be closed for any stated period not exceeding fifty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board may fix in advance a date as the date for any such determination of shareholders, such date in any case to be not more than fifty days, and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring the dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the stock transfer books and the stated period of the closing has expired.

Section 2.10. Voting Records. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. For a period of ten days prior to such meeting, this record shall be kept on file at the principal office of the Corporation, whether within or outside Colorado, and shall be subject to inspection by any shareholder for any purpose germane to the meeting at any time during usual business hours. Such record shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder for any purpose germane to the meeting during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such record or transfer books or to vote at any meeting of shareholders. Any officer or agent having charge of the stock transfer books who fails to prepare the record of shareholders, or to keep it on file for a period of ten days before the meeting or to produce and keep it open for inspection at the meeting as provided in this section, is liable to any shareholder suffering damage due to the failure to the extent of the damage.

Section 2.11. Quorum. Unless otherwise provided by the Articles of Incorporation, a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If fewer than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting without further notice for a period not to exceed 60 days at any one adjournment. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of shareholders so that less than a quorum remains.

If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by law or the Articles of Incorporation.

Section 2.12. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 2.13. Voting of Shares. Each outstanding share, regardless of class, shall be entitled to one vote and each fractional share shall be entitled to a corresponding fractional vote on each matter submitted to a vote at a meeting of shareholders, except as may be otherwise provided in the Articles of Incorporation. If the Articles of Incorporation provide for more or less than one vote for any share on any matter, every reference in the Colorado Corporation Code to a majority or other proportion or number of shares shall refer to such a majority or other proportion or number of votes entitled to be cast with respect to such matter.

At a shareholders' meeting involving the election of directors, each shareholder shall be entitled to cast for any one candidate no greater number votes than the number of shares held by such shareholder; shareholders shall be entitled to cumulate votes on behalf of any candidate.

Section 2.14. Voting of Shares by Certain Holders.

a. Neither treasury shares, nor shares of another Corporation, if a majority of the shares entitled to vote for the election of directors of such other Corporation is held by this Corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given Shares standing in the name of another Corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe or, in the absence of such provision, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledges and thereafter the pledgee shall be entitled to vote the shares so transferred.

Redeemable shares which have been called for redemption shall not be entitled to vote on any matter and shall not be deemed outstanding shares on and after the date of which written notice or redemption has been mailed to shareholders and a sum sufficient to redeem such shares has been deposited with a bank or trust company, with irrevocable instruction and authority to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

b. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, voting with respect to the shares shall have the following effect:

(i) If only one person votes, his act binds all;

(ii) If two or more persons vote, the act of the majority so voting binds all;

(iii) If two or more persons vote, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionately, or any person voting the

shares of a beneficiary, if any, may apply to any court of competent jurisdiction in the State of Colorado to appoint an additional person to act with the persons so voting the shares. The shares shall then be voted as determined by a majority of such persons and the person appointed by the court. If a tenancy is held in unequal interests, a majority or even split for the

purpose of this subsection (iii) shall be a' majority or even split in interest.

The effects of voting stated in this subsection B shall not be applicable if the Secretary of the Corporation is given written notice of alternate voting provisions and is furnished with a copy of the instrument or order wherein the alternate voting provisions are stated.

Section 2.15. Informal Action by Shareholders. Any action required or allowed to be taken at a meeting of the shareholders may be taken without a meeting, provided that a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the shareholders, and may be stated as such in any articles or document filed with the Secretary of State of Colorado under the Colorado Corporation Code.

ARTICLE III
BOARD OF DIRECTORS

Section 3.1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors, except as otherwise provided in the Colorado Corporation Code or the Articles of Incorporation.

Section 3.2. Performance of Duties. A Director of the Corporation shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subsections a, b and c of this Section 3.2; but he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his duties shall not have any liability by reason of being or having been a director of the Corporation. Those persons and groups upon whose information, opinions, reports, and statements a director is entitled to rely are:

a. One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

b. Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional or expert competence; or

c. A committee of the Board upon which he does not serve, duly designated in accordance with the provisions of the Articles of Incorporation or the Bylaws, as to matters

within its designated authority, which committee the director reasonably believes to merit confidence.

Section 3.3. Number Tenure and Qualifications. The number of directors of the Corporation shall be two; except that there need only be as many directors as there are shareholders in the event that the outstanding shares are held of record by fewer than three shareholders. The directors shall be elected at each annual meeting of shareholders. Each director shall hold office until the next annual meeting of shareholders and thereafter until his successor shall have been elected and qualified. Directors shall be 18 years of age or older, but need not be residents of Colorado or shareholders of the Corporation. Directors shall be removable in the manner provided by the statutes of Colorado.

Section 3.4. Resignation. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the President, any Vice President or the Secretary of the Corporation. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Section 3.5. Removal. Except as otherwise provided in the Articles of Incorporation or in these Bylaws, any director may be removed, either with or

without cause, at any time, by the affirmative vote of the holders of a majority of the issued and outstanding shares of stock entitled to vote for the election of directors of the Corporation given at a special meeting of the shareholders called and held for such purpose. The vacancy in the Board caused by any such removal may be filled by the shareholders entitled to vote thereon at such meeting. If the shareholders at such meeting shall fail to fill the vacancy, the Board of Directors may do so as provided in Section 3.6.

Section 3.6. Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum except as otherwise provided herein. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office or by an election at any annual meeting or at a special meeting of shareholders called for that purpose, and a director so chosen shall hold office until the next annual meeting of shareholders and until his successor has been elected and has qualified.

Section 3.7. Regular Meetings. A regular meeting of the Board shall be held without other notice than this bylaw immediately after and at the same place as the annual meeting of shareholders. The Board may provide by resolution the time and place, either within or outside Colorado, for the holding of additional regular meetings without other notice than such resolution.

Section 3.8. Special Meetings. Special meetings of the Board may be called by or at the request of the President or any two Directors. The person or persons authorized to call Special Meetings of the Board may fix any place, either within or outside Colorado, as the place for holding any special meeting of the Board called by them.

Section 3.9. Notice. In the event that there is more than one director of the Corporation, notice of any Special Meeting shall be given at least seven days previously thereto by written notice delivered personally or mailed to each director at his business address, or by notice given at least two days previously by telegraph. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board-need be specified in the notice or waiver of notice of such meeting.

Section 3.10. Quorum. A majority of the number of directors elected and qualified at the time of the meeting shall constitute a quorum for the transaction of business at any such meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 3.11. Manner of Acting. If a quorum is present, the affirmative vote of a majority of the directors present at the meeting and entitled to vote on that particular matter shall be the act of the Board, unless the vote of a greater number is required by law or the Articles of Incorporation.

Section 3.12. Compensation. By resolution of the Board of Directors, any director may be paid any one or more of the following: his expenses, if any, of attendance at meetings; a fixed sum for attendance at such meeting; or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.13. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.14. Executive Committee. The Board, by resolution adopted by a

majority of the number of directors elected and qualified at the time of the resolution, may designate two or more directors to constitute an executive committee which shall have and may exercise all of the authority of the Board of Directors or such lesser authority as may be set forth in said resolution.

No such delegation of authority shall operate to relieve the Board of Directors or any member of the Board from any responsibility imposed by law.

Section 3.15. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors, executive committee or other committee of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors, and may be stated as such in any articles or documents filed with the Secretary of State of Colorado under the Colorado Corporation Code.

Section 3.16. Meetings by Telephone. Members of the Board or any committee of the directors may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE IV
OFFICERS AND AGENTS

Section 4.1. General. The officers of the Corporation shall be a President, a Secretary and a Treasurer, each of whom shall be elected by the Board. The Board may appoint one or more Vice Presidents and such other officers, assistant officers, committees and agents, including a chairman of the board, Assistant Secretaries and Assistant Treasurers, as they may consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. The salaries of all the officers of the Corporation shall be fixed by the Board. One person may hold any two offices, except that no person may simultaneously hold the offices of President and Secretary. The officers of the Corporation shall be 18 years of age or older. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board, such officer, agent or employee shall follow the orders and instructions of (a) the President, and if a Chairman of the Board has been elected, then (b) the Chairman of the Board.

Section 4.2. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors annually at the first meeting of the board held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, election of officers shall occur by unanimous written consent of the Board as soon thereafter as may be convenient. Each officer shall hold office until the first of the following occurs: until his successor shall have been duly elected and shall have qualified; or until his death; or until he shall resign; or until he shall have been removed in the manner hereinafter provided.

Section 4.3. Removal. Any officer or agent may be removed by the Board or by the executive committee, if any, whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.4. Vacancies. A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

Section 4.5. Chairman. The Chairman shall be an officer of the Corporation. The Chairman shall have the responsibility of setting the agenda for Board meetings and such other responsibilities and duties as are assigned by the Board.

Section 4.6. President. The President shall, subject to the direction and supervision of the Board, be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. He shall, unless otherwise directed by the Board, attend in person or by substitute appointed by

him, or shall execute, on behalf of the Corporation, written instruments appointing a proxy or proxies to represent the Corporation, at all meetings of the stockholders of any other Corporation in which the Corporation shall hold any stock. He may, on behalf of the Corporation, in person or by substitute or by proxy, execute written waivers of notice and consents with respect to any such meetings. At all such meetings and otherwise, the President, in person or by substitute or proxy as aforesaid, may vote the stock so held by the Corporation and may execute written consents and other instruments with respect to such stock and may exercise any and all rights and powers incident to the ownership of said stock, subject however to the instructions, if any, of the Board. The President shall have custody of the Treasurer's bond, if any. If a chairman of the board has been elected, the chairman of the board shall have, subject to the direction and modification of the Board, all the same responsibilities, rights and obligations as described in these Bylaws for the President.

Section 4.7. Vice Presidents. The Vice Presidents, if any, shall assist the President and shall perform such duties as may be assigned to them by the President or by the Board. In the absence of the President, the Vice President designated by the Board or (if there be no such designation) the Vice President designated in writing by the President shall have the powers and perform the duties of the President. If no such designation shall be made, all Vice Presidents may exercise such powers and perform such duties.

Section 4.8. Secretary. The Secretary shall perform the following:

a. Keep the minutes of the proceedings of the shareholders, executive committee and the Board of Directors;

b. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

c. Be custodian of the Corporate records and of the seal of the Corporation and affix the seal to all documents when authorized by the Board of Directors;

d. Keep, at the Corporation's registered office or principal place of business within or outside Colorado, a record containing the names and addresses of all shareholders and the number and class of shares held by each, unless such a record shall be kept at the office of the Corporation's transfer agent or registrar;

e. Sign with the President or a Vice President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;

f. Have general charge of the stock transfer books of the Corporation, unless the Corporation has a transfer agent; and

g. In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

Section 4.9. Treasurer. The Treasurer shall be the principal financial officer of the Corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Corporation and shall deposit the same in accordance with the instructions of the Board of Directors. He shall receive and give receipts and acquittances for monies paid in on account of the Corporation, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Corporation of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the board, shall make such reports to it as may be required at any time. He shall, if required by the board, give the Corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the President. The assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

The Treasurer shall also be the principal accounting officer of the Corporation. He shall prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the President and the Board of Directors statements of account showing the financial position of the Corporation and the results of its operations.

Section 4.10. Salaries. Officers of the Corporation shall be entitled to such salaries, emoluments, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

Section 4.11. Bonds. If the Board of Directors by resolution shall so require, any officer or agent of the Corporation shall give bond to the Corporation in such amount and with such surety as the Board of Directors may deem sufficient, conditioned upon the faithful performance of that officer's or agent's duties and offices.

ARTICLE V
STOCK

Section 5.1. Certificates. The shares of stock shall be represented by consecutively numbered certificates signed in the name of the Corporation by its chairman or vice-chairman of the Board which for the purpose of this Section 5.1 only shall be considered officers, or by its President or a Vice President and by the Treasurer or an assistant Treasurer or by the Secretary or an assistant Secretary, and shall be sealed with the seal of the Corporation, or with a facsimile thereof. The signatures of the Corporation's officers on such certificate may also be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or an employee of the Corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of its issue. Every certificate representing shares issued by a Corporation which is authorized to issue shares of more than one class or more than one series of any class shall set forth upon the face or back of the certificate or shall state that the Corporation will furnish to any shareholder upon request and without charge a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and, if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series, so far as the same have been fixed and determined, and the authority of the Board of Directors to fix and determine the relative rights and preferences of subsequent series.

Each certificate representing shares shall state the following upon the face thereof: the name of the state of the Corporation's organization; the name of the person to whom issued; the number and class of shares and the designation of the series, if any, which such certificate represents; the par value of each share represented by such certificate or a statement that the shares are without par value. Certificates of stock shall be in such form consistent with law as shall be prescribed by the Board. No certificate shall be issued until the shares represented thereby are fully paid.

Section 5.2. Record. A record shall be kept of the name of each person or other entity holding the stock represented by each certificate for shares of the Corporation issued, the number of shares represented by each such certificate, the date thereof and, in the case of cancellation, the date of cancellation. The person or other entity in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof, and thus a holder of record of such shares of stock, for all purposes as regards the Corporation.

Section 5.3. Consideration for Shares. Shares shall be issued for such consideration, expressed in dollars as shall be fixed from time to time by the Board. That part of the surplus of a Corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed the consideration for the issuance of such dividend shares. Such consideration may consist, in whole or in part, of money, other property, tangible or intangible, or in labor or services actually performed for the Corporation, but neither promissory notes nor future services shall constitute payment or part payment for shares.

Section 5.4. Cancellation of Certificates. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificates shall be issued in lieu thereof until the former certificate for a like number of shares shall have been surrendered and canceled, except as herein provided with respect to lost, stolen or destroyed certificates.

Section 5.5. Lost Certificates. In case of the alleged loss, destruction

or mutilation of a certificate of stock, the Board of Directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as it may prescribe. The Board may in its discretion require a bond in such form and amount and with such surety as it may determine, before issuing a new certificate.

Section 5.6. Transfer of Shares. Upon surrender to the Corporation or to a transfer agent of the Corporation of a certificate of stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and such documentary stamps as may be required by law, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate. Every such transfer of stock shall be entered on the stock book of the Corporation which shall be kept at its principal office or by its registrar duly appointed.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof; and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as may be required by the laws of Colorado.

Section 5.7. Indemnification of Directors, Officers, and Others. The Corporation has the power to indemnify current or former directors, officers, employees, and agents, to the greatest extent provided in its Articles of Incorporation and by Colo. Rev. Stat. S 73-101(5).

ARTICLE VI
Execution of Instruments; Loans; Checks and
Endorsements; Deposits; Proxies

Section 6.1. Execution of Instruments. The President shall have the power to execute and deliver on behalf of and in the name of the Corporation any instrument requiring the signature of an officer of the Corporation, except as otherwise provided in these Bylaws or where the execution and delivery thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. Unless authorized to do so by these Bylaws or by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation in any way, to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 6.2. Loans. The Corporation may lend money to, guarantee the obligations of and otherwise assist directors, officers and employees of the Corporation, or directors of another Corporation of which the Corporation owns a majority of the voting stock, only upon compliance with the requirements of the Colorado Corporation Code.

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 6.3. Checks and Endorsements. All checks, drafts or other orders for the payment of money, obligations, notes or other evidences of indebtedness, bills of lading, warehouse receipts, trade acceptances and other such instruments shall be signed or endorsed by such officers or agents of the Corporation as shall from time to time be determined by resolution of the Board, which resolution may provide for the use of facsimile signatures.

Section 6.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the Corporation's credit in such banks or other depositories as shall from time to time be determined by resolution of the Board, which resolution may specify the officers or agents of the Corporation who shall have the power, and the manner in which such power shall be exercised, to make such deposits and to endorse, assign and deliver for collection and deposit checks, drafts and other orders for the payment of money payable to the Corporation or its order.

Section 6.5. Proxies. Unless otherwise provided by resolution-adopted by the Board, the President or any Vice President may from time to time appoint one or more agents or attorneys-in-fact of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other Corporation, association or other entity any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other Corporation, association or other entity or to consent in writing, in the name of the Corporation as such holder, to any action by such other Corporation, association or other entity, and may instruct the person or

persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

Section 6.6. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

ARTICLE VII
MISCELLANEOUS

Section 7.1. Waivers of Notice. Whenever notice is required by the Colorado Corporation Code, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the director, shareholder or other person entitled to said notice, whether before, at or after the time stated therein, or his appearance at such meeting in person or (in the case of a shareholders' meeting) by proxy, shall be equivalent to such notice.

Section 7.2. Fiscal Year. The fiscal year of the Corporation shall be December 31.

Section 7.3. Amendments. The Board of Directors shall have the power to alter, amend or repeal the Bylaws or adopt new Bylaws of the Corporation at any regular meeting of the board, or at any special meeting called for that purpose, or by unanimous written consent of the Board, subject to repeal or change by action of the shareholders.

Section 7.4. Emergency Bylaws. Subject to repeal or change by action of the shareholders, the Board may adopt emergency Bylaws in accordance with and pursuant to the provisions of the Colorado Corporation Code.

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EXHIBIT 3.08

05747-1090

			#963658
The Seal of the Secretary of State of Ohio	Prescribed by Bob Taft, Secretary of State 30 East Broad Street, 14th Floor Columbus, Ohio 43266-0418 Form ARF (December 1990)	No Receipt BT	Approved BT Date 2/4/97 Fee $100.00
			97020418601

ARTICLES OF INCORPORATION

(Under Chapter 1701 of the Ohio Revised Code)
Profit Corporation

The undersigned, desiring to form a corporation, for profit, under Sections 1701.01 et seq. of the Ohio Revised Code, do hereby state the following:

FIRST. The name of said corporation shall be Caron Broadcasting, Inc.

SECOND. The place in Ohio where its principal office is to be located is 2780 S. Arlington, Akron , Summit County, Ohio.
(city, village or township)

THIRD. The purpose(s) for which this corporation is formed is:

Own and operate radio stations.

05747-1091

FOURTH. The number of shares which the corporation is authorized to have outstanding is: (Please state whether shares are common or preferred, and their par value, if any. Shares will be recorded as common with no par value unless otherwise indicated.)

1,000 No par value

IN WITNESS WHEREOF, we have hereunto subscribed our names, this 15th day of November, 19 96 .

By: Jonathan L. Block, Incorporator
Jonathan L. Block, Esq.

By: ______________________________, Incorporator

By: ______________________________, Incorporator

PRINT OR TYPE INCORPORATORS' NAMES BELOW THEIR SIGNATURES.

INSTRUCTIONS

1. The minimum fee for filing Articles of Incorporation for a profit corporation is $85.00. If Article Fourth indicates more than 850 shares of stock authorized, please see Section 111.16(A) of the Ohio Revised Code or contact the Secretary of State's office (614-466-3910) to determine the correct fee.

2. Articles will be returned unless accompanied by an Original Appointment of Statutory Agent. Please see Section 1701.07 of the Ohio Revised Code.

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EXHIBIT 3.09

CODE OF BY-LAWS

For the Government of the

Board of Directors

of

CARON BROADCASTING, INC.

ARTICLE I

MEETINGS OF DIRECTORS

Sec. 1. Regular Annual Meeting. A regular annual meeting of the Board or Directors shall be held immediately following the termination of the regular annual meeting of the shareholders of the corporation and at the same place of such shareholders' meeting, unless a different time and place is fixed by resolution of the Board of Directors. If, for any reason, the annual meeting is not held, then the business which may be transacted thereat may be transacted at any special meeting called as provided for in Section 3 of this Article.

Sec. 2. Other Regular Meetings. Other regular meetings of the Board of Directors may be held at such times and places as may be fixed by resolution of the Board of Directors.

Sec. 3. Special Meetings. Special meetings of the Board of Directors may

be called by the President or a Vice-President, or by a majority of the Board of Directors.

Sec. 4. Place of Meetings. Any meeting of the Board of Directors may be held at any place within or without the State of Ohio as may be fixed by resolution of the Board of Directors.

Sec. 5. Notice of Meetings and Waiver of Notice. (a) A written or printed notice of each regular or special meeting of the Board of Directors, stating the time and place thereof shall be delivered to each director or sent to him by mail, telegram, cablegram or radiogram at his last known post office address, not more than twenty (20) days nor less than forty-eight (48) hours before the time fixed for the meeting. Meetings may be held at any time or place without notice if the meeting or if those who are absent assent in writing to the holding of the meeting. Such assent may be given by the absent directors either before, at or after any meeting of the Board, waiving any or all of the provisions of law or of these By-Laws as to notices of such meeting or as to any irregularities in such notice or in the giving thereof, and shall thereby validate the proceedings of such meeting as fully as though all the requirements of the provisions waived had been duly met in their respective cases.

(b) If any meeting of the Board of Directors is adjourned to another time or place, no further notice as to such adjourned meeting need be given if the time and place are fixed at the meeting adjourned.

Sec. 6. Quorum. A majority of the entire Board of Directors shall constitute a quorum at all meetings.

Sec. 7. Order of Business. The order of business of the Board of Directors at regular meetings, unless changed by a majority of the Directors present, shall be as follows:

1. Reading of minutes of previous meeting and taking action thereon;

2. Reading reports and statements of officers and committees;

3. Unfinished business;

4. Election of officers (at annual meeting);

5. New or miscellaneous business;

6. Adjournment.

ARTICLE II

COMPENSATION OF OFFICERS

The officers of the corporation shall receive such compensation as shall be fixed by resolution of the Board of Directors.

ARTICLE III

AMENDMENTS

By-Laws for the government of the Board of Directors may be adopted, amended or repealed by a majority vote for the entire Board of Directors at any regular meeting thereof, or at any meeting if such meeting be duly called as a special meeting for that purpose or if each member of the Board of Directors shall be present at the meeting or shall waive in writing the call and notice thereof.

[End of Code of By-Laws]

CODE OF REGULATIONS

OF

CARON BROADCASTING, INC.

ARTICLE I

FISCAL YEAR

Unless otherwise designated by resolution of the Board of Directors, the first fiscal year of the corporation after the adoption of this Code of Regulations shall end on December 31, 1981. Subsequently, the fiscal year of the corporation shall commence on the first day of April in each year and end on the last day of March, or be such other period as the Board of Directors may designate by resolution.

ARTICLE II

SHAREHOLDERS

Section 1. Meetings of Shareholders

(a) Annual Meeting. The annual meeting of the shareholders of this corporation, for the election of directors, the consideration of financial statements and other reports, and the transaction of such other business as may properly be brought before such meeting, shall be held at 9:30 A.M., on the first Tuesday in the third month following the end of the fiscal year in each year after 1981. The first annual meeting shall be held in 1982. Upon due notice, there may also be considered and acted upon at an annual meeting any matter which could properly be considered and acted upon at a special meeting, in which and for which purpose the annual meeting shall also be considered as, and shall be, a special meeting. In the event the annual

meeting is not held or if directors are not elected thereat, a special meeting may be called and held for that purpose.

(b) Special Meeting. Special meetings of the shareholders may be held on any business day when called by any person or persons who may be authorized by law to do so. Calls for special meetings shall specify the purpose or purposes thereof, and no business shall be considered at any such meeting other than that specified in the call therefor.

(c) Place of Meetings. Any meeting of shareholders may be held at such place within or without the State of Ohio as may be designated in the Notice of said meeting.

(d) Notice of Meeting and Waiver of Notice.

(1) Notice. Written notice of the time, place and purposes of any meeting of shareholders shall be given to each shareholder entitled thereto not less than seven (7) days nor more than sixty (60) days before the date fixed for the meeting and as prescribed by law. Such notice shall be given either by personal delivery or mailed to each shareholder entitled to notice of or to vote at such meeting. If such notice is mailed, it shall be directed, postage prepaid, to the shareholders at their respective addresses as they appear upon the records of the corporation, and notice shall be deemed to have been given on the day so mailed. If any meeting is adjourned to another time or place, no notice as to such adjourned meeting need be given other than by announcement at the meeting at which such an adjournment is taken. No business shall be transacted at any such adjourned meeting except as might have been lawfully transacted at the meeting at which such adjournment was taken.

(2) Notice to Joint Owners. All notices with respect to any shares to which persons are entitled by joint or common ownership may be given to that one of such persons who is named first upon the books of this corporation, and notice so given shall be sufficient notice to all the holders of such shares.

(3) Waiver. Notice of any meeting, however, may be waived in writing by any shareholder either before or after any meeting of shareholders, or by attendance at such meeting without protest prior to the commencement thereof.

(e) Shareholders Entitled to Notice and to Vote. If a record date shall not be fixed or he books of the corporation shall not be closed against transfers of shares pursuant to statutory authority, the record date for the determination of shareholders entitled to notice of or to vote at any meeting of shareholders shall be the close of business on the twentieth day prior to the date of the meeting, and only shareholders of record at such record date shall be entitled to notice of and to vote at such meeting. Such record date shall continue to be the record date for all adjournments of such meeting unless a new record date shall be fixed and notice thereof and of the date of the adjourned meeting be given to all shareholders entitled to notice in accordance with the

new record date so fixed.

(f) Quorum. At any meeting of shareholders, the holders of shares entitling them to exercise a majority of the voting power of the corporation, present in person or by proxy, shall constitute a quorum for such meeting; provided however, that no action required by law, the Articles, or these Regulations to be authorized or taken by the holders of a designated proportion of the shares of the corporation may be authorized or taken by a lesser proportion. The

shareholders present in person or by proxy, whether or not a quorum be present, may adjourn the meeting from time to time without notice other than by announcement at the meeting.

(g) Organization of Meetings

(1) Presiding Officer. The Chairman of the Board, or in his absence, the President, or in the absence of both of them, a Vice-President of the corporation shall call all meetings of the shareholders to order and shall act as Chairman thereof, if all are absent, the shareholders shall elect a Chairman.

(2) Minutes. The secretary of the corporation, or, in his absence, an Assistant Secretary, or, in the absence of both, a person appointed by the Chairman of the meeting, shall act as Secretary of the meeting and shall keep and make a record of the proceedings thereat.

(h) Order of Business. The order of business at all meetings of the shareholders, unless waived or otherwise mined by a vote of the holder or holders of the majority of the number of shares entitled to vote present in person or represented by proxy, shall be as follows:

1. Call meeting to order.

2. Selection of Chairman and/or Secretary, if necessary.

3. Proof of notice of meeting and presentment of affidavit thereof.

4. Roll call, including filing of proxies with Secretary.

5. Upon appropriate demand, appointment of inspectors of election.

6. Reading, correction and approval of previously unapproved minutes.

7. Reports of officers and committees.

8. If annual meeting, or meeting called for that purpose, election of Directors.

9. Unfinished business, if adjourned meeting.

10. Consideration in sequence of all other matters set forth in the call for and written notice of the meeting.

11. Adjournment.

(i) Voting. Except as provided by statute or in the Articles, every shareholder entitled to vote shall be entitled to cast one vote on each proposal submitted to the meeting for each share held of record by him on the record date for the determination of the shareholders entitled to vote at the meeting. At any meeting at which a quorum is present, all questions and business which may come before the meeting shall be determined by a majority of votes cast, except when a greater proportion is required by law, the Articles, or these Regulations.

(j) Proxies. A person who is entitled to attend a shareholders' meeting, to vote thereat, or to execute consents, waivers and releases, may be represented at such meeting or vote thereat, and execute consents, waivers, and releases, and exercise any of his rights, by proxy or proxies appointed by a writing signed by such person, or by his duly authorized attorney, as provided by the laws of the State of Ohio.

(k) List of Shareholders. At any meeting of shareholders, a list of shareholders, alphabetically arranged, showing the number and classes of shares held by each on the record date applicable to such meeting shall be produced on the request of any shareholder.

Section 2. Action of Shareholders Without a Meeting Any action which may

be taken at a meeting of shareholders may be taken without a meeting if authorized by a writing or writing signed by all of the holders of shares who would be entitled to notice of a meeting for such purpose, which writing or writings shall be filed or entered upon the records of the corporation.

ARTICLE III

DIRECTORS

Section 1. General Powers

The business, power and authority of this corporation shall be exercised, conducted and controlled by a Board of Directors, except where the law, the Articles or these Regulations require action to be authorized or taken by the shareholders.

Section 2. Election, Number and Qualification of Directors

(a) Election. The directors shall be elected at the annual meeting of shareholders, or if not so elected, at a special meeting of shareholders called for that purpose. At any meeting of shareholders at which directors are to be elected, only persons nominated as candidates shall be eligible for election.

(b) Number. The number of directors, which shall not be less than the lesser of three (3) or the number of shareholders of record, may be fixed or changed at a meeting of the shareholders called for the purpose of electing directors at which a quorum is present, by the affirmative vote of the holders of a majority of the shares represented at the meeting and entitled to vote on such proposal. The number of directors elected shall be deemed to be the number of directors fixed unless otherwise fixed by resolution adopted at the meeting at which such directors are elected.

(c) Qualification. Directors need not be shareholders of the corporation.

Section 3. Term of Office of Directors

(a) Term. Each director shall hold office until the next annual meeting of the shareholders and until his successor has been elected or until his earlier resignation, removal from office, or death. Directors shall be subject to removal as provided by statute or by other lawful procedures and nothing herein shall be construed to prevent the removal of any or all directors in accordance therewith.

(b) Resignation. A resignation from the Board of Directors shall be deemed to take effect immediately upon its being received by any incumbent corporate officer other than an officer who is also the resigning director, unless some other time is specified therein.

(c) Vacancy. In the event of any vacancy in the Board of Directors for any cause, the remaining directors, though less than a majority of the whole Board, may fill any such vacancy for the unexpired term.

Section 4. Meetings of Directors

(a) Regular Meetings. A regular meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the shareholders or a special meeting of the shareholders at which directors are elected. The holding of such shareholders' meeting shall constitute notice of such directors' meeting and such meeting may be held without further notice. Other regular meetings shall be held at such other times and places as may be fixed by the directors.

(b) Special Meetings. Special meetings of the Board of Directors may be held at any time upon call of the Chairman of the Board, the President, any Vice-President, or any two directors.

(c) Place of Meeting. Any meeting of directors may be held at such place within or without the State of Ohio as may be designated in the Notice of said meeting.

(d) Notice of Meeting and Waiver of Notice. Notice of the time and place of any regular or special meeting of the Board of Directors (other than the regular meeting of directors following the adjournment of the annual meeting of the shareholders or following any special meeting of the shareholders at which directors are elected) shall be given to each director by personal delivery, telephone, mail, telegram or cablegram at least forty-eight (48) hours before the meeting, which notice need not specify the purpose of the meeting. Such notice, however, may be waived in writing by any director either before or after any such meeting, or by attendance at such meeting without protest prior to the commencement thereof.

Section 5. Quorum and Voting

At any meeting of directors, not less than one-half of the whole authorized number of directors is necessary to constitute a quorum for such meeting, except that a majority of the remaining directors in office constitutes a quorum for filling a vacancy in the Board. At any meeting at which a quorum is present, all acts, questions and business which may come before the meeting shall be determined by a majority of votes cast by the directors present at such meeting, unless the vote of a greater number is required b the Articles, Regulations or By-Laws.

Section 6. Committees

(a) Appointment. The Board of Directors may from time to time appoint certain of its members (but in no event less than three) to act as a committee or committees in the intervals between meetings of the Board and may delegate to such committee or committees powers to be exercised under the control and direction of the Board. Each such committee and each member thereof shall serve at the pleasure of the Board.

(b) Executive Committee. In particular, the Board of Directors may create from its membership and define the powers and duties of an Executive Committee. During the intervals between meetings of the Board of Directors the Executive Committee shall possess and may exercise all of the powers of the Board of Directors in the management and control of the business of the corporation to the extent permitted by law. All action taken by the Executive Committee shall be reported to the Board of Directors at its first meeting thereafter.

(c) Committee Action. Unless otherwise provided by the Board of Directors, a majority of the members of any committee appointed by the Board of Directors pursuant to this Section shall constitute a quorum at any meeting thereof and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of such committee. Action may be taken by any such committee without a meeting by a writing signed by all its members. Any such committee shall prescribe its own rules for calling and holding meetings and its method or procedure, subject to any rules prescribed by the Board of Directors, and shall keep a written record of all action taken by it.

Section 7. Action of Directors without a Meeting

Any action which may be taken at a meeting of directors may be taken without a meeting if authorized by a writing or writings signed by all the directors, which writing or writings shall be filed or entered upon the records of the corporation.

Section 8. Compensation of Directors

The Board of Directors may allow compensation for attendance at meetings or for any special services, may allow compensation to members of any committee, and may reimburse any director for his expenses in connection with attending any Board or Committee meeting.

Section 9. Attendance at Meetings of Persons who are not Directors.

Unless waived by a majority of directors in attendance, not less than twenty-four (24) hours before any regular or special meeting of the Board of Directors, any director who desires the presence at such meeting of not more than one person who is not a director shall so notify all other directors, request the presence of such person at the meeting, and state the reason in writing. Such person will not be permitted to attend the directors' meeting unless a majority of the directors in attendance vote to admit such person to the meeting. Such vote shall constitute the first order of business for any such meeting of the Board of Directors. Such right to attend, whether granted by waiver or vote, may be revoked at any time during any such meeting by the

vote of a majority of the directors in attendance.

ARTICLE IV

OFFICERS

Section 1. General Provisions

The Board of Directors shall elect a President, a Secretary and a Treasurer, and may elect a Chairman of the Board, one or more Vice-Presidents, and such other officers and assistant officers as the Board may from time to time deem necessary. The Chairman of the Board, if any, and the President shall be directors, but no one of the other officers need be a director. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required to be executed, acknowledged or verified by two or more officers.

Section 2. Powers and Duties

All officers, as between themselves and the corporation, shall respectively have such authority and perform such duties as are customarily incident to their respective offices, and as may be specified from time to time by the Board of Directors, regardless of whether such authority and duties are customarily incident to such office. In the absence of any officer of the corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate for the time being, the powers or duties of such officer, or any of them, to any other officer or to any director. The Board of Directors may from time to time delegate to any officer authority to appoint and remove subordinate officers and to prescribe their authority and duties. Since the lawful purposes of this corporation include the acquisition and ownership of real property, personal property and property in the nature of patents, copyrights, and trademarks and the protection of the corporation's property rights in its patents, copyrights and trademarks, each of the officers of this corporation is empowered to execute any power of attorney necessary

to protect, secure, or vest the corporation's interest in and to real property, personal property and its property protectable by patents, trademarks and copyrights registrations and to secure such patents, copyrights and trademark registrations.

Section 3. Term of Office and Removal

(a) Term. Each officer of the corporation shall hold office during the pleasure of the Board of Directors, and unless sooner removed by the Board of Directors, until the meeting of the Board of Directors following the date of their election and until his successor is elected and qualified.

(b) Removal. The Board of Directors may remove any officer at any time, with or without cause by the affirmative vote of a majority of directors in office.

Section 4. Compensation of Officers

Unless compensation is otherwise determined by a majority of the directors at a regular or special meeting of the Board of Directors, or unless such determination is delegated by the Board of Directors to another officer or officers, the President of the corporation from time to time shall determine the compensation to be paid to all officers and other employees for services rendered to the corporation.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) Right of Indemnification. Each director, officer and member of a committee of this corporation, and any person who may have served at the request of this corporation as a director, officer or member of a committee of any other corporation in which this corporation is a creditor,

his heirs, executors and administrators, shall be indemnified by the corporation against all costs and expenses reasonably incurred by him concerning, or in connection with, the defense of any claim asserted or suit or proceeding brought

against him by reason of his conduct or actions as a director, officer or member "of a committee of this corporation, or a director, officer of member of a committee of such other corporation, whether or not he continues to be a director, officer or member of a committee at the time of incurring such costs or expenses, except costs and expenses incurred in relation to matters as to which such director, officer or member of a committee shall have been willfully derelict in the performance of his duty as such director, officer or member of a committee. Such costs and expenses shall include the costs of reasonable settlements (with or without suit), judgments, attorneys' fees, costs of suit, fines and penalties and other liabilities (other than amounts paid by any such person to this corporation or any such other corporation).

(b) Definition of Performance. For the purposes of this Article, a director, officer or member of a committee shall conclusively be deemed not to have been willfully derelict in the performance of his duty as such director, officer or member of a committee.

(1) Determination by Suit. In a matter which shall have been the subject of a suit or proceeding in which he was a party which is disposed of by adjudication on the merits, unless he shall have been finally adjudged in such suit or proceeding to have been willfully derelict in the performance of his duty as such director, officer or member of a committee, or

(2) Determination by Committee. In a matter not falling within (1) next preceding if either a majority of disinterested members of the Board of Directors or a majority of a committee of disinterested shareholders of the corporation, (excluding therefrom any director, officer or member of a committee) selected as hereinafter provided shall determine that he was not willfully

derelict. Such determination shall be made by the disinterested members of the Board of Directors except where such members shall determine that such matter should be referred to said committee of disinterested shareholders.

(c) Selection of Committee. The selection of a committee of shareholders provided above may be made by the majority vote of the disinterested directors or, if there be no disinterested director or directors, by the chief executive officer of the corporation. A director or shareholder shall be deemed disinterested in a matter if he has no interest therein other than as a director or shareholder of the corporation as the case may be. The corporation shall pay the fees and expenses of the shareholders or directors, as the case may be, incurred in connection with making a determination as above provided.

(d) Non-Committee Determination. In the event that a director, officer or member of a committee shall be found by some other method not to have been willfully derelict in the performance of his duty as such director, officer or member of a committee, then such determination as to dereliction shall not be questioned on the ground that it was made otherwise than as provided above.

(e) Indemnification by Law. The foregoing right of indemnification shall be in addition to any rights to which any such person may otherwise be entitled as a matter of law.

ARTICLE VI

SECURITIES HELD BY THE CORPORATION

Section 1. Transfer of Securities Owned by the Corporation

All endorsements, assignments, transfers, stock powers, share powers or other instruments of transfer of securities standing in the name of the corporation shall be executed for and in the name of the corporation by the President, by a Vice-President, by the Secretary or by the Treasurer or by any other person or persons as may be thereunto authorized by the Board of directors.

Section 2. Voting Securities held by the Corporation

The Chairman of the Board, President, any Vice-President, Secretary or Treasurer, in person or by another person thereunto authorized by the Board of Directors, in person or by proxy or proxies appointed by him, shall have full power and authority on behalf of the corporation to vote, act and consent with respect to any securities issued by other corporations which the corporation may own.

ARTICLE VII

SHARE CERTIFICATES

Section 1. Transfer and Registration of Certificates

The Board of Directors shall have authority to make such rules and regulations, not inconsistent with law, the Articles or these Regulations, as it deems expedient concerning the issuance, transfer and registration of certificates for shares and the shares represented thereby and may appoint transfer agents and registrars thereof.

Section 2. Substituted Certificates

Any person claiming that a certificate for shares has been lost, stolen or destroyed, shall make an affidavit or affirmation of that fact and, if required, shall give the corporation (and its registrar or registrars and its transfer agent or agents, if any) a bond of indemnity, in such form and with one or more sureties satisfactory to the Board, and, if required by the Board of Directors, shall advertise the same in such manner as the Board of Directors may require, whereupon a new certificate may be executed and delivered of the same tenor and for the same number of shares as the one alleged to have been lost, stolen or destroyed.

ARTICLE VIII

SEAL

The directors may adopt a seal for the corporation which shall be in such form and of such style as is determined by the directors. Failure to affix any such corporate seal shall not affect the validity of any instrument.

ARTICLE IX

CONSISTENCY WITH ARTICLES OF INCORPORATION

If any provision of these Regulations shall be inconsistent with the corporation's Articles of Incorporation (and as they may be amended from time to time), the Articles of Incorporation (as so amended at the time) shall govern.

ARTICLE X

SECTION HEADINGS

The headings contained in this Code of Regulations are for reference purposes only and shall not be construed to be part of and/or shall not affect in any way the meaning or interpretation of this Code of Regulations.

ARTICLE XI

AMENDMENTS

This Code of Regulations of the corporation (and as it may be amended from time to time) may be amended or added to by the affirmative vote or the written consent of the shareholders of record entitled to exercise a majority of the voting power on such proposal; provided, however, that if an amendment or addition is adopted by written consent without a meeting of the shareholders, it shall be the duty of the secretary to enter the amendment or addition in the records of the corporation, and to mail a copy of such amendment or addition to each shareholder of record who would be entitled to vote thereon and did not participate in the adoption thereof.

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EXHIBIT 3.10

FILED

IN THE OFFICE OF THE SECRETARY
OF STATE OF THE STATE OF OREGON

JUL 23 1990

CORPORATION DIVISION

ARTICLES OF INCORPORATION

OF

COMMON GROUND BROADCASTING, INC.

KNOW ALL MEN BY THESE PRESENTS, That ROBERT A. FOGAL hereby incorporate(s) a corporation under and pursuant to the laws of the State of Oregon relative to private corporations, and hereby adopt(s) and execute(s) the following ARTICLES OF INCORPORATION thereof:

ARTICLE I.

The name of this corporation is COMMON GROUND BROADCASTING, INC.

ARTICLE II.

The aggregate number of shares which the corporation shall have authority to issue is 1,000 - Common

ARTICLE III.

The address of said corporations' initial registered office is 1650 NW SUSBAUER ROAD, CORNELIUS, Oregon, 97113

(Do not use post office box number; use street address) (City) (Zip)

and the name of its initial registered agent at said address is:

ROBERT A. FOGAL

ARTICLE IV.

This address where the Division may mail notices is: Attn: SHEPARD COMMUNICATIONS

POST OFFICE BOX 768	HILLSBORO	OREGON	97123
(Address or post office box)	(City)	(State)	(Zip)

ARTICLE V.

The name and address of each of the incorporators of this corporation are:

NAME	ADDRESS (INCLUDE CITY, STATE, ZIP)
ROBERT A. FOGAL	1650 NW SUSBAUER ROAD, CORNELIUS, OREGON 97113

ARTICLE VI.

The corporation shall have the power to indemnify to the fullest extent permitted by law any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise (including an action, suit or proceeding by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee, or agent of the corporation, or a fiduciary within the meaning of the Employee Retirement Income Security act of 1974 with respect to any employee benefit plans of the corporation, or serves or served at the request of the corporation as a director, officer, employee, or agent, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise, and their respective heirs, administrators, personal representatives, successors and assigns. Indemnification specifically provided by the Oregon Business Corporation Act shall not be deemed exclusive of any other rights to which such director, officer, employee or agent may be entitled under any bylaw, agreement, vote of

shareholders or disinterested directors or otherwise. The corporation, its officers, directors, employees or agents shall be fully protected in taking any action or making any payment under this Article or in refusing to do so upon the advice of counsel.

ARTICLE VII.

No director or the corporation shall be personally liable to the corporation or its shareholders for monetary damages for conduct as a director, except that this provision shall not apply to:

1. Any breach of the director's duty of loyalty to the corporation or its shareholders;
2. Any acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law;
3. Any distribution which is unlawful under Oregon law;
4. Any transaction from which the director derived an improper personal benefit; or
5. Any act or omission occurring prior to the date on which these Articles of Incorporation are filed with the Secretary of State.

ARTICLE VIII.

This corporation shall have the purpose of engaging in any lawful business. Provisions for managing the business and regulating the affairs of the corporation may be found in the Bylaws.

<TABLE>
<CAPTION>

Dated: June 21, 1990

<S>	<C>	<C>
/s/Robert A. Fogal	ROBERT A. FOGAL	, Incorporator
(Signature)	(Type or print name)	
		, Incorporator
(Signature)	(Type or print name)	

Person to contact about this filing:

ROBERT A. FOGAL (503) 357-8810

(Name) (Daytime telephone number)

NOTE:
The Oregon Business Corporation Act provides that one or more individuals of the age of eighteen years or older, a domestic or foreign corporation, a partnership or an association may act as incorporator or incorporators of a corporation by signing and verifying articles of incorporation and delivering one original and one true copy of the Articles of Incorporation, accompanied by the appropriate filing fee, to the Corporation Division, 158 12th St. NE, Salem, OR 97310. One or more directors is required.
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EXHIBIT 3.11

BYLAWS OF COMMON GROUND BROADCASTING, INC.

ARTICLE I - OFFICES

The principal office of the corporation in the State of Oregon shall be located in the City of Hilssboro County of Washington. The corporation may have such other offices, either within or without the State of incorporation as the board of directors may designate or as the business of the corporation may from time to time require.

ARTICLE II - SHAREHOLDERS

1. ANNUAL MEETING.

The annual meeting of the shareholders shall be held on the 9th day of September in each year, beginning with the year 1991, at the hour of 1 o'clock P.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday such meeting shall be held on the next succeeding business day.

2. SPECIAL MEETINGS.

Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the directors, and shall be called by the president at the request of the holders of not less than ten (10) per cent of all the outstanding shares of the corporation entitled to vote at the meeting.

3. PLACE OF MEETING.

The directors may designate any place, either within or without the State as the place of meeting for any annual meeting or for any special meeting called by the directors. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or without the State unless otherwise prescribed by statute, as the place for holding such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the corporation.

4. NOTICE OF MEETING.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice

shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholders at the shareholder's address as it appears on the stock transfer books of the corporation, with post age thereon prepaid.

5. FIXING OF RECORD DATE.

For purposes of determining shareholders to notice of, or vote at any meeting of shareholders, or shareholders entitled to demand a special meeting, or to receive payment of any dividend, or in order to make a determination of shareholders for any other purpose, the directors may fix in advance a date as the record date for any such determination, such date in any case to be not more than seventy (70) days, and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action requiring such determination is to be taken. The date on which notice of the meeting is mailed or the date on which the resolution of the directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

6. VOTING LISTS.

After filing a record date for a meeting, the officer or agent having charge of the stock transfer books for shares of the corporation shall make a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period beginning 2 business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, shall be kept on file at the principal office of the corporation and shall be subject to inspection by any shareholder at any time during usual business hours. The original stock transfer book shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at the meeting of shareholders.

7. QUORUM.

At any meeting of shareholders 51% of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than said number of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

8. PROXIES:

At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the shareholder's duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting.

9. VOTING.

Each shareholder entitled to vote in accordance with the terms and provisions of the articles of incorporation and these bylaws shall be entitled to one vote, in person or by proxy, for each share entitled to vote held by such shareholders. Upon the demand of any shareholder, the vote for directors and upon any question before the meeting shall be by ballot. All elections for directors shall be decided by plurality vote; all other questions shall be decided by majority vote except as otherwise provided by the articles of incorporation or the laws of this State.

10. ORDER OF BUSINESS.

The order of business at all meetings of the shareholders, shall be as follows:

1. Roll Call.

2. Proof of notice of meeting or waiver of notice.

3. Reading of minutes of preceding meeting.

4. Reports of Officers.

5. Reports of Committees.

6. Election of Directors.

7. Unfinished Business.

8. New Business.

11. INFORMAL ACTION BY SHAREHOLDERS.

Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III - BOARD OF DIRECTORS

1. GENERAL POWERS.

The business and affairs of the corporation shall be managed by its board of directors. The directors shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the corporation, as they may deem proper, not inconsistent with these bylaws and the laws of this State.

2. NUMBER, TENURE AND QUALIFICATIONS.

The number of directors of the corporation shall be two. All directors shall hold office until the next annual meeting of shareholders and until their successors shall have been elected and qualified.

3. REGULAR MEETINGS.

A regular meeting of the directors, shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of shareholders. The directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

4. SPECIAL MEETINGS.

Special meetings of the directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the directors may fix the place for holding any special meeting of the directors called by them. All board meetings shall be held without notice immediately after and at the same place as the annual meeting of shareholders.

5. NOTICE.

Notice of any special meeting shall be given at least ten (10) days previously thereto by written notice delivered personally, or by telegram or mailed to all directors at their business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, unless the director at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote at the special meeting.

6. WAIVER.

Whenever any notice is required to be given to any director under this provision of these bylaws, the articles of incorporation or the laws of this State, a waiver in writing specifying the meeting for which notice is waived, signed by the person or persons entitled to such notice, shall be deemed equivalent to the giving of such notice.

7. QUORUM.

At any meeting of the directors two shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

8. MANNER OF ACTING.

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the directors.

9. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by a vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors without cause shall be filled by vote of the shareholders. A director elected to fill a vacancy caused by resignation, death or removal of a director shall be elected to hold office for the unexpired term of that director.

10. REMOVAL OF DIRECTORS.

Any or all of the directors may be removed for cause by vote of the shareholders or by action of the board. Directors may be removed without cause only by vote of the shareholders.

11. RESIGNATION.

A director may resign at any time by giving written notice to the board, the president or the secretary of the corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

12. COMPENSATION.

By resolution of the board, the directors may be paid their expenses, if any, of attendance at each board meeting, or a fixed sum at each board meeting, or a stated salary as director, or a combination of the foregoing. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

13. PRESUMPTION OF ASSENT.

A director of the corporation who is present at a meeting of the directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

14. EXECUTIVE AND OTHER COMMITTEES.

The board, by resolution, may designate from among its members an executive

committee and other committees, each consisting of two or more directors. Each such committee shall serve at the pleasure of the board.

ARTICLE IV - OFFICERS

1. NUMBER.

The officers of the corporation shall be a president, and a secretary, each of whom shall be elected by the directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the directors.

2. ELECTION AND TERM OF OFFICE.

The officers of the corporation to be appointed by the directors shall be appointed annually at the first meeting of the directors held after each annual meeting of the shareholders. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified or until the officer's death or until the officer's resignation or removal in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent appointed by the directors may be removed by the directors whenever in their judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the directors for the unexpired portion of the term.

5. PRESIDENT.

The president shall be the principal executive officer of the corporation and, subject to the control of the directors, shall in general supervise and control all of the business and affairs of the corporation. The president shall, when present, preside at all meetings of the stockholders and of the directors. The president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or other instruments which the directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the directors from time to time.

6. VICE-PRESIDENT.

In the absence of the president or in event of the president's death, inability or refusal to act, the vice-president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-president shall perform such other duties as from time to time may be assigned by the president or by the directors. Until further action by the Board of Directors, no Vice-President shall be named.

7. SECRETARY.

The secretary shall keep the minutes of the shareholders' and of the directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these bylaws or as required, be custodian of the corporate records and of the seal of the corporation and keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder, have general charge of the stock transfer books of the corporation and in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the directors.

8. TREASURER.

If required by the directors, the treasurer shall give a bond for the faithful discharge of the treasurer's duties in such sum and with such surety or sureties as the directors shall determine. The treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with these bylaws and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned

by the president or by the directors.

9. SALARIES.

The salaries of the officers shall be fixed from time to time by the directors and no officer shall be prevented from receiving such salary by reason of the fact that the officer is also a director of the corporation.

ARTICLE V - CONTRACTS, LOANS, CHECKS AND DEPOSITS

1. CONTRACTS.

The directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. LOANS.

No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the directors. Such authority may be general or confined to specific instances.

3. CHECKS, DRAFTS, ETC.

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the directors.

4. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the directors may select.

ARTICLE VI - CERTIFICATES FOR SHARES AND THEIR TRANSFER

1. CERTIFICATES FOR SHARES.

Certificates representing shares of the corporation shall be in such form as shall be determined by the directors. Such certificates shall be signed by the president and by the secretary or by such other officers authorized by law, or by the directors. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the shareholders, the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the directors may prescribe.

2. TRANSFERS OF SHARES.

(a) Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate; every such transfer shall be entered on the transfer book of the corporation which shall be kept at its principal office.

(b) The corporation shall be entitled to treat the holder of record of any share as the holder in fact thereof, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of this State.

ARTICLE VII - FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of January in each year.

ARTICLE VIII - DIVIDENDS

The directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law.

ARTICLE IX - SEAL

The seal of the corporation shall consist of the name of the corporation, the year of its incorporation, if required by statute, and the State of its incorporation.

ARTICLE X - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any shareholder or director of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI - AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a vote of the shareholders representing a majority of all the shares issued and outstanding, at any annual shareholders' meeting or at any special shareholders' meeting when the proposed amendment has been set out in the notice of such meeting.

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EXHIBIT 3.12

1452350

FILED
in the office of the Secretary
of State of the State of California

DEC 21 1988
MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION OF
GOLDEN GATE BROADCASTING COMPANY, INC.

ONE: The name of this Corporation is Golden Gate Broadcasting Company, Inc.

TWO: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the Corporation's initial agent for service of process is Edward G. Atsinger, III, 2310 East Ponderosa Drive, #29, Camarillo, California 93010.

FOUR: The total number of shares which the Corporation is authorized to issue is One Hundred Thousand (100,000).

FIVE: The liability of the directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law. This Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the Corporations Code) for breach of duty to the Corporation and its shareholders through Bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted by Section 317 of the Corporations Code, subject to the limits on such excess indemnification set forth in Section 204 of the Corporations Code.

Dated: December 20, 1988

Stuart A. Comis

STUART A. COMIS
Sole Incorporator

I declare that I am the person who executed the above Articles of Incorporation and such instrument is my act and deed.

Stuart A. Comis

STUART A. COMIS
Sole Incorporator

</TEXT>
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EXHIBIT 3.13

BYLAWS OF

GOLDEN GATE BROADCASTING COMPANY, INC.

ARTICLE I

SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.

The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.

A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.

All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in the case ofthe annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section

1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving

vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (i.e., to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.
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The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.
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Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding

preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.
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Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.
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Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II

DIRECTORS; MANAGEMENT

Section 1. POWERS.

Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.

The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors

may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.

Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous

vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 16. PERSONAL LIABILITY OF DIRECTORS.

To the maximum extent permitted by California General Corporation Law, the personal liability of a director for monetary damages in an action brought by or in the right of the corporation for breach of a director's duties to the corporation and its shareholders is eliminated or limited, provided, however, that the liability of directors shall not be eliminated or limited (i) for acts or omissions that involve intentional misconduct or a knowing and culpable violation of law, (ii) for acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders or that involve the absence of good faith on the part of the director, (iii) for any transaction from which a director derived an improper personal benefit, (iv) for acts or omissions that show a reckless disregard for the director's duty to the corporation or its shareholders in circumstances in which the director was aware, or should have been aware, in the ordinary course of performing a director's duties, of a risk of serious injury to the corporation or its shareholders, (v) for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the corporation or its shareholders, (vi) under Corporations Code section 310, and (vii) under Corporations Code section 316. This provision shall not eliminate or limit the liability of an officer for any act or omission as an officer, notwithstanding that the officer is also a director or that his or her actions, if negligent or improper, have been ratified by the directors.

ARTICLE III

OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a chairman of the board, president, vice-president, secretary, and chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article.

Section 2. ELECTION.
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The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.
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The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.
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Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.
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A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.
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The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.
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Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.
- ---------

In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV

CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual

business

hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.
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The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.
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The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.
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Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.
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The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
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A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.

The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V

GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.

A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid.

All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile

signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.
- ---------

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and canceled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.
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The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.
- ---------

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.
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Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI

OFFICES

Section 1. PRINCIPAL OFFICES.
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The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII

AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

ARTICLE VIII

RESTRICTIONS ON TRANSFER OF SHARES

Before there can be a valid sale or transfer of any of the shares of this corporation by the holders thereof, the holder of the shares to be sold or transferred shall first give notice in writing to the secretary of this corporation of his intention to sell or transfer such shares. Said notice shall specify the number of shares to be sold or transferred, the price per share, and the terms upon which such holder intends to make such sale or transfer. The secretary shall, within five (5) days thereafter, mail or deliver a copy of said notice to each of the other shareholders of record of this corporation. Such notice may be delivered to such shareholders personally. Any such mailing shall be by certified mail with return receipt requested. Within fifteen (15) days after the mailing or delivering of said notices to such shareholders, any such shareholder or shareholders desiring to acquire any part or all of the shares referred to in said notice shall deliver by mail (certified, return receipt requested), or otherwise to the secretary of this corporation a written offer or offers,

expressed to be acceptable immediately, to purchase a specified number or numbers of such shares at the price and upon the terms stated in said notice, accompanied by the purchase price therefor with authorization to pay such purchase price against delivery of such shares.

If the total number of shares specified in such offers exceeds the number of shares referred to in said notice, each offering shareholder shall be entitled to purchase such proportion of the shares referred to in said notice to the secretary, as the number of shares of this corporation, which he holds, bears to the total number of shares held by all such shareholders desiring to purchase the shares referred to in said notice to the secretary.

If all of the shares referred to in said notice to the secretary are not disposed of under such apportionment, each shareholder desiring to purchase shares in a number in excess of his proportionate share, as provided above, shall be entitled to purchase such proportion of those shares which remain thus undisposed of, as the total number of shares which he holds bears to the total number of shares held by all of the shareholders desiring to purchase shares in excess of those to which they are entitled under such apportionment.

If one or more of the other shareholders offers to purchase, in the aggregate, within said fifteen (15) day period, less than all of the shares referred to in said notice to the secretary, the shareholder desiring to sell or transfer shall not be obligated to accept any such offer or offers from one or more of the other shareholders and may dispose of all of the shares of stock referred to in said notice, to any person or persons whomsoever; provided, however, that he shall not sell or transfer such shares at a lower price or on terms more favorable to the purchaser or transferee than those specified in said notice to the secretary.

Any sale or transfer, or purported sale or transfer, of the shares of said corporation shall be null and void unless the terms, conditions and provisions

of this Article VIII are strictly observed and followed.

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EXHIBIT 3.14

13714608
ENDORSED
FILED
in the office of the Secretary
of State of the State of California
MAY 16 1986
MARCH FONG EU, Secretary of State

ARTICLES OF INCORPORATION OF

INLAND RADIO, INC.

ONE: The name of this Corporation is Inland Radio, Inc.

TWO: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the Corporation's initial agent for service of process is Edward G. Atsinger, III, 2310 Ponderosa Drive, Suite 29, Camarillo, California 93010.

FOUR: The total number of shares which the Corporation is authorized to issue is one hundred thousand (100,000).

Dated: May 15, 1986

/s/ Stuart A. Comis
STUART A. COMIS
Sole Incorporator

I declare that I am the person who executed the above Articles of Incorporation and such instrument is my act and deed.

/s/ Stuart A. Comis
STUART A. COMIS
Sole Incorporator

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EXHIBIT 3.15

BYLAWS OF

INLAND RADIO, INC.

A CALIFORNIA CORPORATION

ARTICLE I
SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any

such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.
- ---------

The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.
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A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.
- ---------

All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.
- ---------

Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a

period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.
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The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.
- ---------

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.
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The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (i.e., to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.
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The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.
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Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.

Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.

Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II
DIRECTORS; MANAGEMENT

Section 1. POWERS.

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Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.
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The authorized number of directors shall be three (3) until changed by a duly adopted amendment of the Articles of Incorporation amended 11/20/86 or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.
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Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.
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Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.
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The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.
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Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.

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Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.
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Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.
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Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.
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A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.
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The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.
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Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.
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A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III
OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a president, vice-president, secretary, and chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.

The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.

The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.

Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive

officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.

In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or

shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a

director of the corporation.

ARTICLE IV
CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and

the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.

The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing

annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
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A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accounts engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.
- ---------

The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V
GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.
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For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.
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All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation

shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.
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The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.
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A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.
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Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and canceled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.
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The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.
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The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

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Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI
OFFICES

Section 1. PRINCIPAL OFFICES.
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The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.
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The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII
AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.
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New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.
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Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.16

FILED

OCT 17 1986

SECRETARY OF STATE
STATE OF WASHINGTON

ARTICLES OF INCORPORATION

OF

INSPIRATION MEDIA, INC.

KNOW ALL MEN BY THESE PRESENTS that the undersigned, being of legal age and having resolved to form a corporation under and by virtue of the Washington Business Corporation Act and the laws of the State of Washington, does hereby sign the following Articles of Incorporation and states as follows:

ARTICLE I - NAME

The name of the corporation is Inspiration Media, Inc.

ARTICLE II - PURPOSES AND POWERS

The general nature of the business of the corporation and the objects and purposes proposed to be transacted, promoted, and carried on by it are:

(a) To engage in the business of radio and television broadcasting, receiving and communications.

(b) To engage in the business of buying, leasing, renting or otherwise acquiring and owning real, personal, or mixed property, improved or unimproved, or any right or interest therein of any kind, nature, and description and wheresoever situated; and to hold, possess, enjoy, manage, improve, develop, or otherwise control the same; to change, exchange, mortgage,

pledge, hypothecate, sell, lease, assign, transfer, or otherwise dispose of the property, and any part thereof or any right or interest therein.

(c) To buy, lease, purchase, hire, or otherwise acquire and to hold, own, possess, enjoy, manage, develop, improve and control, build, erect, construct, reconstruct, remodel, repair, or otherwise dispose of any lands, buildings, offices, machinery, appliances, rights, easements, permits, privileges, franchises, patents, trademarks, licenses, and all other things, rights, privileges, and property which may at any time or in any place be necessary, suitable, convenient, or profitable in the judgment of the Board of Directors for the benefit and purpose of the corporation.

(d) To manufacture goods, wares, merchandise, and products of any nature and description found by the corporation to be useful and valuable that it may desire to make, use, or dispose of and to engage in the merchandising, buying, selling, trading, importing, or exporting of its own products, equipment, and chattels or the products of another, either wholesale or retail or both, either as agent, broker, or manufacturer.

(e) To own, lease, acquire, use, and enjoy the benefits of trade names and to register or copyright the same; to deal in patented articles and obtain patents for its own inventions, formulas, principles, or products and to deal in royalties, rights, and privileges and the like that are protected by law and prescription through invention, discovery, or otherwise.

(f) To be a promoter, partner, member, associate, or manager of any partnership, joint venture, trust, or other enterprise.

(g) To borrow money and make and issue notes, bonds, debentures, obligations, and evidences of indebtedness of all kinds whether secured by mortgage, pledge, or otherwise, without limit as to amount except as may be prohibited by statute and to secure the same by

mortgage, pledge, or otherwise and, generally, to make and perform agreements and contracts of ever kind and description.

(h) To make guarantees respecting the contracts, securities, or obligations of any person, including without limitation, any shareholder, any affiliated or unaffiliated individual, domestic or foreign corporation, partnership, association, joint venture or trust. The decision of the Board of Directors of the corporation to authorize any such guarantee shall be deemed to include a finding that such a guarantee was reasonably expected to benefit, directly or indirectly, the corporation.

(i) To subscribe for and buy, purchase, or otherwise acquire and to own, hold, possess, or otherwise control and to sell, assign, transfer, mortgage, or otherwise dispose of shares of capital stock, bonds or other securities of any other corporation or corporations created and existing under the laws of the State of Washington or of any other state, territory, district, colonial possession, or territorial acquisition of the United States or any foreign country and by its duly authorized officers or by proxy to vote such stock shares at any and all stockholders' meetings of the corporation or corporations whose shares are so held and, while the owner thereof, to exercise all rights, powers, authorities, and privileges of any other stockholder of such corporation or corporations ands to issue in exchange therefor and for the purpose of acquiring the same, its own stock, bonds, debentures, or other securities or obligations.

(j) To hold, sell, transfer, and purchase the shares of its own capital stock to the greatest extent permissible under any present or future law of the State of Washington.

(k) To accept as full payment or as installment payments or as installment payments for its stock either cash, property, promissory notes, or contracts to provide future services, or other valuable consideration as the Board of

Directors may determine.

(l) To appoint a duly authorized attorney-in-fact with full authority to bind this corporation in all matters and things as fully and completely as the officers of this corporation can do.

(m) To issue its own bonds and debentures under such terms and conditions and to secure the same in such manner, as the Board of Directors shall determine and to provide that the interest for the payment of such bonds may be a first lien upon the net earnings of the corporation and to further provide that a certain percentage of the net earnings of this corporation may be placed in a sinking fund for the retirement of the bonds, with sums so received being deducted as a fixed charge before the payment of any interest upon its preferred stock, if any, or the declaring of any dividends upon its common stock.

(n) To conduct and carry on its business, or any part thereof, and to exercise all or any of its corporate powers and rights in the State of Washington and in the various states, territories, colonies, and dependencies of the United States, in the District of Columbia and in all or any foreign country or countries.

(o) To adopt and enforce Bylaws for the government of its affairs, including the election and removal of any officer or director of this corporation.

(p) To transact any lawful business which the Board of Directors finds will be in aid of governmental agency.

(q) To transact any or all lawful business for which corporations may be incorporated under Title 23A of the Revised Code of Washington.

FINALLY, this corporation has all powers and privileges in the matters and things herein mentioned and described, contemplated, or implied by any reasonable intendment of these Articles

to do all things in all manner and form as fully and completely as a natural person in law can do and has and may exercise all powers necessary or convenient to effect its purposes.

ARTICLE III - DURATION

The existence of this corporation is perpetual.

ARTICLE IV - STOCK

Section 1. The corporation shall have authority to issue 1,000,000 shares of no par value common stock.

Section 2. Each share of stock, when issued, shall be entitled to one vote. Cumulative voting for directors is not allowed.

Section 3. Stock may be issued by the corporation from time to time for such consideration of labor, services, contracts to provide future services, promissory notes, money, or any other tangible or intangible property as may be fixed by the Board of Directors and as authorized by law. If stock is issued for consideration other than cash, the Board of Directors shall make a determination of its value.

Section 4. Stockholders shall not have preemptive rights to acquire unissued shares of the corporation.

ARTICLE V - REGISTERED OFFICE AND AGENT

The location and Post Office address of the registered office of this corporation is 3000 First Interstate Center, 999 Third Ave., Seattle, Washington. The initial registered agent of the corporation at the above address is Steven R. Hake. Branch offices or places of business of the corporation may be hereafter established at any other place or places in the State of Washington or elsewhere, whenever necessary for the proper prosecution of the objects and purposes of the corporation.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. The Board of Directors who shall manage the affairs of the corporation shall consist of one (1) or more members. Matters concerning the number, election, removal, and powers and authority of the Board of Directors shall be as provided in the Bylaws of the corporation.

Section 2. The Board shall adopt the initial Bylaws and has the power and authority to alter, amend, or repeal the Bylaws or adopt new Bylaws. The power and authority of the Board to alter, amend or repeal the Bylaws or adopt new Bylaws and any Bylaws so amended or adopted by the Board shall be subject to repeal or change by action of the stockholders.

Section 3. The Board of Directors has the power and authority to distribute assets to its stockholders, in cash or property, to the extent permitted by law.

Section 4. The names of the directors and post office addresses of the directors who shall manage the affairs of this corporation until the first annual meeting of the stockholders or until their successors are elected and qualified, are as follows:

Edward G. Atsinger, III
Salem Media Management
2310 Ponderosa Drive, Suite 29
Camarillo, California 98010

Section 5. The Board of Directors may by resolution passed by a majority of the entire Board of Directors designate two or more directors to constitute an executive committee, which shall have and exercise the authority of the Board of Directors in the management of the business of the corporation to the extent provided in the resolution and permitted by law.

ARTICLE VII - INCORPORATOR

The name and Post Office address of the incorporator of the corporation is:

Steven R. Hake
3000 First Interstate Center
999 Third Avenue
Seattle, Washington 98104

IN WITNESS WHEREOF, the incorporator above named has hereunto set his hand this 9th day of October, 1986.

Steven R. Hake
Steven R. Hake, Incorporator

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EXHIBIT 3.17
C-11

BYLAWS

OF

INSPIRATION MEDIA, INC.

ARTICLE I

STOCKHOLDER MEETINGS

Section 1. Time and Place: All meetings of the stockholders shall be held

at 10:00 a.m. at the registered office of the corporation, unless the Board of Directors designates another time or place.

Section 2. Annual Meeting: The annual meeting of the stockholders shall be held on the 10th day of the last month of the corporation's fiscal year; but if that date should fall on a Saturday, Sunday, or a holiday, then the meeting shall be held on the next day which is not a Saturday, Sunday, or a holiday. At the annual meeting of the stockholders, the officers shall report on the condition of the company, and the stockholders shall elect directors for the following year.

Section 3. Special Meetings: Special meetings of the stockholders may be called by the president, by a director, or by a stockholder or stockholders holding not less than ten percent of the outstanding stock of the corporation entitled to vote at the meeting.

Section 4. Notices: Written notice of all regular and special meetings stating the place, day, and hour of the meeting, shall be delivered or mailed to all stockholders entitled to vote at the meeting at least ten (10) days but not more than fifty (50) days prior to the meeting. Notices of special meetings shall state the purposes for which the meeting has been called. A regular or special meeting may be held at any time and place without notice if all stockholders are present in person or by proxy, or waive notice of the meeting.

Section 5. Telephonic Meeting: One or more stockholders may participate in a stockholder meeting by means of telephone conference or similar communications equipment by

which all persons participating in the meeting can hear each other at the same time. Participation in this manner shall constitute presence in person at the meeting.

Section 6. Quorum: A quorum at any stockholder meeting shall be a majority of the outstanding stock, represented in person or by proxy, entitled to vote on the issues being considered. If less than a quorum is represented at a meeting, the meeting may be adjourned to a future place and time without further notice. At an adjourned meeting at which a quorum is represented, any business may be transacted that could have been transacted at the meeting as originally called.

Section 7. Proxies: Each stockholder entitled to vote on the issue being considered shall be entitled to vote, either in person or by proxy, as many shares as stand in his or her name on the books of the corporation. Proxies shall be executed in writing by the stockholder or the stockholder's attorney-in-fact, and shall be filed with the secretary of the corporation before or at the time of the meeting. Unless otherwise stated therein, a proxy shall be invalid eleven (11) months after the date of its execution.

Section 8. Action by Unanimous Consent: Any action that may be taken at a stockholders' meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all stockholders entitled to vote with respect to the subject matter thereof. Any such consent shall be inserted in the minute book as if it were the minutes of a stockholders' meeting.

Section 9. Election of Directors: Each stockholder entitled to vote at an election of directors may vote in person or by proxy the number of shares owned by him for as many persons as there are directors to be elected and for whose election he or she has a right to vote, or, unless the Articles of Incorporation provide otherwise, a stockholder may cumulate votes by distributing among one or more candidates as many votes as are equal to the number of such directors multiplied by the number of his or her shares.

ARTICLE II

BOARD OF DIRECTORS MEETINGS

Section 1. Number: The Board of Directors of the corporation shall

consist of one or more members to be determined from time to time by a majority vote of the stockholders.

Section 2. Election: The directors shall be elected each year by the stockholders at the annual stockholders' meeting and shall serve until their successors have been elected and qualified, unless sooner removed pursuant to Article II, Section 5.

Section 3. Chairman of the Board: The Board of Directors may, if it so determines, elect from among its members a Chairman of the Board, who shall preside at meetings of the Board of Directors and of the stockholders, and who shall have and may exercise such other powers and responsibilities as may, from time to time, be designated by the Board of Directors.

Section 4. Vacancies: If a vacancy occurs among the directors, including a vacancy created by an increase in the number thereof, but excluding removal and election of a successor as provided herein, it shall be filled by the affirmative vote of a majority of the remaining directors (whether constituting a quorum or not), and such appointee shall hold office for the unexpired term of his predecessor in office and until a successor shall have been elected and qualified.

Section 5. Removal: The stockholders, at any meeting called for that purpose, may remove any director or the entire Board of Directors, with or without cause, according to the procedure set forth in RCW 23A.08.380 or any successor statute.

Section 6. Annual Meetings: The annual meeting of the Board of Directors shall be held on the same day and at the same location as the annual stockholders' meeting.

Section 7. Regular Meetings: Regular meetings of the Board of Directors may be held at such times, dates and places as shall be fixed from time to time by the Board.

Section 8. Special Meetings: Special meetings of the Board of Directors may be called by the president, by a director, or by a stockholder or stockholders holding not less than ten percent of the outstanding voting stock of the corporation.

Section 9. Notice: No written notice is necessary for regular or annual meetings. Written notice of all special meetings shall be delivered or mailed to all directors at least five days in advance of the meeting stating the time and place of the meeting. A special meeting may be held at any time and place without notice if all directors are present in person or waive notice of the meeting.

Section 10. Telephonic Meeting: One or more directors may participate in a meeting of the Board of Directors by means of telephone conference or similar communications equipment by which all directors participating in the meeting can hear each other at the same time. Participation in this manner shall constitute presence in person at the meeting.

Section 11. Quorum: A majority of the directors then in office shall constitute a quorum. If less than a quorum is present at a meeting, the meeting may be adjourned to a future time and place without further notice. At an adjourned meeting at which a quorum is present, any business may be transacted that could have been transacted at the meeting as originally called.

Section 12. Presumption of Assent: All directors present at a meeting shall be assumed to have approved the minutes of the meeting unless written dissent is forwarded by registered or certified mail, return receipt requested, to the secretary of the corporation within seven (7) days after receipt a copy of the minutes of the meeting.

Section 13. Action by Unanimous Consent: Any action that may be taken at a directors' meeting or by a committee may be taken without a meeting if a written consent approving the action is signed by all directors or by all members of the committee.

Section 14. Combined Meeting of Directors and Stockholders: At any regular or special meeting of the Board of Directors, if all of the outstanding voting stock is represented in person or by proxy, the meeting may, with unanimous stockholder consent, be conducted as a joint meeting of the directors and stockholders, and all business may be transacted and shall be of the same binding force and effect as though separate meetings had been held.

ARTICLE III

POWERS OF THE BOARD OF DIRECTORS

Section 1. General Powers: All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors except as otherwise provided by the laws of the State of Washington or in the Articles of Incorporation.

Section 2. Director Compensation: The directors may be paid their reasonable expenses and/or a fixed sum for attendance at each meeting and/or a stated salary for services rendered as a director, as may be authorized by resolution of the Board of Directors. This provision shall not preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

OFFICERS

Section 1. Officers Designated: The officers of this corporation shall consist of a president, a secretary, and a treasurer, each of whom shall be elected by the Board of Directors. The directors may also elect a chief executive officer, one or more vice presidents, and such other officers as the Board of Directors may from time to time deem desirable or appropriate, and these officers shall perform such duties as may be assigned them by the Board of Directors. The officers shall be elected annually by the Board of Directors, and shall hold their offices until their successors are elected and qualified, unless sooner removed by the Board of Directors, with or without cause, at a special meeting duly called for that purpose. Any two or more offices may be held by the same person, including a director, except the offices of president and secretary; however, when all outstanding stock of the corporation is owned by only one stockholder, one person may hold all or any combination of offices.

Section 2. Officer Compensation: The salary of all officers shall be fixed by a majority vote of the Board of Directors and may be changed from time to time as the Board of Directors may determine.

Section 3. President: The president shall be the chief executive officer of the corporation and, subject to the direction and control of the Board of Directors, shall have general charge and supervision over the properties, business, and affairs of the corporation. The President shall, unless a Chairman of the Board is elected and is present, preside at all meetings of the stockholders and the Board of Directors. The President shall be an ex officio member of all committees, and shall perform such other duties as may be required of him by the Board of Directors.

Section 4. Vice President: The vice president(s) shall perform the duties of the president in the absence of the president, and shall have and perform such other duties as may be assigned by the Board of Directors or by the president.

Section 5. Secretary: The secretary shall record and keep minutes of meeting of the stockholders and directors, and shall maintain a stockholder and stock transfer record, showing stockholder residences, the number of shares of stock held, and the date on which they became the owners of such shares. The secretary shall be the custodian of the corporate records and corporate seal (if

any), and shall keep such other books and perform such other duties as may be required by law or assigned by the president or directors. In the absence of the secretary, a duly-elected assistant secretary or other officer shall perform such duties.

Section 6. Treasurer: Subject to the direction and control of the Board of Directors, the treasurer shall have the custody, control, and responsibility for the funds and securities of the corporation and shall account for the same and keep such books of account as the Board of Directors may require. The treasurer shall make reports of the financial condition of the corporation to the president or the directors whenever requested, and a report of like character shall be submitted by the treasurer at the annual meeting of the stockholders. The treasurer shall, if required by the Board of Directors, give such bond as they may designate. In the absence of a treasurer, such duties shall be performed by a duly-elected assistant treasurer, or by the secretary.

Section 7. Dual Authority: When any officer holds a dual position, the officer shall subscribe in accordance with the work then at hand; that is, if then acting as vice president, he or she shall so designate.

ARTICLE V

REPAYMENT OF EXCESS COMPENSATION

Any payments made to an officer or director of the corporation as salary, commission, bonus, interest, rent, or expense reimbursements, which are disallowed in whole or in part by the Internal Revenue Service as a deductible expense, shall be repaid by such officer or director to the corporation to the full extent of such disallowance. It shall be the duty of the Board of Directors to enforce repayment of disallowed amounts. If authorized by the Board of Directors, proportionate amounts may be deducted from the future compensation payments due to such officer or director until the amount owed to the corporation has been recovered.

ARTICLE VI

INDEMNIFICATION

The corporation shall indemnify directors and officers of the corporation to the full extent permitted by RCW 23A.08.025. The corporation shall also have the power to indemnify employees and agents of the corporation who are not officers or directors, to such extent as may be permitted by law, and as provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors or contracts. The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation, or who is or was serving at the request of the corporation as an officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against and incurred by that person in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify under the provisions of RCW 23A.08.025.

ARTICLE VII

STOCK CERTIFICATES AND THEIR TRANSFER

Section 1. Form: Stock certificates shall be signed by the president or vice president and by the secretary or an assistant secretary, and shall be endorsed to set forth written notice of any restrictions imposed on the transferability of such shares. All certificates shall be consecutively numbered or otherwise identified. The name and address of the person to whom the stock is issued and the number of shares and date of issue shall be entered on the stock transfer books of the corporation.

Section 2. Issuance: No shares of the corporation shall be issued unless authorized by the Board of Directors. Such authorization shall include the maximum number of shares to be issued and the consideration to be received for each share. If shares are issued for other than cash, the Board of Directors

shall determine the value of the consideration.

Section 3. Transfer: All certificates surrendered to the corporation for transfer shall be canceled. No new certificate shall be issued until the former certificates for a like number of shares have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate, a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 4. Subscriptions: Any stock subscription not paid in accordance with its terms may be collected as follows:

a. A suit may be commenced to collect the unpaid balance of the subscription, or

b. A notice shall be mailed to the subscriber at the last post office address known to the corporation stating that, if the subscriber has not paid the amount due by a date at least 20 days after the date the notice is mailed, the corporation will either (1) deem the subscription to have been forfeited and retain any sums paid as liquidated damages, or (2) will deem the subscription to have been forfeited. In the event of a subsequent sale of any of the shares represented by the forfeited subscription, any excess of the proceeds realized over the amount due and unpaid on the subscription to the subscriber shall be paid to the delinquent subscriber,and the

corporation may hold the delinquent subscriber liable for any deficiency between the amount stated in the subscription, less the amounts paid by the subscriber and amounts realized on the subsequent sale.

ARTICLE VIII

AMENDMENT OF BYLAWS

Section 1. By the Stockholders: The stockholders, by a majority vote at any regular meeting of the stockholders or at any special meeting called for that purpose, may amend or repeal these Bylaws or adopt additional bylaws.

Section 2. By the Directors: The Board of Directors may amend or repeal these Bylaws or adopt additional bylaws, but shall not alter or repeal any bylaws adopted by the stockholders.

ARTICLE IX

RULES OF ORDER

The rules contained in the most recent edition of Robert's Rules of Order shall govern all meetings of stockholders and directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, or any special rules of order of the corporation.

ARTICLE X

WAIVER OF NOTICE

Whenever any notice of meeting is required to be given to any stockholder or director under the provisions of these Bylaws, the Articles of Incorporation or the Washington Business Corporation Act, a written waiver of notice signed by the person or persons entitled to such notice, whether executed before or after the meeting, shall be deemed equivalent to the giving of such notice.

BE IT KNOWN that the foregoing Bylaws were adopted by the Board of Directors as the Bylaws of this corporation, effective October 20, 1986. In witness whereof, we do hereunto subscribe our names as President and Secretary

of this corpororation.

Edward G. Atsinger III,
President

Eric Halvorson

Eric Halvorson, Secretary

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EXHIBIT 3.18

ARTICLES OF INCORPORATION OF INSPIRATION MEDIA OF TEXAS, INC.

JULY 24 1995

The undersigned, a natural person of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation for Inspiration Media of Texas, Inc. (the "Corporation"):

ARTICLE ONE

The name of this Corporation is Inspiration Media of Texas, Inc.

ARTICLE TWO

The period of the Corporation's duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is one thousand (1,000) shares of Common Stock of the par value of $0.01 per share.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars ($1,000), consisting of money, labor done, or property actually received.

ARTICLE SIX

The name and address of the incorporator of the Corporation is:

Name	Address
Eric H. Halvorson	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012

ARTICLE SEVEN

No shareholder of the Corporation shall, by reason of such shareholder holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any

class, now or hereafter to be authorized, whether or not the issuance or sale of any such shares, or such notes, debentures, bonds, or other securities, would adversely affect the dividend or voting rights of such shareholder of the Corporation, other than such rights, if any, as the board of directors, in its discretion, may grant to the shareholders to purchase such additional, unissued, or treasury securities; and the Corporation may issue or sell additional unissued or treasury shares of any class of the Corporation, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering the same in whole or in part to the existing shareholders of any class.

ARTICLE EIGHT

At each election for directors of the Corporation, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

ARTICLE NINE

The street address of the registered office of the Corporation is 545 E. John Carpenter Freeway, Suite 450, Irving, Texas 75062, and the name of its registered agent is Greg Anderson.

ARTICLE TEN

The number of directors constituting the initial Board of Directors is 2 and the names and addresses of the persons who are to serve as the initial Directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

NAMES	ADDRESSES
Edward G. Atsinger, III	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012
Stuart W. Epperson	3780 Will Scarlet Road Winston-Salem, NC 27104

ARTICLE ELEVEN

No director of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for any act or omission in such director's capacity as director, except to the extent such director is found liable for (i) a breach of such director's duty of loyalty to the Corporation or its shareholders; (ii) an act or omission not in good faith that constitutes a breach of duty of such director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction form which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. No repeal or modification of this ARTICLE NINE shall adversely affect any right or protection of a director of the Corporation existing by virtue of this ARTICLE NINE at the time of such repeal or modification.

IN WITNESS WHEREOF, I have hereunto set my hand, this 19th day of July, 1995.

Eric H. Halvorson

Eric H. Halvorson

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EXHIBIT 3.19

BYLAWS

OF

INSPIRATION MEDIA OF TEXAS, INC.

ARTICLE I

OFFICES

1.01. The registered agent and office of Inspiration Media of Texas, Inc. (the "Corporation") shall be such registered agent and office as shall from time to time be established pursuant to the articles of incorporation, as amended from time to time, of the Corporation (the "Charter") or by resolution of the Board of Directors of the Corporation (the "Board").

1.02. The Corporation may also have offices at such other places both within and without the State of Texas as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.01. Meetings of Shareholders of the Corporation (the "Shareholders") for any purpose may be held at such place, within or without the State of Texas, as shall be fixed from time to time by the Board, or, if the Board has not so specified, then at such place as may be fixed by the person or persons calling the meeting.

2.02. An annual meeting of the Shareholders, commencing with the year 1995, shall be held at such date and time as shall be fixed from time to time by the Board, at which they shall elect a Board, and transact such other business as may properly be brought before the meeting.

2.03. At least ten days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at said meeting arranged in alphabetical order, with the residence of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder who may be present.

2.04. Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, the Charter, or these bylaws, may be called by the President, a majority of the Board, or the holders of not less than ten percent of all the shares entitled to vote

at the meetings. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

2.05. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting.

2.06. The holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, the Charter, or these bylaws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall nevertheless have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At an adjourned session at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of the Corporation having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of any applicable statute, the Charter, or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08. Each outstanding share of the Corporation, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders, unless otherwise provided by statute or the Charter. At any meeting of the Shareholders, every Shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such Shareholder or by his or her duly authorized attorney-in-fact, such writing bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. Voting need not be by written ballot unless required by the Charter or by vote of the Shareholders present at the meeting.

2.09. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such record date to be not less than ten nor more than sixty days prior to such meeting, or the Board may close the stock transfer books for such purpose for a period of not less than ten nor more than sixty days prior to such meeting. In the absence of any action by the Board, the date upon which the notice of the meeting is mailed shall be the record date.

2.10. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of Shareholders.

2.11. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, Shareholders may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III

DIRECTORS

3.01. The business and affairs of the Corporation shall be managed by the Board who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter or by these bylaws directed or required to be exercised or done by the Shareholders

3.02. The initial Board shall be as stated in the Charter. Thereafter, the number of directors which shall constitute the full Board shall be not greater than three (3) nor less than two (2) or as determined from time to time by resolution of the Board or by the Shareholders at the annual meeting or a special meeting called for that purpose, but no decrease shall have the effect of shortening the term of an incumbent director. Directors need not be Shareholders or residents of the State of Texas. The directors shall be elected at the annual meeting of the Shareholders, except as hereinafter provided, and each director elected shall hold office until his or her successor shall be elected and shall qualify.

3.03. At any meeting of Shareholders called expressly for such purpose, any director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the shares of the Corporation then entitled to vote at an election of directors. If any vacancies occur in the Board caused by death, resignation, retirement, disqualification, or removal from office of any director or otherwise, a majority of the directors then in office, though less than a quorum, may choose a successor or successors or a successor or successors may be chosen at a special meeting of Shareholders called for that purpose; and each successor director so chosen shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or special meeting of Shareholders called for that purpose or may be filled by the Board for a term of office continuing only until the next election of one or more directors by the Shareholders.

3.04. Whenever the holders of any class or series of shares of the Corporation are entitled to elect one or more directors by the provisions of the Charter, any vacancies in such directorships and any newly created directorships of such class or series to be filled by reason of an increase in the number of such directors may be filled by the affirmative vote of a majority of the directors elected by such class or series then in office or by a sole remaining director so elected, or by the vote of the holders of the outstanding shares of such class or series, and such directorships shall not in any case be filled by the vote of the remaining directors or the holders of the outstanding shares as

a whole unless otherwise provided in the Charter.

3.05. At each election for directors, every Shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such Shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

Executive and Other Committees

3.06. The Board, by resolution adopted by a majority of the Board, may designate from among its members an executive committee and one or more other committees, each of which shall be comprised of one or more members and, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board, including the authority to declare dividends and to authorize the issuance of shares of the Corporation, to the extent permitted by law. Committees shall keep regular minutes of their proceedings and report the same to the Board when required.

Meetings of Directors

3.07. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

3.08. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Shareholders, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

3.09. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10. Special meetings of the Board may be called by the President on two days' notice to each director, either personally or by mail, telecopy, or overnight courier; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the directors. Except as may be otherwise expressly provided by statute, the Charter, or these bylaws, neither the business to be transacted at, nor the purpose of, any special meeting needs to be specified in a notice or waiver of notice.

3.11. At all meetings of the Board the presence of a majority of the full Board shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a

majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Charter or by these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.12. Any action required or permitted to be taken at a meeting of the Board or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

3.13. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, members of the Board, or members of any committee designated by the Board, may participate in and hold a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Compensation of Directors

3.14. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation there for

ARTICLE IV

NOTICES

4.01. Whenever under the provisions of any applicable statute, the Charter or these bylaws, notice is required to be given to any director or Shareholder, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given by mail, postage prepaid, addressed to such director or Shareholder at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

4.02. Whenever any notice is required to be given to any Shareholder or director of the Corporation under the provisions of any applicable statute, the Charter or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE V

OFFICERS

5.01. The officers of the Corporation shall be elected by the directors and shall include a President and a Secretary. The Board may also, at its discretion, elect one or more Vice Presidents and a Treasurer. Such other officers, including assistant officers, and agents as may be deemed necessary may be elected or appointed by the Board. Any two or more offices may be held by the same person.

5.02. The Board at its first meeting after each annual meeting of Shareholders shall choose a President, a Secretary, and such other officers, including assistant officers, and agents as may be deemed necessary, none of whom need be a member of the Board.

5.03. The Board may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

5.04. The salaries of all officers and agents of the Corporation shall be fixed by the Board. Unless so fixed by the Board each officer of the Corporation shall serve without remuneration.

5.05. Each officer of the Corporation shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board may be removed at any time by the Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board.

The President

5.09. The President shall be the chief executive officer of the Corporation, shall have the general powers and duties of oversight, supervision and management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be an ex-officio member of all standing committees of the Board.

The Secretary and Assistant Secretaries

5.10. The Secretary shall attend all sessions of the Board and all meetings of the Shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall be.

5.11. Each Assistant Secretary shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

Other Offices

5.12. Any Vice President elected by the Board shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

5.13. Any Treasurer elected by the Board shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and

other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board.

5.14. Any Treasurer elected by the Board shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the directors, at the regular meetings of the Board, or whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board may prescribe or as the President may from time to time delegate.

5.15. If required by the Board, any Treasurer elected by the Board shall give the Corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

5.16. Each Assistant Treasurer shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

6.01. Certificates in such form as may be determined by the Board shall be delivered representing all shares to which Shareholders are entitled. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face thereof the name of the Corporation, the name to whom the certificate is issued, the number and class of shares and the designation of the series, if any, which such certificate represents, the par value of such shares or a statement that such shares are without par value, and that the Corporation is organized under the laws of Texas. Each certificate shall be signed by either the President or any Vice President then in office and by either the Secretary, an Assistant Secretary, or any Treasurer then in office, and may be sealed with the seal of the Corporation or a facsimile thereof. If any certificate is countersigned by a transfer agent, or an assistant transfer agent or registered by a registrar, other than the Corporation or an employee of the Corporation, the signature of any such officer of the Corporation may be a facsimile. Whenever the Corporation shall be authorized to issue more than one class of stock, there shall be (1) set forth conspicuously upon the face or back of each certificate a full statement of (a) all of

the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and (b) if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences of the shares of each series so far as the same have been fixed and determined and the authority of the Board to fix and determine the relative rights and preferences of subsequent series; or (2) stated conspicuously on the face or back of the certificate that (a) such a statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. Whenever the Corporation by the Charter has limited or denied the preemptive rights of Shareholders to acquire unissued or treasury shares of the Corporation, each certificate (1) shall conspicuously set forth upon the face or back of such certificate a full statement of the limitation or denial of preemptive rights contained in the Charter, or (2) shall conspicuously state on the face or back of the certificate that (a) such statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. If any restriction on the transfer or the registration of the transfer of shares shall be imposed or agreed to by the Corporation, as permitted by law, each certificate representing shares so restricted (1) shall conspicuously set forth a full or summary statement of the restriction on the face of the certificate, or (2) shall set forth such statement on the back of the certificate and conspicuously refer to the same on the face of the certificate, or (3) shall conspicuously state on the face or back of the certificate that such a restriction exists pursuant to a specified document and (a) that the Corporation will furnish to the record holder of the certificate without charge upon written request to the corporation at its principal place of business or registered office a copy of the specified document, or (b) if such document is one required or permitted to be and has been filed under the Texas Business Corporation Act, that such document is on file in the office of the Secretary of State of Texas and contains a full statement of such restriction.

Lost Certificates

6.02. The Board may direct a new certificate representing shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Transfer of Shares

6.03. Upon presentation to the Corporation or the transfer agent of the Corporation with a request to register the transfer of a certificate representing shares duly endorsed and otherwise meeting the requirements for transfer specified in the Texas Business and Commerce Code, it shall

be the duty of the Corporation or the transfer agent of the Corporation to register the transfer as requested.

Registered Shareholders

6.04. Prior to due presentment for transfer, the Corporation may treat the registered owner of any share or shares of stock as the person exclusively entitled to vote, to receive notifications, and otherwise to exercise all rights and powers of an owner.

ARTICLE VII

GENERAL PROVISIONS

Dividends

7.01. Dividends upon the outstanding shares of the Corporation, subject to the provisions of the Charter, if any, may be declared by the Board at any regular or special meeting of the Board or by any committee of the Board so authorized. Dividends may be paid in cash, in property, or in shares of the Corporation, subject to the provisions of any applicable statute or the Charter. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividend, such record date to be not more than fifty days prior to the payment date of such dividend, or the Board may close the stock transfer books for such purpose for a period of not more than fifty days prior to the payment date of such dividend. In the absence of any action by the Board, the date upon which the Board adopts the resolution declaring such dividend shall be the record date.

Reserves

7.02. There may be created by resolution of the Board out of the surplus of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Corporation, or for such other purpose as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks

7.03. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Execution of Contracts, Deeds, Etc.

7.04. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

Fiscal Year

7.05. The fiscal year of the Corporation shall be fixed by resolution of the Board.

Voting of Securities

7.06. Unless otherwise directed by the Board, the President shall have full power and authority on behalf of the Corporation to attend, vote and act,

and to execute and deliver in the name and on behalf of the Corporation a proxy authorizing an agent or attorney-in-fact for the Corporation to attend, vote and act, at any meeting of security holders of any corporation in which the Corporation may hold securities and to execute and deliver in the name and on behalf of the Corporation any written consent of security holders in lieu of any such meeting, and at any such meeting he, or the agent or the attorney-in-fact duly authorized by him, shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation as the owner thereof might have possessed or exercised if present. The Board may by resolution from time to time confer like power upon any other person or persons.

Indemnification

7.07. (a) Subject to any limitation which may be contained in the Charter, the Corporation shall to the full extent permitted by law, including without limitation, Texas Business Corporation Act Art. 2.02-1, as such Article now exists or shall hereafter be amended, indemnify any person who was, is, or is threatened to be made a named defendant or respondent to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, arbitral, administrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, because such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with such action, suit, or proceeding. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an individual did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Subject to any limitation which may be contained in the Charter, the Corporation shall, to the full extent permitted by law, including without limitation, Art. 2.02-1 of the Texas Business corporation Act, as such Article now exists or shall hereafter be amended, pay or reimburse on a current basis the expenses incurred by any person described in subsection (a) of this Section 7.07 in connection with any such action, suit, or proceeding in advance of the final disposition thereof, if the Corporation has received (i) a written affirmation by the recipient of his good faith belief that he has met the standard of conduct necessary for indemnification under the Texas Business Corporation Act and (ii) a written undertaking by or on behalf of the director to

repay the amount paid or reimbursed if it is ultimately determined that he has not satisfied such standard of conduct or if indemnification is prohibited by law.

(c) If required by law at the time such payment is made, any payment of indemnification or advance of expenses to a director shall be reported in writing to the shareholders with or before the notice or waiver of notice of the next Shareholder's meeting or with or before the next submission to Shareholders of a consent to action without a meeting pursuant to Section A, Article 9.10 of the Texas Business Corporation Act, and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this article, subject to any restrictions imposed by law. The Corporation may create a trust fund, establish any form of self-insurance, grant a security interest or other lien on the assets of the Corporation, or use other means (including, without limitation, a letter of credit, guarantee or surety arrangement) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) The rights provided under this Section 7.07 shall not be deemed exclusive of any other rights permitted by law to which such person may be entitled under any provision of the Charter, a resolution of Shareholders or directors of the Corporation, an agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights provided in this Section 7.07 shall be deemed to be provided

by a contract between the Corporation and the individuals who serve in the capacities described in subsection (a) hereof at any time while these bylaws are in effect, and no repeal or modification of this Section 7.07 by the Shareholders shall adversely affect any right of any person otherwise entitled to indemnification by virtue of this Section 7.07 at the time of such repeal or modification.

ARTICLE VIII

AMENDMENTS

8.01. The Board may amend or repeal these bylaws or adopt new bylaws, unless:

(1) the Charter or statute reserves the power exclusively to the Shareholders in whole or part; or

(2) the Shareholders in amending, repealing or adopting a particular bylaw expressly provide that the Board may not amend or repeal such bylaw.

8.02. Unless the Charter or a bylaw adopted by the Shareholders provides otherwise as to all or some portion of the Corporation's bylaws, the Shareholders may amend, repeal, or adopt bylaws of the Corporation even though such bylaws may also be amended, repealed or adopted by the Board.

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EXHIBIT 3.20

RECEIVED

AUG 31 1977

CORPORATION DIVISION
SECRETARY'S OFFICE

THE COMMONWEALTH OF MASSACHUSETTS

ARTICLES OF ORGANIZATION
GENERAL LAWS, CHAPTER 156B, SECTION 1__

A TRUE COPY ATTEST

/s/ Paul Guzzi
PAUL GUZZI
SECRETARY OF THE COMMONWEALTH
DATE 4/13/78 CLERK J F. K
(THIS CERTIFICATION STAMP REPLACES OUR PREVIOUS CERTIFICATION SYSTEM.)

I hereby certify that, upon an examination of the within-written articles of organization, duly submitted to me, it appears that the provisions of the General Laws relative to the organization of corporations have been complied with, and I hereby approve said articles and the filing fee in the amount of $125.00 having been paid, said articles are deemed to have been filed with me this 31st day of August 1977.

/s/ Paul Guzzi
Secretary of the Commonwealth

TO BE FILLED IN BY CORPORATION

PHOTO COPY OF ARTICLES OR ORGANIZATION TO BE SENT

TO:

KNEELAND KYDD & HARDY

ONE STATE ST.

BOSTON MA. 02109
617-523-5110

FILING FEE: 1/20 of 1% of the total amount of the authorized capital stock with par value, and one cent a share for all authorized shares without par value, but not less than $75. General Laws, Chapter 156B.

Copy Mailed OCT 3 1977

The Commonwealth of Massachusetts
PAUL GUZZI

Secretary of the Commonwealth
STATE HOUSE
BOSTON, MASS.

ARTICLES OF ORGANIZATION
(Under G.L. Ch. 156B)

Name

(including given name in full)	POST OFFICE ADDRESS
David J. Van Oss	One State Street Boston, Massachusetts 02109

does hereby associate as incorporator with the intention of forming a corporation under the provisions of General Laws, Chapter 156B.

1. The name by which the corporation shall be known is:
   NEW ENGLAND CONTINENTAL MEDIA INC.

2. The purposes for which the corporation is formed are as follows:
   (A) To engage in the radio or television broadcasting, communicating, and receiving business, and in the business of communicating, transmitting, and receiving by any other method now in use or hereafter discovered; and to buy, sell, trade in, at wholesale and retail, import, expert, manufacture, rent, handle, and use instruments of precision, transmitting and receiving apparatus for broadcasting or other purposes, recording and reproducing instruments of any kind or nature used in conjunction therewith or incidental or necessary thereto, and to conduct the business of rendering service in the installation, operation, supply of parts, repair, maintenance, and upkeep of such apparatus, instrument, or accessories.

   (B) To carry on any business or other activity which may be lawfully carried on by a corporation organized under the Business Corporation Law of the Commonwealth of Massachusetts, whether or not related to those referred to in the foregoing paragraph.

NOTE: If provisions for which the space provided under Articles 2, 4, 5 and 6 is not sufficient, additions should be set out on continuation sheets to be numbered 2A, 2B, etc. Indicate under each Article where the provision is set out. Continuation sheets shall be on 8 1/2 x 11" paper and must have a left-hand margin 1 inch wide for binding. Only one side should be used.

<TABLE>
<CAPTION>

CLASS OF STOCK	WITHOUT PAR VALUE	WITH PAR VALUE		
	NUMBER OF SHARES	NUMBER OF SHARES	PAR VALUE	AMOUNT
<S>	<C>	<C>	<C>	<C>
Preferred	None			$
Common	12,500			

</TABLE>

*4. If more than one class is authorized, a description of each of the different classes of stock with, if any, the preferences, voting powers, qualifications, special or relative rights or privileges as to each class thereof and any series now established:

None

*5. The restrictions, if any, imposed by the Articles of Organization upon the transfer of shares of stock of any class are as follows:

None

*6. Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, deferring, or regulating the powers of the corporation, or of its directors or stockholders, or of any class of stockholders:

See Page 6A attached

7. By-laws of the corporation have been duly adopted and at which the initial directors, president, treasurer and clerk, whose names are set out below have been duly elected.

8. The following information shall not for any purpose be treated as a permanent part of the Articles of Organization of the corporation.

a. The post office address of the initial principal office of the corporation in Massachusetts is: Statler Office Building, Boston, Massachusets

b. The name, residence, and post office address of each of the initial directors and following officers of the corporation elected at the first meeting are as follows:

<TABLE>
<CAPTION>

	NAME	RESIDENCE	POST OFFICE ADDRESS
<S>	<C>	<C>	<C>
President:	David J. Van Oss	Framingham, Ma.	OneState Street Boston, Ma. 02109
Treasurer:	David J. Van Oss	Framingham, Ma.	One State Street Boston, Ma. 02109
Clerk:	David J. Van Oss	Framingham, Ma.	One State Street Boston, Ma. 02109
Directors:	David J. Van Oss	Framingham, Ma.	One State Street Boston, Ma. 02109

</TABLE>

c. The date initially adopted on which the corporation's fiscal year ends is:
December 31

d. The date initially fixed in the by-laws for the annual meeting of stockholders of the corporation is:
Third Tuesday of July

e. The name and business address of the resident agent, if any, of the corporation is:

IN WITNESS WHEREOF, and under the penalties of perjury, I, the above-named

INCORPORATOR, hereto sign my name, this 31st day of August 1977.

/s/ David J. Van Oss

Article 6
- ---------

6. Other lawful provisions for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining or regulating the powers of the corporation, or of its directors or stockholders, of any class of stockholders:

(a) The directors may make, amend or repeal the by-laws in whole or in part, except with respect to any provision thereof which by law or the by-laws requires action by the stockholders.

(b) Meetings of the stockholders may be held anywhere in the United States.

(c) The corporation may be a partner in any business enterprise it would have power to conduct by itself.

(d) The directors shall have the power to fix from time to time their compensation. No person shall be disqualified from holding any office by reason of any interest. In the absence of fraud, any director, officer or stockholder of this corporation individually, or any individual having any interest in any concern which is a stockholder of this corporation, or any concern in which any such directors, officers, stockholders or individuals have any interest, may be a party to, or may be pecuniarily or otherwise interested in, any contract, transaction or other act of this corporation, and

(1) such contract, transactions or act shall not be in any way invalidated or otherwise affected by that fact;

(2) no such director, officer, stockholder or individual shall be liable to account to this corporation for any profit or benefit realized through any such contract, transaction or act; and

(3) any such director of this corporation may be counted in determining the existence of a quorum at any meeting of the directors or of any committee thereof which shall authorize any such contract, transaction or act, and may vote to authorize the same:

the term "interest" including personal interest and interest as a director, officer, stockholder, shareholder, trustee, member or beneficiary of any concern; and

the term "concern" meaning any corporation, association, trust, partnership, firm, person or other entity other than this corporation.

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<DESCRIPTION>BY-LAWS OF NEW ENGLAND CONTINENTAL MEDIA INC.
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EXHIBIT 3.21

BY-LAWS

OF

NEW ENGLAND CONTINENTAL MEDIA INC.

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BYLAWS

OF

NEW ENGLAND CONTINENTAL MEDIA INC.

ARTICLE I

Articles of Organization

The name and purposes of the corporation shall be as set forth in the Articles of Organization./1/ These By-Laws, the powers of the corporation and its Directors and Stockholders, and all matters concerning the conduct and regulation of the business of the corporation, shall be subject to such provisions in regard thereto, if any, as are set forth in the Articles of Organization./2/ All references in these By-Laws to the Articles of Organization shall be construed to mean the Articles of Organization of the corporation as from time to time amended or restated./3/

ARTICLE II

Except as from time to time otherwise determined by the Directors, the fiscal year of the corporation shall in each year end on December 31

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/1/ Chapter 156B, Section 13(a) (2) and 13 (a) (3)
/2/ Chapter 156B, Section 16
/3/ Chapter 156B, Section 2(b)

ARTICLE III

Meetings of Stockholders

Section 1. Annual Meetings.

The annual meeting of stockholders shall be held on the third Tuesday in July in each year (or if that be a legal holiday in the place where the meeting

is to be held, on the next succeeding full business day) at ten o'clock A.M. unless a different hour is fixed by the Board of Directors or the President./4/ The purposes for which the annual meeting is to be held, in addition to those prescribed by law, by the Articles of Organization or these By-Laws, may be specified by the Board of Directors or the President. If no annual meeting has been held on the date fixed above, a special meeting in lieu thereof may be held and such special meeting shall have the purposes of these By-Laws or otherwise all the force and effect of an annual meeting./5/

Section 2. Special Meetings.

A special meeting of the Stockholders may be called at any time by the President, or by a majority of the Directors acting by vote or by written instrument or instruments signed by them./6/ A special meeting of the stockholders shall be called by the Clerk, or in case of death, absence, incapacity or refusal of the Clerk, by any other officer, upon written application of one or more stockholders who hold at least one-tenth part in interest of the stock entitled to vote at the meeting./7/ Such call shall state the time, place and purposes of the meeting.

/4/ Chapter 156B, Section 33
/5/ Chapter 156B, Section 33
/6/ Chapter 156B, Section 34
/7/ Chapter 156B, Section 34

Section 3. Place of Meetings.

All meetings of the stockholders shall be held at the principal office of the corporation in Massachusetts, unless a different place within Massachusetts, or as permitted by the Articles of Organization,/8/ elsewhere within the United States/9/ is designated by the President, or by a majority of the Directors acting by vote or by written instrument or instruments signed by them. Any adjourned session of any meeting of the stockholders shall be held at such place within Massachusetts or, as permitted by the Articles of Organization, elsewhere within the United States as is designated in the vote of adjournment.

Section 4. Notice of Meetings.

A written notice of the place, date and hour of all meetings of stockholders stating the purposes of the meeting shall be given at least seven days before the meeting to each stockholder entitled to vote thereat and to each stockholder who is otherwise entitled by law or by the Articles of Organization to such notice, by leaving such notice with him or at his residence or usual place of business, or by mailing it, postage prepaid, and addressed to such stockholder at his address as it appears in the records of the corporation./10/ Such notice shall be given by the Clerk, or in case of the death, absence, incapacity or refusal of the Clerk, by any other officer or by a person designated either by the Clerk, by the person or persons calling the meeting or by the Board of Directors./11/ Whenever notice of a meeting is required to be given a stockholder under any provision of law, of the Articles of Organization, or of these By-Laws, a written waiver thereof, executed before or after the meeting by

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/8/ Articles of Organization, Article 6(b)
/9/ Chapter 156B, Section 35
/10/ Chapter 156B, Section 36
/11/ Chapter 156B, Section 36

such stockholder or his attorney thereunto authorized, and filed with the records of the meeting, shall be deemed equivalent to such notice./12/

Section 5. Quorum.

At any meeting of the stockholders, a quorum shall consist of a majority in interest of all stock issued and outstanding and entitled to vote at the meeting;/13/ except that if two or more classes or series of stock are entitled to vote on any matter as separate classes or series, then in the case of each such class or series a quorum for that matter shall consist of a majority in interest of all stock of that class or series issued and outstanding; and except when a larger quorum is required by law, by the Articles of Organization or by these By-Laws./14/ Stock owned directly or indirectly by the corporation, if any, shall not be deemed outstanding for this purpose. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the

question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

Section 6. Action by Vote.

When a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office, and a majority of the vote properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law, by the Articles of Organization or by these By-Laws./15/ No ballot shall be required for any election

/12/ Chapter 156B, Section 37
/13/ Chapter 156B, Section 39
/14/ Chapter 156B, Section 39
/15/ Chapter 156B, Section 8(a)

unless requested by a stockholder present or represented at the meeting and entitled to vote in the election./16/

Section 7. Voting.

Stockholders entitled to vote shall have one vote for each share of stock entitled to vote held by them of record according to the records of the corporation and a proportionate vote for a fractional share, unless otherwise provided by the Articles of Organization./17/ The corporation shall not, directly or indirectly, vote any share of its own stock./18/

Section 8. Action by Consent./19/

Any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting if all stockholders entitled to vote on the matter consent to the action in writing and the written consents are filed with the records of the meetings of stockholders. Such consents shall be treated for all purposes as a vote at a meeting.

Section 9. Proxies./20/

Stockholders entitled to vote may vote either in person or by proxy in writing dated not more than six months before the meeting named therein, which proxies shall be filed with the clerk or other person responsible to record the proceedings of the meeting before being voted. Unless otherwise specifically limited by their terms, such proxies shall entitle the holders thereof to vote at any adjournment of such meeting but shall not be valid after the final adjournment of such meeting. A

/16/ Chapter 156B, Sections 47 and 48
/17/ Chapter 156B, Section 41
/18/ Chapter 156B, Section 40
/19/ Chapter 156B, Section 43
/20/ Chapter 156B, Section 41

proxy with respect to stock held in the name of two or more persons shall be valid if executed by any one of them unless at or prior to exercise of the proxy the corporation receives a specific written notice to the contrary from any one of them. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger.

ARTICLE IV

Directors

Section 1. Powers.

The business of the corporation shall be managed by a Board of Directors who shall have and may exercise all the powers of the corporation except as otherwise reserved to the stockholders by law, by the Articles of Organization or by these By-Laws./21/ In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

Section 2. Enumeration, Election and Term of Office.
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The Board of Directors shall consist of not less than three Directors, except that whenever there shall be only two stockholders the number of Directors shall be not less than two, and whenever there shall be only one stockholder the number of Directors shall be not less than one./22/ The number of the Directors shall be as determined from time to time by the stockholders and may be enlarged by vote of a majority of the Directors then in office./23/ The Directors shall be chosen at the annual

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/21/ Chapter 156B, Sections 47 and 54
/22/ Chapter 156B, Section 47
/23/ Chapter 156B, Section 47

meeting of the stockholders by such stock-holders as have the right to vote thereon,/24/ and each shall hold office until the next annual election of Directors and until his successor is chosen and qualified/25/ or until he sooner dies, resigns, is removed or becomes disqualified. No Director need be a stockholder./26/

Section 3. Regular Meetings.
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Regular meetings of the Board of Directors may be held at such times and places within or without the Commonwealth of Massachusetts as the Board of Directors may fix from time to time and, when so fixed, no notice thereof need be given, provided that any Director who is absent when such times and places are fixed shall be given notice of the fixing of such times and places./27/ The first meeting of the Board of Directors following the annual meeting of the stockholders may be held without notice immediately after and at the same place as the annual meeting of the stockholders or the special meeting held in lieu thereof./28/ If in any year a meeting of the Board of Directors is not held at such time and place, any action to be taken may be taken at any later meeting of the Board of Directors with the same force and effect as if held or transacted at such meeting.

Section 4. Special Meetings.
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Special meetings of the Directors may be held at any time and at any place designated in the call of the meeting, when called by the President or the Treasurer or by two or more Directors, reasonable notice thereof being given to each Director/29/ by the Secretary or an Assistant Secretary,

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/24/ Chapter 156B, Section 47
/25/ Chapter 156B, Section 50
/26/ Chapter 156B, Section 57
/27/ Chapter 156B, Section 56
/28/ Chapter 156B, Section 56
/29/ Chapter 156B, Section 56

or, if there be none by the Clerk or an Assistant Clerk, or by the officer or one of the Directors calling the meeting.

Section 5. Notice./30/
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It shall be reasonable and sufficient notice to a Director to send notice by mail at least forty-eight hours or by telegram at least twenty-four hours before the meeting addressed to him at his usual or last known business or residence address or to give notice to him in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any Director if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any Director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

Section 6. Quorum./31/
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At any meeting of the Directors, a quorum for any election or for the consideration of any question shall consist of a majority of the Directors then in office. Whether or not a quorum is present any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, and the

meeting may be held as adjourned without further notice. When a quorum is present at any meeting, the votes of a majority of the Directors present shall be requisite and sufficient for election to any office and shall decide any question brought before such meeting, except in any case where a larger vote is required by law, by the Articles of Organization or by these By-Laws.

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/30/ Chapter 156B, Section 58
/31/ Chapter 156B, Section 57

Section 7. Action by Consent./32/

Any action required or permitted to be taken at any meeting of the Directors may be taken without a meeting if all the Directors consent to the action in writing and the written consents are filed with the records of the meetings of the Directors. Such consent shall be treated for all purposes as a vote of the Directors at a meeting.

Section 8. Committees./33/

The Board of Directors, by vote of a majority of the Directors then in office, may elect from its number an Executive Committee or other committees and may delegate thereto some or all of its powers except those which by law, by the Articles of Organization, or by these By-Laws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these By-Laws for the Board of Directors. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall upon request report its action to the Board of Directors. The Board of Directors shall have power to rescind any action of any committee, but no such rescission shall have retroactive effect.

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/32/ Chapter 156B, Section 59
/33/ Chapter 156B, Section 55

Section 9. Meeting by Telecommunications./34/

Members of the board of directors or any committee elected thereby may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in a meeting can hear each other at the same time and participation by such means shall constitute presence in person at the meeting.

ARTICLE V

Officers and Agents

Section 1. Enumeration; Qualification.

The officers of the corporation shall be a President, a Treasurer, a Clerk, and such other officers, if any, as the incorporators at their initial meeting, or the Directors from time to time, may in their discretion elect or appoint./35/ The corporation may also have such agents, if any, as the incorporators at their initial meeting, or the Directors from time to time, may in their discretion appoint./36/ Any officer may be but none need be a Director or Stockholder./37/ The Clerk shall be a resident of Massachusetts unless the corporation has a resident agent appointed for the purpose of service of process./38/ Any two or more offices may be held by the same person. Any officer may be required by the Directors to give bond for the faithful performance of his duties to the corporation in such amount and with such sureties as the Directors may determine./39/ The premiums for such bonds may be paid by the corporation.

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/34/ Chapter 156B, Section 59
/35/ Chapter 156B, Section 48

/36/ Chapter 156B, Section 49
/37/ Chapter 156B, Section 48
/38/ Chapter 156B, Section 48
/39/ Chapter 156B, Section 48

Section 2. Powers.

Subject to law, to the Articles of Organization and to the other provisions of these By-Laws, each officer shall have, in addition to the duties and powers herein set forth, such duties and powers as are commonly incident to his office and such duties and powers as the Directors may from time to time designate.

Section 3. Election./40/

The President, the Treasurer and the Clerk shall be elected annually by the Directors at their first meeting following the annual meeting of the stockholders. Other officers, if any, may be elected or appointed by the Board of Directors at said meeting or at any other time.

Section 4. Tenure.

Except as otherwise provided by law or by the Articles of Organization or by these By-Laws, the President, the Treasurer and the Clerk shall hold office until the first meeting of the Directors following the next annual meeting of the stockholders and until their respective successors are chosen and qualified,/41/ and each other officer shall hold office until the first meeting of the Directors following the next annual meeting of the stockholders and until their respective successors are chosen and qualified, unless a different period shall have been specified by the terms of his election or appointment, or in each case until he sooner dies, resigns, is removed or becomes disqualified. Each agent shall retain his authority at the pleasure of the Directors.

/40/ Chapter 156B, Section 48
/41/ Chapter 156B, Section 50

Section 5. President and Vice Presidents.

The President shall be the chief executive officer of the corporation and shall, subject to the direction of the Board of Directors, have general supervision and control of its business. Unless otherwise provided by the Board of Directors he shall preside, when present, at all meetings of stockholders and of the Board of Directors.

Any Vice President shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

Section 6. Treasurer and Assistant Treasurers.

The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the corporation and shall cause to be kept accurate books of account. He shall have custody of all funds, securities, and valuable documents of the corporation, except as the Board of Directors may otherwise provide.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time designate.

Section 7. Clerk and Assistant Clerks./42/

The Clerk shall keep a record of the meetings of stockholders. In the event there is no Secretary or he is absent, the Clerk or an Assistant Clerk shall keep a record of the meetings of the Board of Directors. In the absence of the Clerk from any meeting of stockholders, an Assistant Clerk if one be elected, otherwise a Temporary Clerk designated by the person presiding at the meeting, shall perform the duties of the Clerk.

/42/ Chapter 156B, Section 48

Section 8. Secretary.

The Secretary, if one be elected or appointed, shall keep a record of the meetings of the Board of Directors. In the absence of the Secretary, the Clerk and any Assistant Clerk, a Temporary Secretary shall be designated by the person presiding at such meeting to perform the duties of the Secretary.

ARTICLE VI

Resignations, Removals and Vacancies

Section 1. Resignations.

Any Director or officer may resign at any time by delivering his resignation in writing to the President or the Clerk or to a meeting of the Directors. Such resignation shall take effect at such time as is specified therein, or if no such time is so specified then upon delivery thereof.

Section 2. Removals.[43]

Directors, including Directors elected by the Directors to fill vacancies in the Board, may be removed with or without assignment of cause by vote of the holders of the majority of the shares entitled to vote in the election of Directors, provided that the Directors of a class elected by a particular class of stockholders may be removed only by the vote of the holders of a majority of the shares of the particular class of stockholders entitled to vote for the election of such Directors.

The Directors may by vote of a majority of the Directors then in office remove any Director for cause.

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[43] Chapter 156B, Section 51

The Directors may remove any officer from office with or without assignment of cause by vote of a majority of the Directors then in office.

If cause is assigned for removal of any Director or officer, such Director or officer may be removed only after a reasonable notice and opportunity to be heard before the body proposing to remove him.

The Directors may terminate or modify the authority of any agent or employee.

Except as the Directors may otherwise determine, no Director or officer who resigns or is removed shall have any right to any compensation as such Director or officer for any period following his resignation or removal, or any right to damages on account of such removal whether his compensation be by the month or by the year or otherwise, provided, however, that the foregoing provision shall not prevent such Director or officer from obtaining damages for breach of any contract of employment legally binding upon the corporation.

Section 3. Vacancies.[44]

Any vacancy in the Board of Directors, including a vacancy resulting from an enlargement of the Board, may be filled by vote of a majority of the Directors then in office or, in the absence of such election by the Directors, by the stockholders at a meeting called for the purpose; provided, however, that any vacancy resulting from Action by the stockholder may be filled by the stockholders at the same meeting at which such action was taken by them.

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[44] Chapter 156B, Section 52

If the office of any officer becomes vacant, the Directors may elect or appoint a successor by vote of a majority of the Directors present at the meeting at which such election or appointment is made.

Each such successor shall hold office for the unexpired term of his predecessor and until his successor shall be elected or appointed and qualified, or until he sooner dies, resigns, is removed or becomes disqualified.

ARTICLE VII

Indemnification of Directors and Others/45/

The corporation shall, to the extent legally permissible, indemnify any person serving or who has served as a Director or officer of the corporation, or at its request as a Director, Trustee, Officer, Employee or other Agent of any organization in which the corporation owns shares or of which it is a creditor against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he may be involved or with which he may be threatened, while serving or thereafter, by reason of his being or having been such a Director, Officer, Trustee, Employee or Agent, except with respect to any matter as to which he shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation; provided, however, that as to any matter disposed of by a compromise payment by such Director, Officer,

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/45/ Chapter 156B, Sections 9(d) and 67

Trustee, Employee or Agent, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless;

(a) such compromise shall be approved as in the in the best interests of the corporation, after notice that it involves such indemnification:

(i) by a disinterested majority of the directors then in office; or

(ii) by the holders of a majority of the outstanding stock at the time entitled to vote for Directors, voting as a single class, exclusive of any stock owned by any interested Director or officer; or

(b) in the absence of action by disinterested directors or stockholders, there has been obtained at the request of a majority of the Directors then in office an opinion in writing of independent legal counsel to the effect that such Director or officer appears to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation.

Expenses including counsel fees, reasonably incurred by any such Director, Officer, Trustee, Employee or Agent in connection with the defense or disposition of any such action, suit or other proceeding may be paid from time to time by the corporation in advance of the final disposition thereof upon receipt of an undertaking by such individual to repay the amounts so paid to the corporation if it is ultimately determined that indemnification for such expenses is not authorized under this section. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any such Director, Officer, Trustee, Employee or Agent may be entitled. Nothing contained in this Article shall affect any rights to indemnification to which corporate personnel other than such Directors, Officers, Trustees, Employees or Agents may be entitled by contract or otherwise under law. As used in this Article the terms "Director", "Officer", "Trustee",

"Employee" and "Agent" include their respective heirs, executors and administrators, and an "interested" Director, Officer, Trustee, Employee or Agent is one against whom in such capacity the proceedings in question or other proceedings on the same or similar grounds is then pending.

ARTICLE VIII

Stock

Section 1. Stock Authorized./46/

The total number of shares and the par value, if any, of each class of stock which the corporation is authorized to issue, and if more than one class is authorized, a description of each class with the preferences, voting powers, qualifications and special and relative rights and privileges as to each class and any series thereof, shall be as stated in the Articles of Organization.

Section 2. Issue of Authorized Unissued Capital Stock./47/

Any unissued capital stock from time to time authorized under the Articles

of Organization may be issued by vote of the Directors. No such stock shall be issued unless the cash, so far as due, or the property, services or expenses for which it was authorized to be issued, has been actually received or incurred by, or conveyed or rendered to, the corporation, or is in its possession as surplus.

Section 3. Certificates of Stock./48/
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Each stockholder shall be entitled to a certificate in form selected by the Board of Directors stating the number and the class and the designation of the series, if any, of the shares held by him.

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/46/ Chapter 156B, Section 13(a)(4) and 13(a)(5)
/47/ Chapter 156B, Section 21
/48/ Chapter 156B, Section 27

Such certificate shall be signed by the President or a Vice President and the Treasurer or an Assistant Treasurer. Such signatures may be facsimiles if the certificate is signed by a transfer agent, or by a registrar, other than a Director, officer or employee of the corporation.

Every certificate for shares of stock subject to any restriction on transfer pursuant to the Articles of Organization, these By-Laws, or any agreement to which the corporation is a party shall have the restriction noted conspicuously on the certificate and shall also set forth on the face or back either the full text of the restriction or a statement of the existence of such restriction and a statement that the corporation will furnish a copy to the holder of such certificate upon written request and without charge. Every certificate issued when the corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either the full text or the preferences, voting powers, qualifications and special and relative rights of the shares of each class and series authorized to be issued or a statement of the existence of such preferences, powers, qualifications and rights, and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

Section 4. Transfers.
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Subject to the restrictions, if any, imposed by the Articles of Organization, these By-Laws or any agreement to which the corporation is a party, shares of stock shall be transferred on the books of the corporation only by the surrender to the corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment of such shares or by a written power of attorney to sell, assign, or transfer such shares, properly executed, with necessary transfer stamps affixed, and with such proof that the endorsement, assignment or power of attorney is genuine and effective as the corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, the corporation shall be entitled to treat the record

holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the corporation in accordance with the requirements of these By-Laws. It shall be the duty of each stockholder to notify the corporation of his post office address.

Section 5. Lost, Mutilated, or Destroyed Certificates./49/
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Except as otherwise provided by law, the Board of Directors may determine the conditions upon which a new certificate of stock may be issued in place of any certificate alleged to have been lost, mutilated or destroyed. It may, in its discretion, require the owner of a lost, mutilated or destroyed certificate, or his legal representative, to give a bond, sufficient in its opinion, with or without surety, to indemnify the corporation against any loss or claim which may arise by reason of the issue of a certificate in place of such lost, mutilated or destroyed stock certificate.

Section 6. Transfer Agent and Registrar.
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The Board of Directors may appoint a transfer agent or a registrar or both for its capital stock or any class or series thereof and require all certificates for such stock to bear the signature or facsimile thereof of any such transfer agent or registrar.

Section 7. Setting Record Date and Closing Transfer Records./50/

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The Board of Directors may fix in advance a time not more than sixty days before (i) the date of any meeting of the stockholders or (ii) the date for the payment of any dividend or the making of
any distribution to stockholders or (iii) the last day on which the consent or dissent of stockholders

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/49/ Chapter 156B, Section 29
/50/ Chapter 156B, Section 42

may be effectively expressed for any purpose, as the record date for determining the stockholders having the right to notice and to vote at such meeting, or the right to receive such dividend or distribution, or the right to give such consent or dissent. If a record date is set, only stockholders of record on the date shall have such right notwithstanding any transfer of stock on the records of the corporation after the record date. Without fixing such record date, the Board of Directors may close the transfer record of the corporation for all or any part of such sixty-day period.

If no record date is fixed and the transfer books are not closed, then the record date for determining stockholders having the right to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, and the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors acts with respect thereto.

ARTICLE IX

Miscellaneous Provisions

Section 1. Execution of Papers

All deeds, leases, transfers, contracts, bonds, notes, releases, checks, drafts and other obligations authorized to be executed on behalf of the corporation shall be signed by the President or the Treasurer except as the Directors may generally or in particular cases otherwise determine.

Section 2. Voting of Securities.

Except as the Directors may generally or in particular cases otherwise specify, the President or the Treasurer may on behalf of the corporation vote or take any other action with respect to shares of stock or beneficial interest of any other corporation, or of any association, trust or firm, of which any securities are held by this corporation, and may appoint any person or persons to act as proxy or attorney-in-fact for the corporation, with or without power of substitution, at any meeting thereof.

Section 3. Corporate Seal.

The seal of the corporation shall be a circular die with the name of the corporation, the word "Massachusetts" and the year of its incorporation cut or engraved thereon, or shall be in such other form as the Board of Directors may from time to time determine.

Section 4. Corporate Records./51/

The original, or attested copies, of the Articles of Organization, By-Laws and records of all meetings of the incorporators and stockholders, and the stock and transfer records, which shall contain the names of all stockholders and the record address and the amount of stock held by each, shall be kept in Massachusetts at the principal office of the corporation, or at an office of its transfer agent or of its Clerk or of its Resident Agent. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times to the inspection of any stockholder for any proper purpose but not to secure a list of stockholders for the purpose of selling said list or copies thereof or of using the same for a purpose other than in the interest of the applicant, as a stockholder, relative to the affairs of the corporation.

Section 5. Evidence of Authority.

A certificate by the Clerk or Secretary or an Assistant or Temporary Clerk

or Secretary as to any matter relative to the Articles of Organization, By-Laws, records of the proceedings of the incorporators, stockholders, Board of Directors, or any committee of the Board of Directors, or stock
and transfer records or as to any action taken by any person or persons as an officer or agent of

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/51/ Chapter 156B, Section 32

the corporation, shall as to all persons who rely thereon in good faith be conclusive evidence of the matters so certified.

ARTICLE X

Amendments

These By-Laws may be amended or repealed in whole or in part by the affirmative vote of the holders of a majority of the shares of each class of the capital stock at the time outstanding and entitled to vote at any annual or special meeting of stockholders, provided that notice of the substance of the proposed amendment is stated in the notice of such meeting./52/ If authorized by the Articles of Organization,/53/ the Directors may make, amend or repeal the By-Laws, in whole or in part, except with respect to any provision thereof wich by law, the Articles of Organization or the By-Laws requires action by the stockholders./54/ Not later than the time of giving notice of the meeting of stockholders next following the making, amending or repealing by the Directors of any By-Law, notice thereof stating the substance of such change shall be given to all stockholders entitled to vote on amending the By-Laws./55/ No change in the date fixed in these By-Laws for the annual meeting of stockholders may be made within sixty days before the date fixed in these By-Laws, and in case of any change in such date, notice thereof shall be given to each stockholder in person or by letter mailed to his last known post office address at least twenty days before the new date fixed for such meeting./56/

- ------------------------------
/52/ Chapter 156B, Section 17
/53/ Articles of Organization, Article 6(a)
/54/ Chapter 156B, Section 17
/55/ Chapter 156B, Section 17
/56/ Chapter 156B, Section 38

Any By-Law adopted, amended or repealed by the Directors may be repealed, amended or reinstated by the stockholders entitled to vote on amending the By-Laws./57/

- ------------------------------
/57/ Chapter 156B, Section 17

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EXHIBIT 3.22.01

ENDORSED
FILED
In the office of the
Secretary of State
and the State of California

NOV 8 1982
MARCH FONG EU, Secretary of State
Gloria J. Carroll

ARTICLES OF INCORPORATION

OF

NEW INSPIRATION BROADCASTING COMPANY, INC.

ONE: The name of this corporation is NEW INSPIRATION BROADCASTING COMPANY, INC.

TWO: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the corporation's initial agent for service of process is Robert W. Schroeder, Esq., 500 Esplanade Drive, Fifth Floor, Oxnard, California 93030.

FOUR: The total number or shares which the corporation is authorized to issue is five hundred thousand (500,000).

Dated: October 29, 1982

/s/ Robert W. Schroeder

Robert W. Schroeder
Incorporator

I declare that I am the person who executed the above Articles of Incorporation, and such instrument is my act and deed.

/s/ Robert W. Schroeder

Robert W. Schroeder
Incorporator

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<SEQUENCE>28
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<TEXT>

EXHIBIT 3.22.02

ENDORSED
FILED
In the office of the
Secretary of State
and the State of California

OCT 25 1977
MARCH FONG EU,
Secretary of State
By IRENE SANCHEZ
Deputy

ARTICLES OF INCORPORATION

OF

INSPIRATIONAL MEDIA OF SOUTHERN CALIFORNIA, INC.

1. The name of this Corporation is Inspirational Media of Southern California, Inc.

2. The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

3. The name and address in this State of California of this Corporation's initial agent for service of process is: Clinton Morey, 1717 Broad View Drive, Glendale, California 91208.

4. This Corporation is authorized to issue only one class of shares of stock; and the total number of shares which this Corporation is authorized to issue is one hundred thousand (100,000).

Dated: October 20, 1977

/s/ Nancy A. Epperson

NANCY A. EPPERSON

I declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

/s/ Nancy A. Epperson

NANCY A. EPPERSON

STATE OF NORTH CAROLINA)
) ss.
COUNTY OF _____________)

On _________________________, 1977 before me, the undersigned, a Notary Public in and for said State, personally appeared NANCY A. EPPERSON, known to me to be the person whose name is subscribed to the within instrument and she acknowledged that she executed the same.

WITNESS my hand and official seal.

Notary Public

Notary Public Official Seal
My Commission Expires

____

North Carolina

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<SEQUENCE>29
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EXHIBIT 3.22.03

ENDORSED
FILED
In the office of the Secretary of State
and the State of California

MAR 10 1986
MARCH FONG EU, Secretary of State
By BILL HOLDEN
Deputy

CERTIFICATE OF OWNERSHIP

OF

INSPIRATIONAL MEDIA OF SOUTHERN CALIFORNIA, INC.

Edward G. Atsinger III and Eric H. Halvorson certify that:

1. They are the president and secretary, respectively, of Inspirational Media of Southern California, Inc., a California corporation.

2. Inspirational Media of Southern California, Inc., a California corporation, is the parent corporation of New Inspiration Broadcasting Company,

Inc., a California corporation. The parent corporation owns one hundred percent (100%) of the stock of the subsidiary corporation.

3. On December 26, 1985, the Board of Directors of this corporation adopted the following resolutions:

> RESOLVED, that New Inspiration Broadcasting Company, Inc., a California corporation, and a wholly owned subsidiary of this corporation be merged with and into this corporation;
>
> RESOLVED FURTHER, that this corporation agrees to assume all the obligations and liabilities of New Inspiration Broadcasting Company, Inc.;
>
> RESOLVED FURTHER, that the president and secretary of this corporation are authorized and directed to execute, verify and file a Certificate of Ownership, a Corporate Assumption of Tax Liability, and to take all other actions they consider necessary and proper to consummate the merger; and

> RESOLVED FURTHER, that the Articles of Incorporation shall be amended by revising Article I to read as follows:
>
> "1. The name of this corporation is New Inspiration Broadcasting Company, Inc."

/s/ Edward G. Atsinger III

EDWARD G. ATSINGER III
President

/s/ Eric H. Halvorson

ERIC H. HALVORSON
Secretary

Each of the undersigned declares under penalty of perjury that the statements in the above Certificate are true of his own knowledge and that this Declaration was executed on January 20, 1986, at Camarillo, California.

/s/ Edward G. Atsinger III

EDWARD G. ATSINGER III
President

/s/ Eric H. Halvorson

ERIC H. HALVORSON
Secretary

</TEXT>
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EXHIBIT 3.23

BYLAWS OF
INSPIRATIONAL MEDIA OF SOUTHERN CALIFORNIA, INC.
A CALIFORNIA CORPORATION

ARTICLE I
SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.
- ---------

The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.
- ---------

A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.
- ---------

All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.
- ---------

Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (i.e., to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.

The transactions of any meeting of shareholders, either annual or special,

however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.
- ----------

Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
- ----------

For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior

action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.

Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.

Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II
DIRECTORS; MANAGEMENT

Section 1. POWERS.

Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.
- ---------

The authorized number of directors shall be six (6) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.
- ---------

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.
- ---------

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time,

the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.
- ---------

The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.
- ---------

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.
- ---------

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.
- ---------

Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.
- ---------

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least

forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.
- ----------

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.
- ----------

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.
- ----------

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.
- ----------

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III
OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a president, vice-president, secretary, and chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.

The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.

The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.

Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and

perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.

In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV
CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the

records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.

The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.

A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.

The corporation shall, during the period commencing March 1 and ending October 1, in each year, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the

agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V
GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.

A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of the board or the president or vice-president and by the chief financial officer or an assistant

treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these

Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI
OFFICES

Section 1. PRINCIPAL OFFICES.

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII
AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.24

1333927
ENDORSED
FILED
in the office of the Secretary
of State of the State of California
MAR 13 1985
MARCH FONG EU, Secretary of State
Sharon K. Hawkins
Deputy

ARTICLES OF INCORPORATION OF

OASIS RADIO, INC.

ONE: The name of this Corporation is Oasis Radio, Inc.

TWO: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the Corporation's initial agent for service of process is Carole R. Prenter, 2020 Strand, Hermosa Beach, California 90254.

FOUR: The total number of shares which the Corporation is authorized to issue is one hundred thousand (100,000).

Dated: March 12, 1985.

Robert B. England

Robert B. England,
Sole Incorporator

I declare that I am the person who executed the above Articles of Incorporation and such instrument is my act and deed.

Robert B. England

Robert B. England,
Sole Incorporator

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EXHIBIT 3.25

BYLAWS OF

OASIS RADIO, INC.

A CALIFORNIA CORPORATION

ARTICLE I

SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.

The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.

A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to

vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.
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All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of a special meeting, the general nature of the business to be transacted or (b) in the case of

the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.
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Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.
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The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.
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Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the

absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (*i.e.*, to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.

The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders

of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.
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Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted;

provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.
- ----------

Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.
- ----------

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II

DIRECTORS; MANAGEMENT

Section 1. POWERS.
- ---------

Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.
- ---------

The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.
- ---------

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.
- ---------

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time,

the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.
- ---------

The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.
- ---------

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.
- ---------

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.
- ---------

Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.
- ---------

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed,

it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least

forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III

OFFICERS

Section 1. OFFICERS.
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The officers of the corporation shall consist of a president, vice-president, secretary and a chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.
- ---------

The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.
- ---------

The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.
- ---------

Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.
- ---------

A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.
- ---------

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.
- ---------

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.
- ---------

In the absence or disability of the president, the vice-president, if any,

shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV

CORPORATE RECORDS AND REPORTS--INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the

records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which

that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.
- ---------

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.
- ---------

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.
- ---------

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.
- ---------

The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
- ---------

A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the

request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.
- ---------

The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the

general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V

GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.
- ---------

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.
- ---------

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.
- ---------

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.
- ---------

A certificate or certificates for shares of the capital stock of the

corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of

the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI

OFFICES

Section 1. PRINCIPAL OFFICES.

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of

Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII

AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.26

ARTICLES OF INCORPORATION
(PREPARE IN TRIPLICATE)

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE - CORPORATION BUREAU
308 NORTH OFFICE BUILDING, HARRISBURG, PA 17120

PLEASE INDICATE (CHECK ONE) TYPE CORPORATION

[X] DOMESTIC BUSINESS CORPORATION — FEE $75.00

[_] DOMESTIC BUSINESS CORPORATION
A CLOSE CORPORATION - COMPLETE BACK

[_] DOMESTIC PROFESSIONAL CORPORATION
ENTER BOARD LICENSE NO.

---

010 NAME OF CORPORATION (MUST CONTAIN A CORPORATE INDICATOR UNLESS EXEMPT UNDER 15 P.S. 2908 B)
Pennsylvania Media Associates, Inc.

011 ADDRESS OF REGISTERED OFFICE IN PENNSYLVANIA
(P.O. BOX NUMBER NOT ACCEPTABLE)
c/o Timothy M. Slavish, One Riverfront Center

012 CITY	033 COUNTY	013 STATE	064 ZIP CODE
Pittsburgh	Allegheny	Pennsylvania	15222

---

050 EXPLAIN THE PURPOSE OR PURPOSES OF THE CORPORATION

The corporation is formed pursuant to the Pennsylvania Business Corporation Law of 1988 for the purpose of engaging in any and all lawful business for which corporations may be incorporated under said law.

(ATTACH 8 1/2 x 11 SHEET IF NECESSARY)

The Aggregate Number of Shares, Classes of Shares and Par Value of Shares

Which the Corporation Shall have Authority to Issue:

040 Number and Class of Shares	041 Stated Par Value Per Share if Any
1,000 shares common	None

042 Total Authorized Capital	031 Term of Existence
N/A	perpetual

The Name and Address of Each Incorporator, and the Number and Class of Shares Subscribed to by each Incorporator

060 Name	063, 064 Address (Street, City, State, Zip Code)	061, 062 Number and Class of Shares
Timothy M. Slavish	One Riverfront Center, Pittsburgh, PA 15222	N/A

(ATTACH 8 1/2 x 11 SHEET IF NECESSARY)

IN TESTIMONY WHEREOF, THE INCORPORATOR(S) HAS (HAVE) SIGNED AND SEALED THE ARTICLES OF INCORPORATION
THIS 9TH DAY OF JANUARY 19 90.

/s/ Timothy M. Slavish

Timothy M. Slavish

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- FOR OFFICE USE ONLY -

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EXHIBIT 3.27

PENNSYLVANIA MEDIA ASSOCIATES, INC.
(A PENNSYLVANIA CORPORATION)

****

BY-LAWS

****

ARTICLE I - CORPORATE OFFICES

The registered office of Pennsylvania Media Associates, Inc. (the "Corporation") shall be at One Riverfront Center, Pittsburgh, Pennsylvania 15222. The Corporation may also have offices at such other places within or outside the Commonwealth of Pennsylvania as the Board of Directors may from time to time designate or the business of the Corporation may require.

ARTICLE II - SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its incorporation and the words "Corporate Seal, Pennsylvania".

ARTICLE III - SHAREHOLDERS' MEETINGS

----

1. PLACE OF MEETINGS.

All meetings of the shareholders shall be held at the principal office of the Corporation or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be selected.

2. ANNUAL MEETING.

The annual meeting of the shareholders of the Corporation shall be held on the third Monday of April in each year, or on such other date as the Board of Directors may by resolution determine, at 2:00 P.M., when they shall elect a Board of Directors, and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six (6) months after the designated time, any shareholder may call such meeting.

3. QUORUM.

A shareholders' meeting duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person, or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast shall constitute a quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Adjournment or adjournments of any annual or special meeting may be taken, but any meeting at

which directors are to be elected shall be adjourned only from day to day, or for such longer periods not exceeding fifteen (15) days each, as may be directed by the shareholders who are present in person or by proxy and who are entitled to cast at least a majority of the votes which all such shareholders would be entitled to cast at an election of directors until such directors have been elected. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors.

4. VOTING.

At each meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person or by proxy executed in writing by such shareholder or by his duly authorized attorney in fact, and filed with the Secretary of the Corporation. No unrevoked proxy shall be valid after eleven (11) months from the date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy, unless coupled with an interest, be voted on after three (3) years from the date of its execution. Elections for directors shall be by cumulative voting. Upon demand made by a shareholder at any election for directors before the voting begins, the election shall be by ballot. No share shall be voted at any meeting upon which any installment is due and unpaid. The registered list of shareholders certified by the Transfer Agent of the Corporation or by its Secretary shall be evidence of the right of all persons or entities named therein to vote.

5. NOTICE OF MEETING.

Written notice of the annual meeting shall be mailed to each shareholder entitled to vote thereat, at such address as appears on the books of the Corporation, at least ten (10) days prior to the meeting.

6. JUDGES OF ELECTION.

In advance of any meeting of shareholders, the Board of Directors, may appoint judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If judges of election be not so appointed, the Chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment at the meeting. The number of judges shall be one (1) or three (3). If appointed at a meeting on the request of one (1) or more shareholders or proxies, the majority of shares present and entitled to vote shall determine whether one (1) or three (3) judges are to be appointed. On request of the Chairman of the meeting, or of any shareholder or his proxy, the judge(s) shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. No person who is a candidate for office shall act as a judge.

7. SPECIAL MEETINGS.

Special meetings of the shareholders may be called at any time by the President, or the Board of Directors, or the holders of not less than one-fifth (1/5) of the votes which all shareholders are entitled to cast at the particular meeting. At any time, upon written request of any person or persons who have

duly called a special meeting, it shall be the duty of the Secretary to fix the date of the meeting to be held, not less than ten (10) nor more than sixty (60) days after receipt of the request, and to give due notice thereof. If the Secretary shall neglect or refuse to fix the date of the meeting and give notice thereof, the person or persons calling the meeting may do so.

Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto, unless all shareholders entitled to vote consent thereto.

Written notice of a special meeting of the shareholders, stating the time, place and purpose thereof, shall be given to each shareholder entitled to vote thereat at least five (5) days before such meeting, unless a greater period of notice is required by statute in a particular case.

8. CERTIFIED LIST OF SHAREHOLDERS.

The Secretary or Transfer Agent of the Corporation shall make, at least five (5) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order with the address of and the number of shares held by each. The list shall be kept on file at the registered office of the Corporation, and shall be subject to inspection by any shareholder at any time during usual business hours, and shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any shareholder during the whole time of the meeting.

ARTICLE IV - DIRECTORS

1. BOARD OF DIRECTORS.

The business and affairs of the Corporation shall be managed by a Board of Directors, consisting of two (2) directors, or such other number as shall be prescribed from time to time by resolution of the Board. Directors shall be natural persons of full age and need not be residents of this Commonwealth or shareholders in the Corporation. They shall be elected by the shareholders, at the annual meeting of the shareholders of the Corporation, and each director shall be elected for the term of at least one (1) year, and until his successor shall be elected and shall qualify.

2. POWERS.

In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the shareholders.

3. MEETINGS OF THE BOARD.

The meetings of the Board of Directors may be held at such place within this Commonwealth, or elsewhere, as a majority of the directors may from time to time designate, or as may be designated in the notice calling the meeting.

Each newly elected Board of Directors may meet at such place and time as shall be fixed by the shareholders at the meeting at which such directors are elected and no notice shall be necessary to the newly elected directors in order legally to constitute the meeting, or they may meet at such place and time as may be fixed by the consent in writing of all the directors.

Regular meetings of the Board shall be held without notice at the registered office of the Corporation, or at such other time and place as shall be determined by the Board.

4. SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by the President on forty-eight (48) hours notice to each director, either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of two (2) or more directors.

5. QUORUM.

A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

6. VACANCIES.

Vacancies in the Board of Directors, including vacancies resulting from an

increase in the number of directors, shall be filled by a majority of the remaining members of the Board though less than a quorum, and each person so elected shall be a director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose and held prior thereto.

7. COMPENSATION OF DIRECTORS.

Directors shall be compensated either by a stated annual salary or by a fixed sum and expenses for attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

8. NATIONAL CATASTROPHE.

Notwithstanding any other provisions of law, the Articles or these By-Laws, during any emergency period following a national catastrophe, a majority of the surviving members (or the sole survivor) of the Board of Directors who have not been rendered incapable of acting because

of incapacity or the difficulty of communication or transportation to the place of meeting shall constitute a quorum for the sole purpose of electing directors to fill such emergency vacancies; and a majority of the directors present at such meeting may act to fill such vacancies. Directors so elected shall serve until such absent directors are able to attend meetings or until the shareholders act to elect directors for such purpose. During such an emergency period, if the Board is unable to or fails to meet, any action appropriate to the circumstances may be taken by such officers of the Corporation as may be present and able to do so.

9. PRESUMPTION OF ASSENT.

Minutes of each meeting of the Board shall be made available to each director at or before the next succeeding regular meeting. Every director shall be presumed to have assented to such minutes unless his objection thereto shall be made to the Secretary within ten (10) days after such regular meeting.

10. RESIGNATIONS.

Any director may resign by submitting to the President his resignation, which (unless otherwise specified therein) need not be accepted to make it effective and it shall be effective immediately upon its receipt by such officer.

11. REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual director may be removed from office at any time without assigning any cause, by the vote of shareholders entitled to cast at least a majority of the votes which all shareholders would be entitled to cast at any annual election, given at a special meeting of the shareholders called for that purpose. Unless the entire Board be removed, not more than one (1) director at a time may be removed by any one (1) vote of shareholders; and no individual director shall be removed in case the votes of a sufficient number of shares are cast against the resolution for his removal which if cumulatively voted at an annual election of the full Board would be sufficient to elect at least one (1) director.

ARTICLE V - OFFICERS

1. PRINCIPAL OFFICERS.

The principal officers of the Corporation shall be a Chairman of the Board (if the Board of Directors elects one), a President, one (1) or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice President.

2. ELECTION AND TERM OF OFFICE.

Any officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each

annual meeting of the Shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have qualified or until his death or until he shall resign or shall have been

removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

4. VACANCIES.

A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

5. CHAIRMAN OF THE BOARD.

The Chairman of the Board (if the Board of Directors has elected one) shall preside at all meetings of the Shareholders and of the Board of Directors and shall have such further and other authority, responsibility and duties as may be granted to or imposed upon him by the Board of Directors. In the absence of the President, the Chairman of the Board shall assume all authority, power, duties and responsibilities otherwise appointed to the President pursuant to Article V, Section 6, and all references to the President in these By-Laws shall be regarded as references to the Chairman of the Board, except where a contrary meaning is clearly required.

6. PRESIDENT.

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors and the Chairman of the Board, shall in general supervise and control all of the business and affairs of the Corporation. He shall, in the absence of the Chairman of the Board, preside at all meetings of the Shareholders and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors and Chairman of the Board, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or some other law to be otherwise signed or executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors and the Chairman of the Board from time to time. During the absence or disability of the Chairman of the Board the President shall exercise the functions of the Chairman of the Board of the Corporation. He shall have authority to sign all certificates, contracts and other instruments of the Corporation necessary or proper to be executed in the course of the Corporation's regular business or which shall be authorized by the Board of Directors and shall perform all such other duties as are incident to his office or are properly required of him by the Board of Directors or the Chairman of

the Board. He shall have the authority, subject to such rules, directions or orders, as may be prescribed by the Chairman of the Board or the Board of Directors, to appoint and terminate the appointment of such agents and employees of the Corporation as he shall deem necessary, to prescribe their power, duties and compensation and to delegate authority to them.

7. VICE PRESIDENT.

In the absence of the President or Chairman of the Board, in the event of their death or inability to act, the Vice President, or if there shall be more than one, the Vice Presidents, in the order determined by the Board of Directors, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President or Vice Presidents, as the case may be, shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

8. SECRETARY.

The Secretary shall: (a) keep the minutes of the Shareholders' and Board of Directors' meetings in one (1) or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each Shareholder; (e) sign with the President or a Vice President certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time

may be assigned to him by the President or by the Board of Directors.

9. TREASURER.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-Laws; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

10. SALARIES.

The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Corporation.

ARTICLE VI - ACTION BY CONSENT; MEETING BY TELEPHONE

1. ACTION BY CONSENT.

Any action which may be taken at a meeting of the shareholders, or at a meeting of the directors or members of the Executive Committee, may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the shareholders who would be entitled to vote at a meeting for such purpose, or by all of the directors or the members of the Executive Committee, as the case may be, and shall be filed with the Secretary of the Corporation.

2. MEETING BY TELEPHONE.

One or more directors or shareholders may participate in a meeting of the Board of Directors or a committee of the Board of Directors or of the shareholders by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute attendance at the meeting.

ARTICLE VII - CORPORATE RECORDS

1. RECORDS REQUIRED.

There shall be kept at the registered office of the Corporation an original or duplicate copy of the minutes of the shareholders and of the directors, and the original or a copy of the Corporation's By-Laws, including all amendments or alterations thereof to date, certified by the Secretary of the Corporation. An original or duplicate share transfer book shall also be kept at the registered office, or at the office of a transfer agent or registrar within this Commonwealth, giving the names of the shareholders in alphabetical order, and showing their respective addresses, the number and classes of shares held by each, the number and date of certificates issued for the shares, and the number and date of cancellation of every certificate surrendered for cancellation.

2. INSPECTION.

Every shareholder shall have a right to examine, in person or by his agent or attorney, at any reasonable time or times for any reasonable purpose, the share transfer book, books or records of account, and records of the proceedings of the shareholders and directors, and make extracts therefrom.

ARTICLE VIII - SHARES

1. CERTIFICATES.

The share certificates of the Corporation shall be numbered and registered in the share transfer books of the Corporation, as they are issued. They shall be signed by the President and

Secretary or Treasurer (in facsimile or otherwise, as permitted by law) and shall bear the corporate seal.

2. TRANSFERS OF SHARES.

Transfers of shares shall be made on the books of the Corporation upon surrender of the certificates therefor, duly endorsed, with signature or signatures guaranteed by a bank or stockbroker. No transfer shall be made inconsistent with the provisions of Article 8 of the Uniform Code approved April 6, 1953 (Act No. 1), as amended and supplemented.

3. CLOSING SHARE TRANSFER BOOKS OR FIXING RECORD DATE.

The Board of Directors may fix a time, not more than fifty (50) days prior to the date of any meeting of shareholders, or the date fixed for payment of any dividend or distribution, or the date fixed for the allotment of rights, or the date when any change or conversion or exchange of shares will be made or go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend or distribution or to receive any such allotment or rights, or to exercise the rights in respect to any change, conversion, or exchange of shares. In such cases, only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment or rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after any record date fixed as aforesaid. The Board of Directors may close the books of the Corporation against transfers of shares during the whole or any part of such period, and in such case written or printed notice thereof shall be mailed at least ten (10) days before the closing thereof to each shareholder of record at the address appearing on the records of the Corporation or supplied by him to the Corporation for the purpose of notice. While the share transfer books of the Corporation are closed, no transfer of shares shall be made thereon. If no record date is fixed for the determination of shareholders entitled to receive notice of and vote at a shareholders' meeting, transferees of shares which are transferred on the books of the Corporation within ten (10) days next preceding the date of such meeting shall not be entitled to notice of and vote at such meeting.

4. LOST CERTIFICATES.

Any person claiming the loss, destruction or mutilation of a share certificate may have a new certificate issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

ARTICLE IX - CORPORATE FINANCE

1. DIVIDENDS.

Subject to the provisions of the statutes and the Articles of Incorporation, the Board of Directors may declare and pay dividends upon the outstanding shares of the Corporation from time to time and to such extent as it deems advisable.

2. RESERVES.

Before payment of any dividend there may be set aside out of the net profits of the Corporation such sum or sums as the directors, from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for such other purpose as the directors shall think conducive to the interests of the Corporation, and the directors may abolish any such reserve in the manner in which it was created.

3. FINANCIAL REPORTS TO SHAREHOLDERS.

The Board of Directors shall have discretion to determine whether financial reports shall be sent to shareholders, what such reports shall contain, and whether they shall be audited or accompanied by the report of an independent or certified public accountant.

ARTICLE X - INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

1. INDEMNIFICATION.

The Corporation shall reimburse or indemnify each director, officer and employee of the Corporation (and of any other corporation which he served at the request of the Corporation) for or against all liabilities and expenses reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the name of this Corporation or such other corporation or otherwise), civil, criminal, administrative or investigative (hereinafter called "action"), in which he may become involved as a party or otherwise by reason of his being or having been such director, officer or employee or by reason of any action taken or not taken

in such capacity, whether or not he continues to be such at the time such liabilities or expenses are incurred and whether or not such action or omission to act occurred before or after the adoption of this By-Law, provided that (i) in respect of any action by or in the right of the Corporation or such other corporation, such person was not grossly negligent or guilty of misconduct to the Corporation or such other corporation, and (ii) in respect of all other actions such person acted in good faith in what he reasonably believed to be in the best interests of this Corporation or such other corporation, and in addition in any criminal action had no reasonable cause to believe that his conduct was unlawful.

As used in this By-Law, the term "liabilities and expenses" shall include but not be limited to counsel fees and expenses and amounts of judgments, fines or penalties against and amounts paid in settlement by, a director, officer or employee.

2. NON-EXCLUSIVITY.

The foregoing right of indemnification shall not be exclusive of other rights to which any such person may otherwise be entitled.

3. PENNSYLVANIA INDEMNIFICATION STATUTES.

All rights of indemnification authorized by the Pennsylvania Business Corporation Law or other applicable statutes, as from time to time amended, are hereby granted to the foregoing persons in addition to, and not in derogation of, the other provisions of this Article.

4. SURVIVAL.

All rights of indemnification set forth herein, in the event of the death of the person involved, shall extend to the legal representatives of his estate and to his heirs and beneficiaries.

ARTICLE XI - MISCELLANEOUS PROVISIONS

1. NOTICES.

Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof through the mail, or by telegram or telex, charges prepaid, to his address appearing on the books of the Corporation, or supplied by him to the Corporation for the purpose of notice. If the notice is sent by mail, telegram or telex, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or when transmitted to such person. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.

Any shareholder or director may waive in writing and at any time, any notice required to be given under the By-Laws. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where the express purpose of such attendance is to object to the transaction of any business because the meeting was not lawfully called or convened.

2. CHECKS.

All checks, demands for money and notes of the Corporation shall be signed by such officer or officers as the Board of Directors shall from time to time designate.

ARTICLE XII - AMENDMENTS

Except as otherwise specified in the Articles or these By-Laws, these By-Laws may be altered, amended and repealed, and new By-Laws may be adopted, by the vote of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast, or by the vote of a majority of the full Board of Directors of the Corporation, at any regular or special meeting. In each case, notice of the specific change proposed to be made must be given to the shareholders or to the directors, as the case may be, but in the case of a unanimous vote such notice shall be deemed to be waived.

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EXHIBIT 3.28

1149300
FILED
in the office of the Secretary
of State of the State of California
AUG 18 1983
MARCH FONG EU, Secretary of State
By Leslie Glenn

Deputy

ARTICLES OF INCORPORATION

OF

RADIO 1210, INC.

ONE: The name of this corporation is Radio 1210, Inc.

TWO: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE: The name and address in this state of the corporation's initial agent for service of process is:

Carl J. Auel
3108 Fulton Ave.
Sacramento, CA 95821

FOUR: This corporation is authorized to issue only one class of shares of stock which shall be designated common stock. The total number of shares it is authorized to issue is (100) one hundred.

FIVE: This corporation is a close corporation. All of the corporation's issued shares of all classes shall be held of record by not more than (10) ten persons.

SIX: The name and address of the person who is appointed to act as the initial director of this corporation is:

Name	Address
Carl J. Auel	3108 Fulton Ave. Sacramento, CA 95821

IN WITNESS WHEREOF, the undersigned, being all the persons named above as the initial director, has executed these Articles of Incorporation.

DATED: August 17, 1983 Carl J. Auel

Carl J. Auel

The undersigned, being all the persons named above as the initial directors, declare that they are the persons who executed the foregoing Articles of Incorporation, which execution is their act and deed.

DATED: August 17, 1983 Carl J. Auel

Carl J. Auel

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EXHIBIT 3.29

BYLAWS OF RADIO 1210, INC. A CALIFORNIA CORPORATION

ARTICLE I SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.
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Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.
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The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.
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A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.
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All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.
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Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder

appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (*i.e.*, to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.
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The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.
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Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.
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Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.
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Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.
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If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II

DIRECTORS; MANAGEMENT

Section 1. POWERS.
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Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.
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The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.
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Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.
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Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time,

the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.
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The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.
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Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special

meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.

Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least

forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Board of Directors may

be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.
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A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.
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Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.
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Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III

OFFICERS

Section 1. OFFICERS.
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The officers of the corporation shall consist of a president, vice-president, secretary, and chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.
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The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.
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The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.
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Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.
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A vacancy in any office because of death, resignation, removal,

disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.

In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.

The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.
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The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV

CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.
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The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the

records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.
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The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.
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The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.
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Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and

the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.
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The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
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A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.
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The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the

general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V

GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.
- ---------

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of

rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.
- ---------

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.
- ---------

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.
- ---------

A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of

the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.
- ---------

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.
- ---------

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.
- ---------

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses,

judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI

OFFICES

Section 1. PRINCIPAL OFFICES.

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII

AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.30

CERTIFICATE OF INCORPORATION
OF
SALEM COMMUNICATIONS CORPORATION

ARTICLE I

NAME OF CORPORATION

The name of this corporation is:

Salem Communications Corporation

The address of the registered office of the corporation in the State of Delaware is 32 Loockerman Square, Suite L-100, in the City of Dover, County of Kent, and the name of its registered agent at that address is The Prentice-Hall Corporation System, Inc.

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the corporation in the State of Delaware is 32 Loockerman Square, Suite L-100, in the City of Dover, County of Kent, and the name of its registered agent at that address is The Prentice-Hall Corporation System, Inc.

ARTICLE III

PURPOSE

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

AUTHORIZED CAPITAL STOCK

The corporation shall be authorized to issue one class of stock to be designated common stock; the total number of shares which the corporation shall have authority to issue is one thousand (1,000), $.01 par value per share.

ARTICLE V

INCORPORATOR

The name and mailing address of the incorporator of the corporation is:

Eric V. Halvorson

4880 Santa Rosa Road, Suite 300

Camarillo, California 93012

ARTICLE VI

BOARD POWER REGARDING BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to make, repeal, alter, amend and rescind the bylaws of the corporation.

ARTICLE VII

ELECTION OF DIRECTORS

Elections of directors need not be by written ballot unless the bylaws of the corporation shall so provide.

ARTICLE VIII

LIMITATION OF DIRECTOR LIABILITY

To the fullest extent permitted by the Delaware General Corporation Law as the same exists or may hereafter be amended, a director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended after the date of the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended from time to time. No repeal or modification of this Article VIII by the stockholders shall adversely affect any right or protection of a director of the corporation existing by virtue of this Article VIII at the time of such repeal or modification.

ARTICLE IX

CORPORATE POWER

The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

ARTICLE X

CREDITOR COMPROMISE OR ARRANGEMENT

Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the Delaware General Corporation Law, does hereby make and file this Certificate.

Dated: September 14, 1997

/s/ Eric H. Halvorson

ERIC H. HALVORSON

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EXHIBIT 3.31

SALEM COMMUNICATIONS CORPORATION

(a Delaware corporation)

BYLAWS

ARTICLE I

Offices

SECTION 1.01 Registered Office. The registered office of Salem Communications Corporation (hereinafter called the Corporation) in the State of Delaware shall be at 32 Loockerman Square, City of Dover, County of Kent, and the name of the registered agent in charge thereof shall be The Prentice-Hall Corporation System, Inc. until changed by resolution of the board of directors (hereinafter called the Board).

SECTION 1.02 Other Offices. The Corporation may also have an office or offices at such other place or places, either within or without the State of Delaware, as the Board may from time to time determine or as the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

SECTION 2.01 Annual Meetings. Annual meetings of the stockholders of the Corporation for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings shall be held on the first Wednesday in September of each year at 10:00 a.m. (or, should such day fall on a legal holiday, then the first day thereafter which is not a legal holiday) or at such time, date and place as shall be determined by resolution of the Board.

SECTION 2.02 Special Meetings. A special meeting of the stockholders for the transaction of any proper business may be called at any time by the Board or by the President.

SECTION 2.03 Place of Meetings. All meetings of the stockholders shall be held at such places, within or without the State of Delaware, as may from time to time be designated by the person or persons calling the respective meeting and specified in the respective notices or waivers of notice thereof.

SECTION 2.04 Notice of Meetings. Except as otherwise required by law, notice of each meeting of the stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting by delivering a typewritten or printed notice thereof to him personally, or by depositing such notice in the United States mail, in a postage prepaid envelope, directed to him at his post office address furnished by him to the Secretary of the Corporation for

such purpose or, if he shall not have furnished to the Secretary his address for such purpose, then at his post office address last known to the Secretary, or by transmitting a notice thereof to him at such address by telegraph, cable, or wireless. Except as otherwise expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Every notice of a meeting of the stockholders shall state the place, date and hour of the meeting, and, in the case of a special meeting, shall also state the purpose or purposes for which the meeting is called. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall have waived such notice and such notice shall be deemed waived by any stockholder who shall attend such meeting in person or by proxy, except as a stockholder who shall attend such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise expressly required by law, notice of any adjourned meeting of the stockholders need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken.

SECTION 2.05 Quorum. Except in the case of any meeting for the election of directors summarily ordered as provided by law, the holders of record of a majority in voting interest of the shares of stock of the Corporation entitled to be voted thereat, present in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of the stockholders of the Corporation or any adjournment thereof. In the absence of a quorum at any meeting or any adjournment thereof, a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat or, in the absence therefrom of all the stockholders, any officer entitled to preside at, or to act as secretary of, such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 2.06 Voting.

(a) Each stockholder shall, at each meeting of the stockholders, be entitled to vote in person or by proxy each share or fractional share of the stock of the Corporation having voting rights on the matter in question and which shall have been held by him and registered in his name on the books of the Corporation:

(i) on the date fixed pursuant to Section 6.05 of these Bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting, or

(ii) if no such record date shall have been so fixed, then (a) at the close of business on the day next preceding the day on which notice of the meeting shall be given or (b) if notice of the meeting shall be waived, at the close of business on the day next preceding the day on which the meeting shall be held.

(b) Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors in such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes. Persons holding stock of the Corporation in a fiduciary

capacity shall be entitled to vote such stock. Persons whose stock is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the Corporation he shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his proxy, may represent such stock and vote thereon. Stock having voting power standing of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants in common, tenants by entirety or otherwise, or with respect to which two or more persons have the same fiduciary relationship, shall be voted in accordance with the provisions of the General Corporation Law of the State of Delaware.

(c) Any such voting rights may be exercised by the stockholder entitled thereto in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date unless said proxy shall provide for a longer period. The attendance at any meeting of a stockholder who may theretofore have given a proxy shall not have the effect of revoking the same unless he shall in writing so notify the secretary of the meeting prior to the voting of the proxy. At any meeting of the stockholders all matters, except as otherwise provided in the Certificate of Incorporation, in these Bylaws or by law, shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat and thereon, a quorum being present. The vote at any meeting of the stockholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a vote by ballot each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and it shall state the number of shares voted.

SECTION 2.07 List of Stockholders. The Secretary of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 2.08 Judges. If at any meeting of the stockholders a vote by written ballot shall be taken on any question, the chairman of such meeting may appoint a judge or judges to act with respect to such vote. Each judge so appointed shall first subscribe an oath faithfully to execute the duties of a judge at such meeting with strict impartiality and according to the best of his ability. Such judges shall decide upon the qualification of the voters and shall report the number of shares represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and, when the voting is completed, shall ascertain and report the number of shares voted respectively for and against the question. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the Corporation. The judges need not be

stockholders of the Corporation, and any officer of the Corporation may be a judge on any question other than a vote for or against a proposal in which he shall have a material interest.

SECTION 2.09 Action Without Meeting. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

Board of Directors

SECTION 3.01 General Powers. The property, business and affairs of the Corporation shall be managed by the Board.

SECTION 3.02 Number and Term of Office. The number of directors shall be not less than one (1) or more than three (3), the exact number to be determined by resolution of the Board. Directors need not be stockholders.

Each of the directors of the Corporation shall hold office until his successor shall have been duly elected and shall qualify or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3.03 Election of Directors. The directors shall be elected annually by the stockholders of the Corporation and the persons receiving the greatest number of votes, up to the number of directors to be elected, shall be the directors.

SECTION 3.04 Resignations. Any director of the Corporation may resign at any time by giving written notice to the Board or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time be not specified, it shall take effect immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.05 Vacancies. Except as otherwise provided in the Certificate of Incorporation, any vacancy in the Board, whether because of death, resignation, disqualification, an increase in the number of directors, or any other cause, may be filled by vote of the majority of the remaining directors, although less than a quorum. Each director so chosen to fill a vacancy shall hold office until his successor shall have been elected and shall qualify or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3.06 Place of Meeting, Etc. The Board may hold any of its meetings at such place or places within or without the State of Delaware as the Board may from time to time by resolution designate or as shall be designated by the person or persons calling the meeting

or in the notice or a waiver of notice of any such meeting. Directors may participate in any regular or special meeting of the Board by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting of the Board can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 3.07 First Meeting. The Board shall meet as soon as practicable after each annual election of directors and notice of such first meeting shall not be required.

SECTION 3.08 Regular Meetings. Regular meetings of the Board nay be held at such times as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting shall be held at the same hour and place on the next succeeding business day not a legal holiday. Except as provided by law, notice of regular meetings need not be given.

SECTION 3.09 Special Meetings. Special meetings of the Board shall be held whenever called by the President or a majority of the authorized number of directors. Except as otherwise provided by law or by these Bylaws, notice of the time and place of each such special meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph or cable or be delivered personally not less than forty-eight (48) hours before the time at which the meeting is to be held. Except where otherwise required by law or by these Bylaws, notice of the purpose of a special meeting need not be given. Notice of any meeting of the Board shall not be required to be given to any director who is present at such meeting, except a director who shall attend such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 3.10 Quorum and Manner of Acting. Except as otherwise provided in these Bylaws or by law, the presence of a majority of the authorized number of directors shall be required to constitute a quorum for the transaction of business at any meeting of the Board, and all matters shall be decided at any such meeting, a quorum being present, by the affirmative votes of a majority of the directors present. In the absence of a quorum, a majority of directors present at any meeting may adjourn the same from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. The directors shall act only as a Board, and the individual directors shall have no power as such.

SECTION 3.11 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

SECTION 3.12 Removal of Directors. Subject to the provisions of the Certificate of Incorporation, any director may be removed at any time, either with or without

cause, by the affirmative vote of the stockholders having a majority of the voting power of the Corporation given at a special meeting of the stockholders called for the purpose.

SECTION 3.13 Compensation. The directors shall receive only such compensation for their services as directors as may be allowed by resolution of the Board. The Board may also provide that the Corporation shall reimburse each such director for any expense incurred by him on account of his attendance at any meetings of the Board or Committees of the Board. Neither the payment of such compensation nor the reimbursement of such expenses shall be construed to preclude any director from serving the Corporation or its subsidiaries in any other capacity and receiving compensation therefor.

SECTION 3.14 Committees. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board and except as otherwise limited by law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Any such committee shall keep written minutes of its meetings and report the same to the Board at the next regular meeting of the Board. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

ARTICLE IV

Officers

SECTION 4.01 Number. The officers of the Corporation shall be a President, a Secretary and a Chief Financial Officer, and such other officers, including a chairman of the board, as may be designated by the board of directors.

SECTION 4.02 Election, Term of Office and Qualifications. The officers of the Corporation, except such officers as may be appointed in accordance with Section 4.03, shall be elected annually by the Board at the first meeting thereof held after the election thereof. Each officer shall hold office until his successor shall have been duly chosen and shall qualify or until his resignation or removal in the manner hereinafter provided.

SECTION 4.03 Assistants, Agents and Employees, Etc. In addition to the officers specified in Section 4.01, the Board may appoint other assistants, agents and employees as it may deem necessary or advisable, including one or more Assistant Secretaries, and one or more Assistant Chief Financial Officer, and such other officers, including a chairman of the board, as may be designated by the board of directors, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. The Board may delegate to any officer of the Corporation or any committee of the Board the power to appoint, remove and prescribe the duties of any such assistants, agents or employees.

SECTION 4.04 Removal. Any officer, assistant, agent or employee of the Corporation may be removed, with or without cause, at any time: (i) in the case of an officer, assistant, agent or employee appointed by the Board, only by resolution of the Board; and (ii) in the case of an officer, assistant, agent or employee, by any officer of the Corporation or committee of the Board upon whom or which such power of removal may be conferred by the Board.

SECTION 4.05 Resignations. Any officer or assistant may resign at any time by giving written notice of his resignation to the Board or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; or, if the time be not specified, upon receipt thereof by the Board or the Secretary, as the case may be; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.06 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or other cause, may be filled for the unexpired portion of the term thereof in the manner prescribed in these Bylaws for regular appointments or elections to such office.

SECTION 4.07 The President. The President of the Corporation shall be the chief executive officer of the Corporation and shall have, subject to the control of the Board, general and active supervision and management over the business of the Corporation and over its several officers, assistants, agents and employees.

SECTION 4.08 The Chairman of the Board. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned by the Board or prescribed by the Bylaws.

SECTION 4.09 The Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board may from time to time prescribe. At the request of the President, or in case of the President's absence or inability to act upon the request of the Board, a Vice President shall perform the duties of the President and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 4.10 The Secretary. The Secretary shall, if present, record the proceedings of all meetings of the Board, of the stockholders, and of all committees of which a secretary shall not have been appointed in one or more books provided for that purpose; he shall see that all notices are duly given in accordance with these Bylaws and as required by law; he shall be custodian of the seal of the Corporation and shall affix and attest the seal to all documents to be executed on behalf of the Corporation under its seal; and, in general, he shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the Board.

SECTION 4.11 The Chief Financial Officer. The Chief Financial Officer shall have the general care and custody of the funds and securities of the Corporation, and shall deposit

all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board. He shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever. He shall exercise general supervision over expenditures and disbursements made by officers, agents and employees of the Corporation and the preparation of such records and reports in connection therewith as may be necessary or desirable. He shall, in general, perform all other duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him by the Board.

SECTION 4.12 Compensation. The compensation of the officers of the Corporation shall be fixed from time to time by the Board. None of such officers shall be prevented from receiving such compensation by reason of the fact that he is also a director of the Corporation. Nothing contained herein shall preclude any officer from serving the Corporation, or any subsidiary corporation, in any other capacity and receiving such compensation by reason of the fact that he is also a director of the Corporation. Nothing contained herein shall preclude any officer from serving the Corporation, or any subsidiary corporation, in any other capacity and receiving proper compensation therefor.

ARTICLE V

Contracts, Checks, Drafts, Bank Accounts, Etc.

SECTION 5.01 Execution of Contracts. The Board, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board or by these Bylaws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

SECTION 5.02 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board. Each such officer, assistant, agent or attorney shall give such bond, if any, as the Board may require.

SECTION 5.03 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select, or as may be selected by any officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation to whom such power shall have been delegated by the Board. For the purpose of deposit and for the purpose of collection for the account of the Corporation, the President, any Vice President or the Treasurer (or any other officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation who shall from time to time be determined by the Board) may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

SECTION 5.04 General and Special Bank Accounts. The Board may from

time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositories as the Board may select or as may be selected by any officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation to whom such power shall have been delegated by the Board. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these Bylaws, as it may deem expedient.

ARTICLE VI

Shares and Their Transfer

SECTION 6.01 Certificates for Stock. Every owner of stock of the Corporation shall be entitled to have a certificate or certificates, to be in such form as the Board shall prescribe, certifying the number and class of shares of the stock of the Corporation owned by him. The certificates representing shares of such stock shall be numbered in the order in which they shall be issued and shall be signed in the name of the Corporation by the President or a Vice President, and by the Secretary or an Assistant Secretary or by the Treasurer or an Assistant Treasurer. Any of or all of the signatures on the certificates may be a facsimile. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, any such certificate, shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may nevertheless be issued by the Corporation with the same effect as though the person who signed such certificate, or whose facsimile signature shall have been placed thereupon, were such officer, transfer agent or registrar at the date of issue. A record shall be kept of the respective names of the persons, firms or corporations owning the stock represented by such certificates, the number and class of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation. Every certificate surrendered to the Corporation for exchange or transfer shall be cancelled, and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so cancelled, except in cases provided for in Section 6.04.

SECTION 6.02 Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, or with a transfer clerk or a transfer agent appointed as provided in Section 6.03, and upon surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation. Whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact shall be so expressed in the entry of transfer if, when the certificate or certificates shall be presented to the Corporation for transfer, both the transferor and the transferee request the Corporation to do so.

SECTION 6.03 Regulations. The Board may make such rules and regulations as it may deem expedient, not inconsistent with these Bylaws, concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates for stock to bear the signature or signatures of any of them.

SECTION 6.04 Lost, Stolen, Destroyed, and Mutilated Certificates. In any case of loss, theft, destruction, or mutilation of any certificate of stock, another may be issued in its place upon proof of such loss, theft, destruction, or mutilation and upon the giving of a bond of indemnity to the Corporation in such form and in such sum as the Board may direct; provided, however, that a new certificate may be issued without requiring any bond when, in the judgment of the Board, it is proper so to do.

SECTION 6.05 Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or Allotment of any rights, or entitled to exercise any rights in respect of any other change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. If in any case involving the determination of stockholders for any purpose other than notice of or voting at a meeting of stockholders or expressing consent to corporate action without a meeting the Board shall not fix such a record date, the record date for determining stockholders for such purpose shall be the close of business on the day on which the Board shall adopt the resolution relating thereto. A determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however,

that the Board may fix a new record date for the adjourned meeting.

ARTICLE VII

Indemnification

SECTION 7.01 Action, Etc. Other than by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to

believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

SECTION 7.02 Actions, Etc., by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 7.03 Determination of Right of Indemnification. Any indemnification under Section 7.01 or 7.02 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 7.01 and 7.02. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

SECTION 7.04 Indemnification Against Expenses of Successful Party. Notwithstanding the other provisions of this Article, to the extent that a director, officer, employee or Agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.01 or 7.02, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 7.05 Prepaid Expenses. Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such

amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.

SECTION 7.06 Other Rights and Remedies. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7.07 Insurance. Upon resolution passed by the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

SECTION 7.08 Constituent Corporations. For the purposes of this Article, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

SECTION 7.09 Other Enterprises, Fines, and Serving at Corporation's Request. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article.

ARTICLE VIII

Miscellaneous

SECTION 8.01 Seal. The Board shall provide for a corporate seal, which shall be in the form as adopted by the Board, shall bear the name of the Corporation and words and figures showing that the Corporation was incorporated in the State of Delaware and the year of incorporation.

SECTION 8.02 Waiver of Notices. Whenever notice is required to be given by these Bylaws or the Certificate of Incorporation or by law, the person entitled to said notice may waive such notice in writing, either before or after the time stated therein, and such waiver shall be deemed equivalent to notice.

SECTION 8.03 Amendments. These Bylaws, or any of them, may be altered, amended or repealed, and new Bylaws may be made, (i) by the Board, by vote of a majority of the number of directors then in office as directors, acting at any meeting of the Board, or (ii) by the stockholders, at any annual meeting of stockholders, without previous notice, or at any special meeting of stockholders, provided that notice of such proposed amendment, modification, repeal or adoption is given in the notice of special meeting. Any Bylaws made or altered by the stockholders may be altered or repealed by either the Board or the stockholders.

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EXHIBIT 3.32

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A590164

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	SALEM MEDIA CORPORATION	
		STATE OF __________ DEPARTMENT OF ________ FILED JUL 12 1979 AMT OF CHECK $ 103.50 FILING FEE $ .50 TAX $ .50 COPY $___________________ CERT $___________________ REFUND $_________________ BY:______________________ /s/ P. Owens
	Miller & Fields 1901 Pennsylvania Ave. NW Washington, D.C. 20006	

</TABLE>

CERTIFICATE OF INCORPORATION

OF SALEM MEDIA CORPORATION

Under Section 402 of the Business Corporation Law

THIS IS TO CERTIFY

FIRST: The name of the corporation is SALEM MEDIA CORPORATION.

SECOND: The purposes for which the corporation is formed and the business or object to be carried on and promoted by it are as follows:

(1) To engage in the business of commercial broadcasting by means of radio and/or television broadcasting machines or any other devices, machinery, or equipment whatsoever. To own, sell, hold, lease, equip, maintain and operate broadcasting and receiving stations and any connections between such stations; to transmit, send, and broadcast via radio waves and/or cables, news, talks, speeches, lectures, music, programs, reports, signals advertising, and all matter and things of any kind, nature and description whatsoever.

(2) To engage in any other legal trade or business in connection with or auxiliary to broadcasting.

THIRD: The powers of the corporation are as follows:

(1) To purchase or otherwise acquire, hold, own, mortgage, sell, convey, exchange, option, subdivide, or otherwise dispose of real and personal property of every class and description and any estate or interest therein, including leaseholds for any term, in any of the states, districts, territories, or colonies of the United States, and in any and all foreign countries, subject to the laws of such state, district, territory, colony or country.

(2) To issue both preferred and common stock, and accept payment of subscription therefor in such installments, in such manner, on such terms, in money or in property, real or personal, or both as shall be determined by the managing stockholders.

(3) To borrow or raise money for any of the purposes of the corporation, and to issue bonds, debentures, notes or other obligations of any nature and in any manner permitted by law, for money so borrowed or, in payment for stock and property purchased or for any other lawful consideration, and to assure the payment thereof and the interest thereon, by mortgage upon or pledge or conveyance or assignment in trust of the whole or any part of the property of the corporation, real or personal, including the contract rights, whether at the time owned or thereafter acquired; and to sell, pledge, discount or otherwise dispose of such bonds, notes or obligations of the corporation for its corporate purposes.

(4) To perform any and all lawful activities.

FOURTH: The office of the corporation is to be located in New York City, Borough of Queens, New York.

FIFTH: The Secretary of State of the State of New York is designated as the agent of the corporation upon whom process may be served. A copy of the process may be mailed to Michael Riccardella, the corporation's registered agent, at 144-52 25th Drive, Flushing, New York 11354.

SIXTH: The total number of shares of authorized common stock of the corporation shall be one hundred thousand (100,000) shares of $1 par value; each such share of stock to represent (1) vote.

SEVENTH: The duration of the corporation shall be perpetual.

EIGHTH: The accounting period which the corporation _______ to establish as its first calendar or fiscal year for reporting the franchise tax on business

corporations imposed by Article __ of the tax law shall be from January 1 to December 31 of each year.

IN WITNESS WHEREOF, and as a natural person over the age of eighteen years, I have signed these Articles of Incorporation as the incorporator on this 29th day of June, 1979.

/s/ Jerrold D. Miller
JERROLD D. MILLER
Washington D.C. 20114

DISTRICT OF COLUMBIA)
City of Washington) ss.

On this 29th day of June, 1979, before me personally appeared Jerrold D. Miller, to me known to be the person described in and who executed the foregoing instrument and duly acknowledged to me that he executed the same.

/s/ (Signature)
NOTARY PUBLIC

My commission expires: MY COMMISSION EXPIRES ON SEPTEMBER 14, 1983

State of New York)
) 31050
Department of State)

I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.

Witness my hand and seal of the Department of State on JUL 12 1979

/s/ Basil G. Paterson
Secretary of State

G020-504(12/78)
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EXHIBIT 3.33

BY-LAWS OF SALEM MEDIA CORPORATION

ARTICLE I

Name and Location

SECTION 1: The name of this corporation shall be:
SALEM MEDIA CORPORATION

SECTION 2: Offices for the transaction of business shall be located at such places either within or without the State of New York as the Board of Directors may from time to time determine.

ARTICLE II

Capital Stock

SECTION 1: The amount of the capital stock shall be:
One Hundred Thousand (100,000) shares at One Dollar ($1.00) par value.

SECTION 2: All certificates of stock shall be signed by the President or

Vice President and Secretary or an Assistant Secretary, and shall be sealed with the corporate seal.

SECTION 3: Treasury stock shall be held by the corporation subject to the disposal of the Board of Directors, and shall neither vote nor participate in dividends.

SECTION 4: The corporation shall have a first lien on all the shares of its capital stock and upon all dividends declared upon the same for any indebtedness of the respective holders thereof to the corporation.

SECTION 5: Transfers of stock shall be made only on the books of the corporation; and the old certificate, properly endorsed, shall be surrendered and cancelled before a new certificate is issued. The stock books of the corporation shall be closed against transfers for a

period of thirty (30) days before the date of payment of a dividend and for fifteen (15) days before each annual meeting of the stockholders.

SECTION 6: In case of loss or destruction of a certificate of stock, no new certificate shall be issued in lieu thereof except upon satisfactory proof to the Board of Directors of such loss or destruction; and upon the giving of satisfactory security, by bond or otherwise, against loss to the corporation. Any such new certificate shall be plainly marked "duplicate" upon its face.

ARTICLE III

Stockholders

SECTION 1: An annual meeting of the stockholders shall be held at 10:00 o'clock in the forenoon on the 1st day of July, in each year at the principal office of the corporation or at such other place, either within or without the State of New York, as may be prescribed in the notice of such meeting; provided, however, that whenever such day shall fall upon Sunday or a legal holiday, that meeting shall be held on the next succeeding business day. At such meeting, the stockholders shall elect directors to serve until their successors shall be elected and qualified.

SECTION 2: Any special meeting of the stockholders, to be held at the place designated in the notice thereof, may be called at any time by the President, and in his absence, by a Vice President, or by a majority of the Directors. It shall be the duty of the Directors, the President or a Vice President to call such a meeting whenever so requested by stockholders holding 51% or more of the capital stock.

SECTION 3: Notice of the time and place of all annual and special meetings shall be mailed by the Secretary to each stockholder not less than ten (10) nor more than sixty (60) days before the date thereof.

SECTION 4: Annual or special meetings of the stockholders may be held at any time and at any place, within or without the State of New York, when stockholders who hold four-

fifths (4/5ths) of the stock having the right to vote shall be present at such meeting, however called or notified, and shall sign a written consent thereto, on the recording of the meeting. The acts of any such meeting shall be as valid as if legally called and notified.

SECTION 5: At every such meeting, each stockholder shall be entitled to cast one vote for each share of stock held in his name; which vote may be cast by him either in person or by proxy. All proxies must be in writing, shall be filed with the Secretary and by him entered or recorded in the minutes of the meeting.

SECTION 6: A quorum for the transaction of business at any stockholder's meeting shall consist of a number of members representing a majority of shares of voting stock issued and outstanding; and the stockholders present at any meeting, though less than a quorum, may adjourn the meeting to a future time.

SECTION 7: The stockholders shall have power, by a majority vote at any such meeting, to transact any business of the corporation, and such majority shall have power also to remove any directors or officers.

ARTICLE IV

Directors

SECTION 1: The business and property of the corporation shall be managed by a Board of not less than one (1) nor more than seven (7) directors, who shall be elected by the Stockholders.

SECTION 2: An annual meeting of the Directors may be held in the principal office of the corporation immediately after the adjournment of each annual stockholders' meeting; provided that if the annual stockholders' meeting shall be held in any place other than the principal office of the corporation, then the annual meeting of the directors may likewise be held at such place.

SECTION 3: Special meetings of the Board of Directors shall be held in the principal office of the corporation or such other place or places, within or without the State of New York, as a majority of the Directors shall, from time to time, designate. By a consent of a majority of the Directors of the Board of Directors, annual and special meetings of the Board may be held without notice at any time and place.

SECTION 4: Notice of all annual and special meetings, except those specified in the second sentence of Section 3 of this Article, shall be mailed to each Director, by the Secretary, at least five (5) days previous to the time fixed for the meeting. All notices of special meetings shall state the

SECTION 5: A majority of the Board of Directors for the transaction of business at an annual or special meeting of the Directors shall be necessary to constitute a quorum and the act of a majority of the Directors present at any such meeting, at which a quorum is present, shall be the act of the Board of Directors.

SECTION 6: The Directors shall elect the officers of the corporation and fix their salaries. Such election may be held at the Directors' meeting following each annual stockholders' meeting. An officer may be removed at any time by a majority vote of the directors.

SECTION 7: Vacancies in the Board of Directors may be filled by the remaining Directors at any regular or special Directors' meeting.

SECTION 8: The Board of Directors may, by resolution, designate two or more of their number to constitute an executive committee, who, to the extent provided in such resolution, shall have and may exercise the power of the Board of Directors in the management of the affairs and property of the corporation and the exercise of its corporate powers.

SECTION 9: At each annual stockholders' meeting the directors shall submit a statement of the business done during the preceding year together with a report of the general financial condition of the corporation.

ARTICLE V

Officers

SECTION 1: The corporation shall have a President, a Secretary and a Treasurer. They shall be chosen by the Board of Directors and shall hold their offices until their successors are chosen and qualified. The corporation may also have one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers, agents and factors as may be deemed necessary. Any person may hold two or more offices except the President shall not be also the Secretary or an Assistant Secretary of the corporation. The President must also be a Director but need not be a stockholder. It shall not

be necessary for any other officer, agent or factor to be either a stockholder or director.

SECTION 2: The President, or in his absence, a Vice President, or a director of the corporation, shall preside at all Directors' and stockholders' meetings. The President shall have general supervision over the affairs of the corporation and over the other officers; shall sign all stock certificates and written contracts of the corporation; and shall perform all such other duties as are incident to this office. In case of the absence of the President or the disability of the President, his duties shall be performed by a Vice President.

SECTION 3: The Secretary shall issue notices of all Directors' and stockholders' meetings, and shall attend and keep the minutes of the same. He shall have charge of all corporate books, records and papers; shall be custodian of the corporate seal; shall keep all stock certificates and written contracts of the corporation, and shall perform all such other duties as are incident to his office. In the case of the absence or disability of the Secretary, his duties shall be performed by an Assistant Secretary.

SECTION 4: The Treasurer shall have custody of all money and securities of the corporation, and shall give bond in such sum with such security as the Directors may require conditioned upon faithful performance of the duties of his office. He shall keep regular books of account and shall submit them together with all his vouchers, receipts, records and other papers to

the Directors for their examination and approval as often as they may require; and he shall perform all such other duties as are incident to his office. In case of the absence or disability of the Treasurer, his duties shall be performed by an Assistant Treasurer.

ARTICLE VI

Directors and Finance

SECTION 1: Dividends, to be paid out of the surplus earnings of the corporation, may be declared from time to time by resolution of the Board of Directors; but no dividends shall be paid that will impair the capital of the corporation.

SECTION 2: The funds of the corporation shall be deposited intact in such banks or trust companies as the Directors shall from time to time designate and any such funds so deposited shall be withdrawn only upon check or order signed in the manner prescribed by resolution of the Board of Directors.

ARTICLE VII

Enactment, Repeal or Amendment of By-Laws

SECTION 1: By-Laws of the corporation shall be enacted, repealed or amended by a vote of a majority of all of the Directors at any annual or special meeting.

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EXHIBIT 3.34.01

ARTICLES OF INCORPORATION

OF

JOHN BROWN SCHOOLS OF CALIFORNIA, INC.

ARTICLE I

The name of this corporation is John Brown Schools of California, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

This corporation is authorized to issue only one class of shares of stock which shall be designated Common Stock; and the total number of shares which this corporation is authorized to issue is one (1).

Upon the completion of the foregoing business, and upon a motion duly made, seconded and carried, the meeting adjourned.

Dated: October 30, 1986

/s/ E. William George

E. William George

Secretary

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EXHIBIT 3.34.02

227670

ENDORSED
FILED
in the office of the Secretary of State
of the State of California

SEP 29 1986

MARCH FONG EU, Secretary of State

CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
JOHN BROWN SCHOOLS OF CALIFORNIA, INC.

John E. Brown, Jr. and E. William George, III certify that:

1. They are the president and secretary, respectively, of John Brown Schools of California, Inc., a California nonprofit public benefit corporation.

2. Desiring to change the status of the corporation to that of a California business corporation, the directors, by the required vote, have approved the necessary changes to the articles of incorporation, so that the articles as amended read in full as follows:

ARTICLES OF INCORPORATION

OF

JOHN BROWN SCHOOLS OF CALIFORNIA, INC.

ARTICLE I

The name of this corporation is John Brown Schools of California, Inc.

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of

California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

This corporation is authorized to issue only one class of shares of stock which shall be designated Common Stock; and the total number of shares which this corporation is authorized to issue is one (1).

3. The directors are the corporation's only members.

4. This change of status to a business corporation has been approved by the Attorney General, and a copy of the approval is attached to this certificate.

John E. Brown, Jr.

John E. Brown, Jr., President

E. William George

E. William George, Secretary

Verifications

The undersigned declares under penalty of perjury under the laws of the State of California that the statements contained in the foregoing certificate are true and correct of his own knowledge, and that this declaration was executed on September ___, 1986 at Siloam Springs, Arkansas.

John E. Brown, Jr.

John E. Brown, Jr., President

The undersigned declares under penalty of perjury under the laws of the State of California that the statements con-

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EXHIBIT 3.34.03

ENDORSED
FILED
in the office of the Secretary of State
of the State of California

JAN 15 1987

MARCH FONG EU, Secretary of State

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
JOHN BROWN SCHOOLS OF CALIFORNIA, INC.
a California corporation

Edward G. Atsinger III and Eric H. Halvorson certify that:

1. They are the duly elected and acting President and Secretary, respectively, of said corporation.

2. The Articles of Incorporation of said corporation shall be amended by revising Article 1 to read as follows: The name of this corporation is Salem Media of California, Inc.

3. The foregoing amendment has been approved by the Board of Directors of said corporation.

4. The foregoing amendment was approved by the required vote of the shareholders of said corporation in accordance with Section 902 of the California General Corporation Law; the total number of outstanding shares of each class entitled to vote with respect to the foregoing amendment was one (1)

common share; and the number of shares voted in favor of the foregoing amendment exceed the vote required, such required vote being a majority of the outstanding shares of Common Stock.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on January 6, 1987.

Edward G. Atsinger III

Edward G. Atsinger III, President

Eric H. Halvorson

Eric H. Halvorson, Secretary

Each of the undersigned declares under penalty of perjury that the statements in the above Certificate are true of his own knowledge and that this Declaration was executed on January 6, 1987, at Camarillo, California.

Edward G. Atsinger III

Edward G. Atsinger III

Eric H. Halvorson

Eric H. Halvorson

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EXHIBIT 3.35

adopted 12/30/86

BYLAWS OF

SALEM MEDIA OF CALIFORNIA, INC.

A CALIFORNIA CORPORATION

ARTICLE I

SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.

The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.

A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons

calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.
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All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.
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Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.
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The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.
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Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (*i.e.*, to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.

The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all

shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.
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Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy,

and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.

Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II
DIRECTORS; MANAGEMENT

Section 1. POWERS.

Subject to the limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.

The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or

written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.
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The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.
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Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.
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Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.
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Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.
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Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by

telephone or to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous

vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III
OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a president, vice-president, secretary and a chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.
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The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.
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The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform

such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.
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Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.
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A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.
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The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.
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Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.
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In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.
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The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.
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The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.
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The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV
CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.
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The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual

business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.
- ---------

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.
- ---------

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.
- ---------

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.
- ---------

The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
- ---------

A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that

period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.
- ---------

The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and

ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V
GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.
- ---------

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.
- ---------

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.
- ---------

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.
- ---------

A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of the board or the president or vice-president

and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.
- ---------

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.
- ---------

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.
- ---------

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a

predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.
- ---------

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI
OFFICES

Section 1. PRINCIPAL OFFICES.
- ---------

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.
- ---------

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII
AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.
- ---------

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.
- ---------

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 3.36

ARTICLES OF INCORPORATION
OF
SALEM MEDIA OF COLORADO, INC.

FIRST: The name of the corporation is Salem Media of Colorado, Inc. ("Corporation").

SECOND: The address of the registered office of the Corporation in the State of Colorado is 1535 Grant Street, Suite 140, Denver, Colorado 80203-1843 and the name of its registered agent at that address is Search Company International.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the laws of the state of Colorado. In furtherance of the foregoing purposes, the Corporation shall have and may exercise all of the rights, powers and privileges now or hereafter conferred upon corporations organized under the laws of the State of Colorado. In addition, it may do everything necessary, suitable or proper for the accomplishment of any of its corporate purposes.

FOURTH: The Corporation shall be authorized to issue one class of stock designated "Common Stock." The total number of shares which the Corporation shall have authority to issue is 1,000, each having no par value.

Each shareholder of record shall have one vote for each share of stock which is outstanding in his or her name on the books of the Corporation and which is entitled to vote. In the election of directors each shareholder shall be entitled to cast for any one candidate no greater number of votes than the number of shares held by such shareholder; no shareholder shall be entitled to cumulate votes on behalf of any candidate.

No shareholder of the Corporation shall have any preemptive or similar right to acquire any additional unissued or treasury shares of stock, or other securities of any class, or any rights, warrants or options to purchase stock, or securities of any kind convertible into stock or bearing stock purchase warrants or privileges.

The Board of Directors of the Corporation (the "Board") may from time to time distribute to the shareholders in partial liquidation, or out of stated capital or capital surplus of the Corporation, a portion of its assets, in cash or property, subject to the limitations contained in the statutes of Colorado.

The Corporation shall have the right to impose restrictions on the transfer of shares of the Corporation.

A quorum for shareholder meetings will consist of a majority of the shares issued and outstanding and entitled to vote at the meeting.

When a quorum is present, and notwithstanding that the applicable statute requires a vote of two-thirds of the shares entitled to vote to take action, the affirmative vote of a majority of the shares issued and outstanding and entitled to vote on the subject matter shall be the act of the shareholders.

FIFTH: The name and mailing address of the incorporator of the Corporation is:

Search Company International
1535 Grant Street, Suite 140
Denver, CO 80203-1843

SIXTH: The number of directors shall be no less than two and no greater than five, except that there need be only as many directors as there are shareholders if the outstanding shares are held of record by fewer than three persons. The term of office of each director shall be until the next annual meeting of the shareholders and thereafter until his or her successor is elected and qualified

The initial Board shall consist of two persons who shall serve until their successors are elected and qualified. The beginnings of the terms of office of the directors shall be contemporaneous. The names and addresses of the initial directors are:

Edward G. Atsinger, III 4880 Santa Rosa Road
Suite 300
Camarillo, CA 83012

Stuart Epperson 4880 Santa Rosa Road
Suite 300
Camarillo, CA 83012

SEVENTH: In furtherance and not in limitation of the powers conferred by statute, the Board is expressly authorized to make, repeal, alter, amend and rescind the Bylaws of the Corporation.

EIGHTH: Elections of the directors may be by written ballot if the Board so determines.

NINTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on shareholders herein are granted subject to this reservation.

TENTH: No contract or transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for that reason or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorizes, approves, or ratifies the contract or transaction or solely because his or their votes are counted for such purpose if the contract or transaction was fair as to the Corporation.

ELEVENTH: The Corporation is authorized to eliminate or limit the personal liability of its directors in accordance with and subject to the limitations of the terms of Colorado Revised Statutes (S) 7-3-101(1)(u) as follows: No director shall be personally liable to the Corporation or its shareholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing, a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Corporation or its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for acts specified in Section 7-5-114 of the Colorado Corporation Code, or (iv) for any transaction from which the director derived an improper personal benefit. If the Colorado Corporation Code is amended after the effective date of this Eleventh Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director will be eliminated or limited to the fullest extent permitted by the Colorado Corporation Code, as so amended. Any repeal or modification of this Eleventh Article by the shareholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

TWELFTH: The Corporation is authorized to provide indemnification of its directors, officers, employees and agents in accordance with and subject to the limitations of the terms of Colorado Revised Statutes (S) 7-3-101.5. Such indemnification may be provided pursuant to the Corporation's Bylaws, by vote of the shareholders or of disinterested directors, by agreement or otherwise.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation to do business both within and without the State of Colorado, and pursuant to the Colorado Corporation Code, does make and file these Articles of Incorporation.

Name: Robert A. as President for Search Company International

---

Incorporator

Date: 8/10/93

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RECEIVED

STATE OF

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8/11/93

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FEE $50.00

SUBMIT ORIGINAL OCR AND
ONE COPY PROFIT CORPORATION
NAME AND PRINCIPAL ADDRESS

CORP OCR

ARTICLES OF INCORPORATION

NAME Salem Media of Colorado, Inc.

STREET 1535 Grant Street, Suite 140 CITY Denver STATE CO ZIP 80203

THIS DOCUMENT MUST BE TYPED IN BLACK

SECRETARY OF STATE - 1560 BROADWAY #200, DENVER, CO 80202
(303) 894-2200 EXT 2

CUMULATIVE VOTING SHARES OF STOCK IS AUTHORIZED. YES [ ] NO [X] IF DURATION IS LESS THAN PERPETUAL ENTER NUMBER OF YEARS

THERE ARE PROVISIONS LIMITING OR DENYING TO SHAREHOLDERS THE PREEMPTIVE RIGHT TO ACQUIRE ADDITIONAL OR TREASURY SHARES OF THE CORPORATION YES [ ] NO [X] IF YES: state provisions on a separate 8 1/2x11 sheet of paper.

STOCK INFORMATION: (if additional space is needed, continue and separate 8 1/2x11 sheet of paper).

STOCK CLASS Common AUTHORIZED SHARES 1000 PAR VALUE no par

STOCK CLASS AUTHORIZED SHARES PAR VALUE

THE NAME OF THE INITIAL REGISTERED AGENT AND THE ADDRESS OF THE REGISTERED OFFICE IS: (corporations use LAST NAME space)

LAST NAME Search Company International FIRST & MIDDLE NAME

STREET 1535 Grant Street, Suite 140 CITY Denver STATE CO ZIP 80203-1843

DIRECTORS: HOW MANY DIRECTORS CONSTITUTE THE INITIAL BOARD OF DIRECTORS OF THE CORPORATION?

THE NAMES AND ADDRESSES OF THE PERSONS WHO ARE TO SERVE AS DIRECTORS UNTIL THE 1ST ANNUAL MEETING OF SHAREHOLDERS OR UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED ARE: (If more than three, continue on a 8 1/2 x 11 sheet of paper)

LAST NAME Atsinger FIRST & MIDDLE NAME Edward G., III

STREET 4880 Santa Rosa Road, Suite 300 CITY Camarillo STATE CA ZIP 93012

LAST NAME Epperson FIRST & MIDDLE NAME Stuart

STREET 4880 Santa Rosa Road, Suite 300 CITY Camarillo STATE CA ZIP 93012

LAST NAME FIRST & MIDDLE NAME

STREET CITY STATE ZIP

INCORPORATORS: NAMES AND ADDRESSES: (If more than two, continue on a separate 8 1/2x11 sheet of paper).

NAME	ADDRESS
x Search Company International	1535 Grant Street, Suite 140, Denver, CO 80203
x	

I/WE THE UNDERSIGNED PERSON(S) OF THE AGE OF 18 YEARS OR MORE, ACTING AS INCORPORATOR(S) OF A CORPORATION UNDER THE COLORADO CORPORATION CODE, ADOPT THE ABOVE ARTICLES OF INCORPORATION. THE CORPORATION IS ORGANIZED FOR ANY LAWFUL PURPOSE. A MORE SPECIFIC PURPOSE MAY BE STATED ON A SEPARATE 8 1/2x11 SHEET OF PAPER).

x Robert A. as President x

SIGNATURE SIGNATURE

for SEARCH COMPANY INTERNATIONAL

PLEASE READ REVERSE SIDE BEFORE COMPLETING

No.15.Rev.12-91. ARTICLES OF INCORPORATION (Profit)(OCR) Bradford Publishing, 1743 Wazee St., Denver, CO 80202 - (303)292-2599 - 12-91

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EXHIBIT 3.37

BYLAWS OF

SALEM MEDIA OF COLORADO, INC.

ARTICLE I
Offices

The principal office of SALEM MEDIA OF COLORADO, INC. (the "Corporation") shall be located in Denver, Colorado. The Corporation may have such other offices and places of business, either within or outside Colorado, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

The registered office of the Corporation is required by the Colorado Corporation Code to be maintained in Colorado. The registered office may be, but need not be, identical with the principal office if in Colorado, and the address of the registered office may be changed from time to time by the Board of Directors (the "Board").

ARTICLE II
Shareholders

Section 2.1. Application of Article II. So long as there is only one shareholder of the Corporation, Sections 2.5, 2.9 and 2.10 shall not apply

to the Corporation and any provisions thereof need not be fulfilled except as otherwise required by the Colorado Corporations Code or Articles of Incorporation as amended.

Section 2.2. Annual Meetings. Annual meetings of the stockholders of the Corporation for the purpose of electing directors AND for the transaction of such other proper business as may come before such meetings shall be held on or before April 30 at such time and place as the Board shall determine by resolution.

Section 2.3. Special Meetings. A special meeting of the stockholders for the transaction of any proper business may be called at any time by the Board or by the President or the holders of 20% or more of the common stock of the Corporation.

Section 2.4. Place of Meeting. The Board may designate any place, either within or outside Colorado, as the place for any annual meeting or special meeting called by the Board. A waiver of notice signed by all shareholders entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the Board, the place of meeting shall be the registered office of the Corporation in Colorado.

Section 2.5. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, shall be delivered not less than ten nor more than 50 days before the date of the meeting, either

personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting to each shareholder of record entitled to vote at such meeting; except that, if the authorized shares are to be increased, at least 30 days notice shall be given. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the Corporation, with postage thereon prepaid.

Section 2.6. Adjournment. When a meeting is for any reason adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 2.7. Organization. The President or any Vice President shall call meetings of shareholders to order and act as chairman of such meetings. In the absence of said officers, any shareholder entitled to vote at that meeting, or any proxy of any such shareholder, may call the meeting to order and a chairman shall be elected by a majority of the shareholders entitled to vote at the meeting. In the absence of the Secretary or any assistant Secretary of the Corporation, any person appointed by the chairman shall act as Secretary of such meeting.

Section 2.8. Agenda and Procedure. The Board of Directors shall have the responsibility for establishing an agenda for each meeting of shareholders, subject to the rights of shareholders to raise matters for consideration which may otherwise properly be brought before the meeting although not included within the agenda. The Chairman shall be charged with the orderly conduct of all meetings of shareholders; provided, however, that in the event of any difference in opinion with respect to the proper course of action which cannot be resolved by reference to statute, or to the Articles of Incorporation, or these Bylaws, Robert's Rules of Order (as last revised) shall govern the disposition of the matter.

Section 2.9. Closing of Transfer Books or Fixing of Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board may provide that the stock transfer books shall be closed for any stated period not exceeding fifty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board may fix in advance a date as the date for any such determination of shareholders, such date in any case to be not more than fifty days, and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock transfer books are

not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring the dividend is adopted, as the case may be, shall be the record date for such

determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of the stock transfer books and the stated period of the closing has expired.

Section 2.10. Voting Records. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. For a period of ten days prior to such meeting, this record shall be kept on file at the principal office of the Corporation, whether within or outside Colorado, and shall be subject to inspection by any shareholder for any purpose germane to the meeting at any time during usual business hours. Such record shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder for any purpose germane to the meeting during the whole time of the meeting. The original stock transfer books shall be prima facie evidence as to who are the shareholders entitled to examine such record or transfer books or to vote at any meeting of shareholders. Any officer or agent having charge of the stock transfer books who fails to prepare the record of shareholders, or to keep it on file for a period of ten days before the meeting or to produce and keep it open for inspection at the meeting as provided in this section, is liable to any shareholder suffering damage due to the failure to the extent of the damage.

Section 2.11. Quorum. Unless otherwise provided by the Articles of Incorporation, a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If fewer than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting without further notice for a period not to exceed 60 days at any one adjournment. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of shareholders so that less than a quorum remains.

If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by law or the Articles of Incorporation.

Section 2.12. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 2.13. Voting of Shares. Each outstanding share, regardless of class, shall be entitled to one vote and each fractional share shall be entitled to a corresponding fractional vote on each matter submitted to a vote at a meeting of shareholders, except as may be otherwise provided in the Articles of Incorporation. If the Articles of Incorporation provide for more or less than one vote for any share on any matter, every reference in the Colorado Corporation Code to a majority or other proportion or number of shares shall refer to such a majority or other proportion or number of votes entitled to be cast with respect to such matter.

At a shareholders' meeting involving the election of directors, each shareholder shall be entitled to cast for any one candidate no greater number votes than the number of shares held by such shareholder; shareholders shall be entitled to cumulate votes on behalf of any candidate.

Section 2.14. Voting of Shares by Certain Holders.

a. Neither treasury shares, nor shares of another Corporation, if a

majority of the shares entitled to vote for the election of directors of such other Corporation is held by this Corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares at any given Shares standing in the name of another Corporation, domestic or foreign, may be voted by such officer, agent or proxy as the Bylaws of such corporation may prescribe or, in the absence of such provision, as the Board of Directors of such corporation may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee and thereafter the pledgee shall be entitled to vote the shares so transferred.

Redeemable shares which have been called for redemption shall not be entitled to vote on any matter and shall not be deemed outstanding shares on and after the date of which written notice or redemption has been mailed to shareholders and a sum sufficient to redeem such shares has been deposited with a bank or trust company, with irrevocable instruction and authority to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

b. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, voting with respect to the shares shall have the following effect:

(i) If only one person votes, his act binds all;

(ii) If two or more persons vote, the act of the majority so voting binds all;

(iii) If two or more persons vote, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionately, or any person voting the shares of a beneficiary, if any, may apply to any court of competent jurisdiction in the State of Colorado to appoint an additional person to act with the persons so voting the shares. The shares shall then be voted as determined by a majority of such persons and the person appointed by the court. If a tenancy is held in unequal interests, a majority or even split for the purpose of this subsection (iii) shall be a majority or even split in interest.

The effects of voting stated in this subsection B shall not be applicable if the Secretary of the Corporation is given written notice of alternate voting provisions and is furnished with a copy of the instrument or order wherein the alternate voting provisions are stated.

Section 2.15. Informal Action by Shareholders. Any action required or allowed to be taken at a meeting of the shareholders may be taken without a meeting, provided that a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the shareholders, and may be stated as such in any articles or document filed with the Secretary of State of Colorado under the Colorado Corporation Code.

ARTICLE III
Board of Directors

Section 3.1. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors, except as otherwise provided in the Colorado Corporation Code or the Articles of Incorporation.

Section 3.2. Performance of Duties. A Director of the Corporation shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under

similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subsections a, b and c of

this Section 3.2; but he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his duties shall not have any liability by reason of being or having been a director of the Corporation. Those persons and groups upon whose information, opinions, reports, and statements a director is entitled to rely are:

a. One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

b. Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional or expert competence; or

c. A committee of the Board upon which he does not serve, duly designated in accordance with the provisions of the Articles of Incorporation or the Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 3.3. Number, Tenure and Qualifications. The number of directors of the Corporation shall be two; except that there need only be as many directors as there are shareholders in the event that the outstanding shares are held of record by fewer than three shareholders. The directors shall be elected at each annual meeting of shareholders. Each director shall hold office until the next annual meeting of shareholders and thereafter until his successor shall have been elected and qualified. Directors shall be 18 years of age or older, but need not be residents of Colorado or shareholders of the Corporation. Directors shall be removable in the manner provided by the statutes of Colorado.

Section 3.4. Resignation. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the President, any Vice President or the Secretary of the Corporation. Such resignation shall take effect at the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Section 3.5. Removal. Except as otherwise provided in the Articles of Incorporation or in these Bylaws, any director may be removed, either with or without cause, at any time, by the affirmative vote of the holders of a majority of the issued and outstanding shares of stock entitled to vote for the election of directors of the Corporation given at a special meeting of the shareholders called and held for such purpose. The vacancy in the Board caused by any such removal may be filled by the shareholders entitled to vote thereon at such meeting. If the shareholders at such meeting shall fail to fill the vacancy, the Board of Directors may do so as provided in Section 3.6.

Section 3.6. Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum except as otherwise provided herein. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office or by an election at any annual meeting or at a special meeting of shareholders called for that purpose, and a director so chosen shall hold office until the next annual meeting of shareholders and until his successor has been elected and has qualified.

Section 3.7. Regular Meetings. A regular meeting of the Board shall be held without other notice than this bylaw immediately after and at the same place as the annual meeting of shareholders. The Board may provide by resolution the time and place, either within or outside Colorado, for the holding of additional regular meetings without other notice than such resolution.

Section 3.8. Special Meetings. Special meetings of the Board may be called by or at the request of the President or any two Directors. The person or persons authorized to call Special Meetings of the Board may fix any place, either within or outside Colorado, as the place for holding any special meeting of the Board called by them.

Section 3.9. Notice. In the event that there is more than one director of the Corporation, notice of any Special Meeting shall be given at least seven days previously thereto by written notice delivered personally or mailed to each director at his business address, or by notice given at least two days previously by telegraph. Such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

Section 3.10. Quorum. A majority of the number of directors elected and qualified at the time of the meeting shall constitute a quorum for the transaction of business at any such meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 3.11. Manner of Acting. If a quorum is present, the affirmative vote of a majority of the directors present at the meeting and entitled to vote on that particular matter shall be the act of the Board, unless the vote of a greater number is required by law or the Articles of Incorporation.

Section 3.12. Compensation. By resolution of the Board of Directors, any director may be paid any one or more of the following: his expenses, if any, of attendance at meetings; a fixed sum for attendance at such meeting; or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.13. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or forwards such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.14. Executive Committee. The Board, by resolution adopted by a majority of the number of directors elected and qualified at the time of the resolution, may designate two or more directors to constitute an executive committee which shall have and may exercise all of the authority of the Board of Directors or such lesser authority as may be set forth in said resolution. No such delegation of authority shall operate to relieve the Board of Directors or any member of the Board from any responsibility imposed by law.

Section 3.15. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors, executive committee or other committee of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the directors, and may be stated as such in any articles or documents filed with the Secretary of State of Colorado under the Colorado Corporation Code.

Section 3.16. Meetings by Telephone. Members of the Board or any committee of the directors may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE IV
Officers and Agents

Section 4.1. General. The officers of the Corporation shall be a President, a Secretary and a Treasurer, each of whom shall be elected by the Board. The Board may appoint one or more Vice Presidents and such other officers, assistant officers, committees and agents, including a chairman of the board, Assistant Secretaries and Assistant Treasurers, as they may consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. The salaries of all the officers of the Corporation shall be fixed by the Board. One person may hold

any two offices, except that no person may simultaneously hold the offices of President and Secretary. The officers of the Corporation shall be 18 years of age or older. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Board, such officer, agent or employee shall follow the orders and instructions of (a) the President, and if a Chairman of the Board has been elected, then (b) the Chairman of the Board.

Section 4.2. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors annually at the first meeting of the board held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, election of officers shall occur by unanimous written consent of the Board as soon thereafter as may be convenient. Each officer shall hold office until the first of the following occurs: until his successor shall have been duly elected and shall have qualified; or until his death; or until he shall resign; or until he shall have been removed in the manner hereinafter provided.

Section 4.3. Removal. Any officer or agent may be removed by the Board or by the executive committee, if any, whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.4. Vacancies. A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

Section 4.5. Chairman. The Chairman shall be an officer of the Corporation. The Chairman shall have the responsibility of setting the agenda for Board meetings and such other responsibilities and duties as are assigned by the Board.

Section 4.6. President. The President shall, subject to the direction and supervision of the Board, be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees. He shall, unless otherwise directed by the Board, attend in person or by substitute appointed by him, or shall execute, on behalf of the Corporation, written instruments appointing a proxy or proxies to represent the Corporation, at all meetings of the stockholders of any other Corporation in which the Corporation shall hold any stock. He may, on behalf of the Corporation, in person or by substitute or by proxy, execute written waivers of notice and consents with respect to any such meetings. At all such meetings and otherwise, the President, in person or by substitute or proxy as aforesaid, may vote the stock so held by the Corporation and may execute written consents and other instruments with respect to such stock and may exercise any and all rights and powers incident to the ownership of said stock, subject however to the instructions, if any, of the Board. The President shall have custody of the Treasurer's bond, if any. If a chairman of the board has been elected, the chairman of the board shall have, subject to the direction and modification of the Board, all the same responsibilities, rights and obligations as described in these Bylaws for the President.

Section 4.7. Vice Presidents. The Vice Presidents, if any, shall assist the President and shall perform such duties as may be assigned to them by the President or by the Board. In the absence of the President, the Vice President designated by the Board or (if there be no such designation) the Vice President designated in writing by the President shall have the powers and perform the duties of the President. If no such designation shall be made, all Vice Presidents may exercise such powers and perform such duties.

Section 4.8. Secretary. The Secretary shall perform the following:

a. Keep the minutes of the proceedings of the shareholders, executive committee and the Board of Directors;

b. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

c. Be custodian of the Corporate records and of the seal of the Corporation and affix the seal to all documents when authorized by the Board of Directors;

d. Keep, at the Corporation's registered office or principal place of business within or outside Colorado, a record containing the names and addresses of all shareholders and the number and class of shares held by each, unless such a record shall be kept at the office of the Corporation's transfer agent or registrar;

e. Sign with the President or a Vice President, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;

f. Have general charge of the stock transfer books of the Corporation, unless the Corporation has a transfer agent; and

g. In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

Section 4.9. Treasurer. The Treasurer shall be the principal financial officer of the Corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Corporation and shall deposit the same in accordance with the instructions of the Board of Directors. He shall receive and give receipts and acquittances for monies paid in on account of the Corporation, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Corporation of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the board, shall make such reports to it as may be required at any time. He shall, if required by the board, give the Corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of his duties and for the

restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the President. The assistant Treasurers, if any, shall have the same powers and duties, subject to the supervisor of the Treasurer.

The Treasurer shall also be the principal accounting officer of the Corporation. He shall prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the President and the Board of Directors statements of account showing the financial position of the Corporation and the results of its operations.

Section 4.10. Salaries. Officers of the Corporation shall be entitled to such salaries, emoluments, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

Section 4.11. Bonds. If the Board of Directors by resolution shall so require, any officer or agent of the Corporation shall give bond to the Corporation in such amount and with such surety as the Board of Directors may deem sufficient, conditioned upon the faithful performance of that officer's or agent's duties and offices.

ARTICLE V
Stock

Section 5.1. Certificates. The shares of stock shall be represented by consecutively numbered certificates signed in the name of the Corporation by its chairman or vice-chairman of the Board which for the purpose of this Section 5.1 only shall be considered officers, or by its President or a Vice President and by the Treasurer or an assistant Treasurer or by the

Secretary or an assistant Secretary, and shall be sealed with the seal of the Corporation, or with a facsimile thereof. The signatures of the Corporation's officers on such certificate may also be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or an employee of the Corporation. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of its issue. Every certificate representing shares issued by a Corporation which is authorized to issue shares of more than one class or more than one series of any class shall set forth upon the face or back of the certificate or shall state that the Corporation will furnish to any shareholder upon request and without charge a full statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and, if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series, so far as the same have been fixed and determined, and the authority of the Board of Directors to fix and determine the relative rights and preferences of subsequent series.

Each certificate representing shares shall state the following upon the face thereof: the name of the state of the Corporation's organization; the name of the person to whom issued; the number and class of shares and the designation of the series, if any, which such certificate represents; the par value of each share represented by such certificate or a statement that the shares are without par value. Certificates of stock shall be in such form consistent with law as shall be prescribed by the Board. No certificate shall be issued until the shares represented thereby are fully paid.

Section 5.2. Record. A record shall be kept of the name of each person or other entity holding the stock represented by each certificate for shares of the Corporation issued, the number of shares represented by each such certificate, the date thereof and, in the case of cancellation, the date of cancellation. The person or other entity in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof, and thus a holder of record of such shares of stock, for all purposes as regards the Corporation.

Section 5.3. Consideration for Shares. Shares shall be issued for such consideration, expressed in dollars as shall be fixed from time to time by the Board. That part of the surplus of a Corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed the consideration for the issuance of such dividend shares. Such consideration may consist, in whole or in part, of money, other property, tangible or intangible, or in labor or services actually performed for the Corporation, but neither promissory notes nor future services shall constitute payment or part payment for shares.

Section 5.4. Cancellation of Certificates. All certificates surrendered to the Corporation for transfer shall be cancelled and no new certificates shall be issued in lieu thereof until the former certificate for a like number of shares shall have been surrendered and cancelled, except as herein provided with respect to lost, stolen or destroyed certificates.

Section 5.5. Lost Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock, the Board of Directors may direct the issuance of a new certificate in lieu thereof upon such terms and conditions in conformity with law as it may prescribe. The Board may in its discretion require a bond in such form and amount and with such surety as it may determine, before issuing a new certificate.

Section 5.6. Transfer of Shares. Upon surrender to the Corporation or to a transfer agent of the Corporation of a certificate of stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and such documentary stamps as may be required by law, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, and cancel the old certificate. Every such transfer of stock shall be entered on the stock book of the Corporation which shall be kept at its principal office or by its registrar duly appointed.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof, and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, except as may be required by the laws of Colorado.

Section 5.7. Indemnification of Directors, Officers, and Others. The Corporation has the power to indemnify current or former directors, officers, employees, and agents, to the greatest extent provided in its Articles of Incorporation and by Cob. Rev. Stat. S 7-3-101. (5).

ARTICLE VI
Execution of Instruments; Loans; Checks and Endorsements; Deposits; Proxies

Section 6.1. Execution of Instruments. The President shall have the power to execute and deliver on behalf of and in the name of the Corporation any instrument requiring the signature of an officer of the Corporation, except as otherwise provided in these Bylaws or where the execution and delivery thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. Unless authorized to do so by these Bylaws or by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation in any way, to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

Section 6.2. Loans. The Corporation may lend money to, guarantee the obligations of and otherwise assist directors, officers and employees of the Corporation, or directors of another Corporation of which the Corporation owns a majority of the voting stock, only upon compliance with the requirements of the Colorado Corporation Code.

No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 6.3. Checks and Endorsements. All checks, drafts or other orders for the payment of money, obligations, notes or other evidences of indebtedness, bills of lading, warehouse receipts, trade acceptances and other such instruments shall be signed or endorsed by such officers or agents of the Corporation as shall from time to time be determined by resolution of the Board, which resolution may provide for the use of facsimile signatures.

Section 6.4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the Corporation's credit in such banks or other depositories as shall from time to time be determined by resolution of the Board, which resolution may specify the officers or agents of the Corporation who shall have the power, and the manner in which such power shall be exercised, to make such deposits and to endorse, assign and deliver for collection and deposit checks, drafts and other orders for the payment of money payable to the Corporation or its order.

Section 6.5. Proxies. Unless otherwise provided by resolution adopted by the Board, the President or any Vice President may from time to time appoint one or more agents or attorneys-in-fact of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other Corporation, association or other entity any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other Corporation, association or other entity or to consent in writing, in the name of the Corporation as such holder, to any action by such other Corporation, association or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

Section 6.6. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

ARTICLE VII
Miscellaneous

Section 7.1. Waivers of Notice. Whenever notice is required by the Colorado Corporation Code, by the Articles of Incorporation or by these Bylaws, a waiver thereof in writing signed by the director, shareholder or other person entitled to said notice, whether before, at or after the time stated therein, or his appearance at such meeting in person or (in the case of a shareholders' meeting) by proxy, shall be equivalent to such notice.

Section 7.2. Fiscal Year. The fiscal year of the Corporation shall be December 31.

Section 7.3. Amendments. The Board of Directors shall have the power to alter, amend or repeal the Bylaws or adopt new Bylaws of the Corporation at any regular meeting of the Board, or at any special meeting called for that purpose, or by unanimous written consent of the Board, subject to repeal or change by action of the shareholders.

Section 7.4. Emergency Bylaws. Subject to repeal or change by action of the shareholders, the Board may adopt emergency Bylaws in accordance with and pursuant to the provisions of the Colorado Corporation Code.

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EXHIBIT 3.38

ARTICLES OF INCORPORATION OF SALEM MEDIA OF LOUISIANA, INC.

The undersigned, acting pursuant to the Business Corporation Law of Louisiana, adopts the following Articles of Incorporation.

ARTICLE I

NAME

The name of the Corporation is Salem Media of Louisiana, Inc.

ARTICLE II

PURPOSE

The purposes of the Corporation are to construct, own and/or operate broadcast facilities licensed by the Federal Communications Commission and to engage in any lawful activity for which corporations may be formed under the Business Corporation Law.

ARTICLE III

CAPITAL

The Corporation has authority to issue an aggregate of 10,000 shares of stock, all of which are designated common stock having no par value per share.

ARTICLE IV

SHAREHOLDER CONSENTS

Whenever the affirmative vote of shareholders is required to authorize or constitute corporate action, the consent in writing to such action signed only by shareholders holding that proportion of the total voting power on the question which is required by law or by these Articles of Incorporation, whichever requirement is higher, shall be sufficient for the purpose, without necessity for a meeting of shareholders.

ARTICLE V

DIRECTOR'S PROXIES

Any director absent from a meeting of the Board of Directors or any committee thereof may be represented by any other director or shareholder, who may cast the vote of the absent director according to the written instructions, general or special, of the absent director.

ARTICLE VI

REVERSION

Cash, property or share dividends, shares issuable to shareholders in connection with a reclassification of stock, and the redemption price of redeemed shares, which are not claimed by the shareholders entitled thereto

within one year after the dividend or redemption price became payable or the shares became issuable, despite reasonable efforts by the Corporation to pay the dividend or redemption price or deliver the certificates for the shares to such shareholders within such time, shall, at the expiration of such time, revert in full ownership to the Corporation, and the Corporation's obligation to pay such dividend or redemption price or issue such shares, as the case may be, shall thereupon cease; provided that the board of directors may, at any time, for any reason satisfactory to it, but need not, authorize (1) payment of the amount of any cash or property dividend or redemption price or (2) issuance of any shares, ownership of which has reverted to the Corporation pursuant to this Article VI, to the entity who or which would be entitled thereto had such reversion not occurred.

ARTICLE VII

INCORPORATOR

The name and post office address of the incorporator is:

Leslie L. Simon
700 Camp Street
New Orleans, LA 70130

WITNESSES:

/s/ Nancy D. Vickmani	/s/ Leslie L. Simon
/s/ Jill Ledbetter	Incorporator

ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH OF ORLEANS

BEFORE ME, the undersigned authority, personally came and appeared Leslie L. Simon, to me known to be the person who signed the foregoing instrument as Incorporator, and who, having been duly sworn, acknowledged and declared, in the presence of the two witnesses whose names are subscribed above, that she signed such instrument as her free act and deed for the purposes mentioned therein.

IN WITNESS WHEREOF, the appearer, witnesses and I have hereunto affixed our hands on this 14th day of April , 1986, at New Orleans, Louisiana.

WITNESSES:

/s/ Nancy D. Vickmani	/s/ Leslie L. Simon
	Incorporator
/s/ Jill Ledbetter	

/s/ Michael A. Mayhall
NOTARY PUBLIC

INITIAL REPORT BY DOMESTIC CORPORATIONS
(To be filed when the Articles of Incorporation are filed)
(R.S. 1950, 12:101)

State of Louisiana

Parish of Orleans

TO: The Secretary of State
Baton Rouge, Louisiana

Complying with R.S. 1950, 12:101, Salem Media of Louisiana, Inc., hereby makes its initial report as follows:

Municipal Address of Location of its Registered Office

700 Camp Street

New Orleans, Louisiana 70130

Name & Municipal Address or Location of Each Registered Agent

Bradford D. Carey

700 Camp Street

New Orleans, Louisiana 70130

Name & Address of the First Directors (if selected when articles are filed)

Dated at New Orleans, Louisiana, on the 14th day of April , 1986

/s/ Leslie L. Simon

(To be signed by each incorporator)

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EXHIBIT 3.39

BY-LAWS

OF

SALEM MEDIA OF LOUISIANA, INC.

Section 1.

OFFICES

1.1 The principal office shall be located at 650 Poydras, New Orleans, Louisiana.

1.2 The corporation may have such offices at such other places as the Board of Directors may from time to time determine or the business of the corporation may require.

Section 2.

SHAREHOLDERS

2.1 Place of Meeting

Unless otherwise required by law or these By-Laws, all meetings of the shareholders shall be held at the principal office of the corporation or at such other place, within or without the State of Louisiana, as may be designated by the Board of Directors.

2.2 Annual Meeting

An annual meeting of the shareholders shall be held at 2:00 p.m. on the (second Monday of December) in each year, or if said day be a legal holiday, then on the next succeeding day not a legal holiday, or at such other time as the Board of Directors shall designate, for the purpose of electing directors

and for the transaction of such other business as may properly be brought before the meeting.

2.3 Special Meetings

Special meetings of the shareholders, for any purpose or purposes, may be called by the President or Board of Directors. At any time, upon the written request of any two directors or of any shareholder or shareholders holding in the aggregate (one-fifth) of the total voting power, the Secretary shall call a special meeting of shareholders to be held at the registered office of the corporation at such time as the Secretary may fix, not less than fifteen nor more than sixty days after the receipt of said request, and if the Secretary shall neglect or refuse to fix such time or to give notice of the meeting, the shareholder or shareholders making the request may do so.

2.4 Notice of Shareholders' Meetings

Except as otherwise provided in Section 2.3 hereof, or by law, the authorized person or persons calling a shareholders' meeting shall cause written notice of the time, place and purpose of the meeting to be given to all shareholders entitled to vote at such meeting at his or her last known address, at least ten days and not more than sixty days prior to the day fixed for the meeting. Notice of the annual meeting need not state the purpose thereof, unless action is to be taken at the meeting as to which notice is required by law.

2.5 Election of Directors

The election of Directors shall be held during the annual meeting of shareholders and nomination of candidates may be made by the board of directors or by any shareholder entitled to vote in the election of directors. Nominations by a shareholder shall be in writing and delivered or mailed to the secretary of the corporation at least thirty days prior to the date of the annual meeting; however, if notice to the shareholders of the annual meeting is less than 30 days, then notice of the nomination of directors must be delivered or mailed to the secretary of the corporation no later than the fifth day following the day on which notice of the annual meeting was mailed to the shareholders.

2.6 Voting

A. On demand of any shareholder, the vote for directors, or on any questions, shall be by ballot. All elections shall be had by plurality, with all questions decided by majority of votes cast except as otherwise provided by the articles or law.

B. At every meeting of shareholders, a list of shareholders entitled to vote, arranged alphabetically and certified by the Secretary or by the agent of the corporation having charge of transfers of shares, showing the number and class of shares held by each such shareholder on the record date for the meeting, shall be produced on the request of any shareholder.

2.7 Quorum

A. Except as otherwise provided by law, the presence, in person or by proxy, of the holders of a majority of the total voting power shall constitute a quorum at all meetings of the shareholders.

B. When a quorum is present at any meeting, the vote of the holders of 4 majority of the voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of law or the Articles of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question. Directors shall be elected by plurality vote.

C. The shareholders present or represented at a duly organized meeting shall constitute a quorum and may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum as fixed in Section 2.6 of these By-Laws, or the refusal of any shareholders present to vote.

2.8 Proxy Vote

At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such shareholder and bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a

longer period. The aforesaid proxy need not be a shareholder of the corporation. Each shareholder shall have one vote for each share of stock having voting power, registered in his name on the books of the corporation at the time of the said meeting or on the record date for the determination of shareholders entitled to vote at the said meeting if the Board of Directors shall have fixed such a record date. Except as the Board may provide otherwise, if no record date is fixed (a) for the purpose of determining shareholders entitled to notice of and to vote at a meeting, the close of business on the day before the notice of the meeting is mailed, or if notice is waived, the close of business on the day before the meeting, shall be the record date for such purpose, or (b) for any other purpose, the close of business on the day on which the Board of Directors adopts the resolution relating thereto shall be the record date for such purpose.

2.9 Adjournment of Meeting

A. Adjournments of any annual or special meeting of shareholders may be taken without new notice being given unless a new record date is fixed for the adjourned meeting, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors shall have been elected.

B. If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, subject, however, to the

provisions of Section 2.9 A. hereof. In the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in Section 2.6 hereof, shall nevertheless constitute a quorum for the purpose of electing directors.

Section 3.

DIRECTORS

3.1 Powers of Directors

All of the corporate powers shall be vested in, and the business and affairs of the corporation shall be managed by a Board of Directors. The Board may exercise all such powers of the corporation and do all such lawful acts and things which are not by law, the Articles of Incorporation, or these By-Laws directed or required to be done by the shareholders. Without prejudice to such general powers, the directors have the following specific powers:

(a) To devolve the powers and duties of any officer to any other person for a specified period of time;

(b) To confer upon any officer the power to appoint, remove, suspend and determine the compensation of subordinate officers or agents;

(c) To determine who shall be entitled to vote;

(d) To assign or transfer shares of stock, bonds, debentures or other securities held by other corporate subsidiaries of the corporation; and,

(e) To delegate any powers of the board of directors to any standing or special committee or to any officer or agent with the power to subdelegate upon such terms as the directors deem fit.

3.2 Number of Directors and Qualifications

A. The Board of Directors shall be comprised of no more than three natural persons and shall hold office for one year or until their successors are chosen and have qualified.

B. The Board of Directors, by majority vote, may decrease or increase the number of directors, authorized in paragraph A at any time subsequent to the annual meeting of shareholders. A decrease in the number of directors shall not shorten the term of any incumbent director nor reduce the number of directors below the minimum number as specified by the articles. The board of directors, by a vote of a majority of directors, may immediately fill any vacancies and the so elected directors shall serve until such time as they are subject to re-election.

C. No director need be a shareholder.

3.3 Place of Holding Meetings

The meetings of the Board of Directors may be held at such place within or without the State of Louisiana as a majority of the directors may from time to time appoint. Meetings by the Board of Directors, whether regular or special, may be conducted by telephone conferences or other similar communications equipment and participation in such a meeting shall constitute presence at such meeting. All participants in such a meeting, by virtue of their participation, shall be deemed to have consented to the recording of the meeting, by either an electronic recording device or written transcript, in order to record the minutes for the corporate records.

3.4 Organizational Meeting

The first meeting of each newly elected Board shall be held immediately following the annual shareholders' meeting and at the same place as the annual meeting, and no notice of such first meeting shall be necessary to the newly elected directors in order legally to constitute the meeting. The purpose of the meeting will be for organization, election of officers and the transaction of business.

3.5 Regular Directors' Meetings

A. Regular meetings of the Board may be held, upon five days' written notice from the President or the Secretary at such time and place either within or without the State of Louisiana as shall from time to time be determined by the Board, provided that notice of such determination shall be given to all Directors. Directors present at any regular or special meeting shall be deemed to have received due, or to have waived, notice thereof, provided that a director who participates in a meeting by telephone shall not be deemed to have received or waived due notice if, at the beginning of the meeting, he objects to the transaction of any business because the meeting is not lawfully called.

B. Any action which may be taken at a meeting of the Board or any committee thereof, may be taken by a consent in writing signed by all of the directors or by all members of the committee, as the case may be, and filed with the records of proceedings of the Board or committee.

C. Members of the Board may participate in and be present at any meeting of the Board or any committee thereof by means of conference telephone or similar communications equipment if all persons participating in such meeting can hear and communicate with each other.

3.6 Special Directors' Meetings

Special meetings of the Board of Directors may be called any time by the Board of Directors, by vote at a meeting, by the President, or in writing, with or without a meeting by a majority of the directors. The special meetings may be held at such time and place either within or without the State of Louisiana as designated by the board of directors. In the absence of such designation, the meeting place will be determined through a notice thereof.

3.7 Notice Of Special Directors Meetings

Special meetings of the Board may be called by the President on two days' notice given to each director, either personally or by telephone, mail, or telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two directors and if the President and Secretary fail or refuse, or are unable to call a meeting when requested by any two directors, then the two directors may call the meeting on two days' written notice given to each director.

3.8 Quorum

A. A majority of the directors in office and qualify to act constitute a quorum for the transaction of business, and except as otherwise provided by law, the articles or these by-laws, the acts of a majority of the directors present at a fleeting at which a quorum is present shall be the acts of the Board.

B. If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by vote of a majority of a quorum as fixed in paragraph A. hereof, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum as fixed in Paragraph A. hereof or the refusal of any director present to vote.

3.9 Compensation of Directors

Directors as such, shall receive such salary for their services as may be

fixed by resolution of the Board of Directors and shall receive their actual expenses of attendance, if any, for each regular or special meeting of the Board or any committee thereof; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

3.10 Removal Of Board Member

The shareholders, by vote of a majority of the total voting power at any special meeting called for the purpose, may remove from office any one or more of the directors, notwithstanding that his/her or their terms of office may not have expired, and may forthwith at such meeting proceed to elect a successor for the unexpired term. Whenever the holders of the shares of any class or series or of any obligations are entitled to elect one or more directors, the provisions of this paragraph shall apply, in respect to the removal of a director or directors so elected, and the election of a successor or successors, to the vote of the holders of the outstanding shares of that class or series or of those obligations and not to the vote of the outstanding shares as a whole. If a director has been elected by the exercise of the privilege of cumulative voting, such director may not be removed if the votes cast against his removal would be sufficient to elect him/her if then cumulatively voted in his/her favor at an election of the entire Board of Directors, or, if there be classes of directors, at an election of the class of directors of which he is a part.

3.11 Resignations

The resignation of a Director shall take effect upon receipt of written notice to the president or secretary, or on any later date, not more than 30 days after such receipt specified herein.

3.12 Vacancies

When any vacancy occurs among the Directors during an unexpired term, a Director shall be elected to fill such vacancy by a majority vote of the remaining members of the board. If the board fails to fill such vacancy for a period of ninety days following the vacancy, the shareholders may elect a director to fill such vacancy at a special meeting of the shareholders called for this particular purpose.

3.13 Ineligibility

No member shall be permitted to vote on any question in which he or she has a personal interest, directly or indirectly.

3.14 Board Procedure

The Chairman of the Board shall preside at board meetings; after roll call he or she shall turn the meeting over to the president to present the affairs of the corporation and the business before the board. The Chairman of the board, or if there is none, the president will serve as chairman, shall call for all votes and shall be judge of all points of order. His or her decision on points of order shall be final, unless two members of the board appeals the decision to the board; in which event, a majority of the members present shall decide the question. All resolutions entered in the minutes shall be considered past based on statement of yeas and nays and will be considered an unanimous vote by all of the directors present at the meeting. Any member has a right to request the secretary to enter his or her name on the minutes as voting against a motion.

3.15 Committees of Directors

The Board may designate one or more committees, each committee to consist of two or more of the directors of the corporation (and one or more directors may be named as alternate members to replace any absent or disqualified regular members), which, to the extent provided by resolution of the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to documents. Such committee or committees shall have such name or names as may be determined, from time to time, by resolution of the Board. Any vacancy occurring in any such committee shall be filled by the Board, but the President may designate another director to serve on the committee pending action by the Board. Each such committee shall hold office during the term of the Board constituting it, unless otherwise ordered by the Board.

3.16 Executive Committee

The Board of Directors may form an executive committee for the day to day

managerial functions of the corporation, delegating whatever powers to said committee which the board in its discretion may deem fit to so delegate. If an executive committee is appointed, the committee will be made up of at least two other members of the Board of Directors, the president shall also be a member. The committee shall have all the powers of the board when the board is not in session.

3.17 Minutes of Meetings of Committees

Any committees designated by the board shall keep regular minutes of their proceedings, and shall report the same to the board when required; however, no approval by the board of any action properly taken by a committee shall be required.

3.18 Committee Procedure

If the Board fails to designate a chairman of a committee, the president will then assume the role of chairman. Each committee shall meet at such times as it determines and at any time when called by the chairman. A majority of a committee constitutes a quorum, and a committee may take action either by majority vote of the members present which constitutes a quorum, or by written concurrence of a majority of the members. If a member of a committee is absent or has been disqualified, the qualified members present, whether or not they constitute a quorum, unanimously appoint a director to act in place of the absent or disqualified member. The board has the power to change the members in the committee at any time, fill vacancies and to discharge any committee at any time.

Section 4.

OFFICERS

4.1 Titles of Officers

A. The officers of the corporation shall be chosen by the director(s) and shall be a President, a Secretary, and a Treasurer. The directors may elect one or more Vice-Presidents. Any two offices may be held by one person, provided that no person holding more than one office may sign, in more than one capacity, any certificate or other instrument required by law to be signed by two officers.

B. The Board of Directors may appoint such other officers as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

C. The officers of the corporation shall hold office at the pleasure of the Board of Directors.

4.2 President

The President shall preside at all meetings of the shareholders and shall have general and active management of the business of the corporation. The President shall act as chief executive officer, with power to execute all authorized instruments, shall see that all orders and resolutions of the board are carried into effect, and direct the other officers in the performance of their duties. The President shall perform generally all acts incident to the office of President or which are authorized or required by law, or which are incumbent upon the office under the provision of the articles and these By-Laws. If a Chairman of the Board of Directors has not been elected, the President, shall act as Chairman and shall preside at all meetings of the Board.

4.3 Vice-President

The Vice-Presidents (if any) in the order specified by the Board or, if not so specified, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the President or the Board of Directors shall prescribe.

4.4 Secretary

The Secretary shall attend all meetings of the Board of Directors and all

meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or President, under whose supervision he or she shall be. The Secretary, except as otherwise determined by the Directors, shall be in charge of the original stock books, transfer books, and stock ledgers and shall act as transfer agent in respect to the stock and other securities issued by the corporation. He or she shall keep in safe custody the seal of the corporation, if any, and affix the same to any instrument requiring it.

4.5 Treasurer

The Treasurer shall have the custody of the corporate funds and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He or she shall keep a proper accounting of all receipts and disbursements and shall disburse the funds of the corporation only for proper corporate purposes or as may be ordered by the Board and shall render to the President and the Board at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation. If required by the board, the Treasurer shall give the corporation a bond for the faithful discharge of his or her duties and for restoration to the corporation, upon termination of his tenure, of all property of the corporation under his or her control.

4.6 Term of Office

All officers elected or appointed by the Board of Directors and under its authority shall hold office at the pleasure of the board.

Section 5.

CAPITAL STOCK

5.1 Certificates

The certificates for each class of stock of the corporation shall be numbered and shall be entered in the books of the corporation as they are issued. Every certificate of stock shall be signed by the President or a Vice-President and the Treasurer or the Secretary. If any stock

certificate is signed by a transfer agent or by a registrar, other than the corporation itself or an employee of the corporation, the signature of any such officer may be a facsimile.

5.2 Missing Certificates

The officers of the corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. When authorizing such issuance of a new certificate or certificates, the officers of the corporation shall, unless dispensed with by the Board, as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as such officers shall require and/or give the corporation a bond in such sum as they may deem appropriate as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

5.3 Transfers

A. Upon surrender to the corporation, or the transfer agent of the corporation, of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

B. When the owner or holder of any of the capital stock of the corporation decides to sell or otherwise dispose of any part of his or her stock, he or she shall give notice of their intention to so dispose of any part of the stock to the Secretary of the Corporation. Notice is to be given by registered mail, stating the number of shares to be sold and the price at which offered. Immediately upon receipt of such communication, the Secretary shall notify the

other stockholders by registered mail in order that they may avail themselves of their right to purchase the stock at the stated price. Any prospective purchaser who is the owner or holder of any of the capital stock of the corporation shall immediately contact the Secretary of the Corporation, who will thereby contact the shareholder who has evidenced their desire to sell the stock; should there be two or more shareholders desiring to purchase the stock that is offered for sale, the stock shall be prorated among the stockholders desiring to purchase the stock. If there are no stockholders desiring to purchase the stock, then the stock may be sold to any other person at a price not less than that offered originally to the other stockholders.

5.4 Record Date

For the purpose of determining shareholders entitled to notice of and to vote at a meeting, or to receive a dividend, or to receive or exercise subscription or other rights, or to participate in a reclassification of stock, or in order to make a determination of shareholders for such purpose, such date shall be not more than sixty days and, if fixed for the purpose of determining shareholders entitled to notice of and to vote at a meeting, not less than ten days, prior to the date on which the action requiring the determination of shareholders is to be taken.

5.5 Transfer Agents and Registrars

The Board may appoint or remove transfer agents and registrars for any class of stock. The transfer agents shall be responsible for effectuance of original issuances of stock certificates and transfer of shares, recording and advising corporation of such issuance and transfers, countersign and deliver stock certificates and keep the stock transfer and other pertinent records. The registrar shall prevent over issuance by registering and countersigning all stock certificates issued. A transfer agent and registrar may be identical. Transfer agents and registrars, when covered with the company as obligees by indemnity bond issued by a surety company and approved by the corporations general counsel and providing indemnity unlimited in a stated amount or in form and amount signed by a surety that is approved by the board, and upon receipt of an appropriate affidavit indemnity agreement may (a) countersign, register and deliver in place of any stock certificate alleged to have been stolen, destroyed, lost or mutilated and place a certificate for the same number of shares and to make any payment, credit, transfer, issuance, conversion or exchange to which holder may be entitled in respect of such replaced certificate, without the surrender of said certificate for cancellation and (b) effect transfers of shares from the names of deceased persons whose estates (not exceeding $1000.00 in gross asset value) are not administered.

Section 6.

MISCELLANEOUS

6.1 Corporate Records

The Articles of Incorporation, the By-Laws and the proeedings of all meetings of shareholders, board of directors and any other committee or board shall be recorded 44' appropriate minute books. The minutes of each meeting shall be signed by the secretary or any other officer appointed to act as Secretary of the Meeting.

6.2 Inspection of Corporate Records

The minutes of proceedings, stock ledgers and books of accounts, shall be open to inspection upon written demand, to the extent allowed by applicable Louisiana Law, at any reasonable time for purposes reasonably related to the interest of the shareholders. Such inspections may be made in person by the shareholder, or an authorized agent, or an attorney and shall include the right to make abstracts. The inspection of the corporate records, other than at a shareholders meeting, shall be made in writing upon the President or Secretary.

6.3 Corporate Seal

The Board of Directors may adopt a corporate seal, which seal shall have inscribed thereon the name of the corporation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Failure to affix the seal shall not, however, affect the validity of any instrument.

6.4 Dividends

Except as otherwise provided by law or the Articles of Incorporation, dividends upon the stock of the corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of stock.

6.5 Checks

All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

6.6 Notices

A. Any written notice required or permitted by law, the Articles of Incorporation, or the By-Laws to be given to any shareholder or director shall be deemed to have been given to such shareholder or director when such notice is served upon such shareholder or director, or two business days after such notice is placed in the United States mail, postage prepaid, addressed to such shareholder or director at his last known address, whichever is earlier.

B. Whenever any notice is required to be given by law, the Articles of Incorporation, or the By-Laws, a waiver thereof in writing signed by the person or persons entitled to said notice, and filed with the records of the meeting, whether before or after the time stated therein, shall be deemed equivalent thereto.

6.7 Fiscal Year

The Board of Directors may adopt for and on behalf of the corporation a fiscal or a calendar year.

6.8 Gender

All pronouns and variations thereof used in these By-Laws shall be deemed to refer to the masculine, feminine or neuter gender, singular or plural, as the identity of the person, persons, entity or entities referred to require.

Section 7.

INDEMNIFICATION

The corporation shall indemnify its officers and directors, and may indemnify its employees and agents, and may procure insurance on behalf of its officers, directors, employees and agents to the full extent permitted by Section 83 of the Louisiana Business Corporation Law, as amended.

Section 8.

AMENDMENTS

These By-Laws may be amended or repealed by the Board of Directors at any regular or special meeting or by the shareholders at any annual or special meeting, provided notice of the proposed amendment or repeal be contained in the notice of such annual or special meeting of shareholders.

CERTIFICATE

I, Eric H. Halvorson, Secretary of Salem Media of Louisiana, Inc., a Louisiana corporation (the "Corporation"), do hereby certify that the attached is a true and correct copy of the By-Laws of the Corporation duly adopted by the Baord of Directors of the Corporation on May 12, 1986, that they are still in full force and effect and that they have not been amended or rescinded.

Dated: May 12, 1986.

Eric H. Halvorson

___________________, Secretary

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EXHIBIT 3.40

APPROVED
By BRF
Date 7-29-81
Amount 75.00

ARTICLES OF INCORPORATION

OF

SALEM MEDIA OF OHIO, INC.

The undersigned, a citizen of the United States, desiring to form a corporation, for profit, under Sections 1701.01 et seq. of the Revised Code of Ohio, does hereby certify:

FIRST: Name. The name of the corporation shall be Salem Media of Ohio, Inc.

SECOND: Principal Office. The place in Ohio where its principal office is to be located is the Township of Orange, Delaware County, Ohio.

THIRD: Purpose. The purpose for which it is formed is to engage in any lawful act or activity for which corporations may be formed under Sections 1701.01 to 1701.98, inclusive, of the Ohio Revised Code.

FOURTH: Shares. The maximum number of shares which the corporation is authorized to have outstanding is seven hundred fifty (750) shares, all of which shall be common shares without par value.

FIFTH: Repurchase of Shares. The corporation, through its Board of Directors, shall have the right and power to repurchase any of its outstanding shares at such price and upon such terms as may be agreed upon between the corporation and the selling shareholder or shareholders.

SIXTH: Conflict of Interest. A director or officer of the corporation shall not be disqualified by his office from dealing or contracting with the corporation as a vendor, purchaser, employee, agent or otherwise; nor shall any transaction, contract or act of the corporation be void or voidable or in any way affected or invalidated by reason of the fact that any director or officer

or any firm of which such director or officer is a shareholder, director or officer, is in any way interested in such transaction, contract or act, provided the fact that such director, officer, firm or corporation is so interested shall be disclosed or shall be known to the Board of Directors or such members thereof as shall be present at any meeting of the Board of Directors, at which action upon any such contract, transaction or act shall be taken; nor shall any such director or officer be accountable or responsible to the corporation for or in respect of any such transaction, contract or act of the corporation, or for any gains or profits realized by him by reason of the fact that he or any firm of which he is a member, or any corporation of which he is a shareholder, officer or director, is interested in such transaction, contract or act and any such director or officer, if such officer is a director, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the corporation which shall authorize or take action in respect of any such contract, transaction or act and may vote thereat to authorize, ratify or approve any such contract, transaction or act, with like force and effect as if he or any firm of which he is a member, or any corporation of which he is a shareholder, officer or director, were not interested in such transaction, contract or act.

SEVENTH: Indemnification. Every person who is a director, officer, or employee of the corporation or a former director, officer or employee of the corporation, or a person who is serving or has served at the request of the corporation as a director, officer or employee of another corporation is hereby indemnified against expenses, judgments, decrees, fines, penalties or amounts paid in settlement in connection with the defense of any pending or threatened action, suit, or proceeding, criminal or civil, to which he is or may be made a party by reason of being or having been such director, officer or employee, provided he is determined by the directors of the corporation acting at a

meeting at which a quorum consisting of directors who are not parties to

or threatened with any such action, suit or proceeding is present (a) not to have been negligent or guilty of misconduct in the performance of his duty to the corporation of which he is such director, officer or employee; (b) to have acted in good faith in what he reasonably believed to be the best interest of such corporation; and (c) in any matter the subject of a criminal act, suit, or proceeding, to have had no reasonable cause to believe that his conduct was unlawful; provided, however, no director who is a party to or threatened with any such action, suit or proceeding shall be qualified to vote on such matter. Alternatively such determinations may be made (a) by a court of competent jurisdiction, (b) by the shareholders of the corporation at a meeting held for such purpose by the affirmative vote of the holders of shares entitling them to exercise a majority of voting power of the corporation on such proposal or (c) adopted by the shareholders of the corporation without a meeting by the written consent of the holders of shares entitling them to exercise two-thirds of the voting power on such proposal.

Such indemnification shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled including, without limiting the generality of the foregoing, any insurance purchased by the corporation.

EIGHTH: Stated Capital. The amount of stated capital with which the corporation shall begin business is Five Hundred Dollars ($500.00).

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th day of July, 1981.

E. James Hopple

Incorporator
E. JAMES HOPPLE

[End of Articles of Incorporation]

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EXHIBIT 3.41

CODE OF BY-LAWS

For the Government of the

Board of Directors

of

SALEM MEDIA OF OHIO, INC.

ARTICLE I

MEETINGS OF DIRECTORS

Sec. 1. Regular Annual Meeting. A regular annual meeting of the Board of Directors shall be held immediately following the termination of the regular annual meeting of the shareholders of the corporation and at the same place of such shareholders' meeting, unless a different time and place is fixed by resolution of the Board of Directors. If, for any reason, the annual meeting is not held, then the business which may be transacted thereat may be transacted at any special meeting called as provided for in Section 3 of this Article.

Sec. 2. Other Regular Meetings. Other regular meetings of the Board of Directors may be held at such times and places as may be fixed by resolution of the Board of Directors.

Sec. 3. Special Meetings. Special meetings of the Board of Directors may be called by the President or a Vice-President, or by a majority of the Board of Directors.

Sec. 4. Place of Meetings. Any meeting of the Board of Directors may be held at any place within or without the State of Ohio as may be fixed by resolution of the Board of Directors.

Sec. 5. Notice of Meetings and Waiver of Notice. (a) A written or printed notice of each regular or special meeting of the Board of Directors, stating the time and place thereof shall be delivered to each director or sent to him by mail, telegram, cablegram or radiogram at his last known post office address, not more than twenty (20) days nor less than forty-eight (48) hours before the time fixed for the meeting. Meetings may be held at any time or place without notice if the meeting or if those who are absent assent in writing to the holding of the meeting. Such assent may be given by the absent directors either before, at or after any meeting of the Board, waiving any or all of the provisions of law or of these By-Laws as to notices of such meeting or as to any irregularities in such notice or in the giving thereof, and shall thereby validate the proceedings of such meeting as fully as though all the requirements of the provisions waived had been duly met in their respective cases.

(b) If any meeting of the Board of Directors is adjourned to another time or place, no further notice as to such adjourned meeting need be given if the time and place are fixed at the meeting adjourned.

Sec. 6. Quorum. A majority of the entire Board of Directors shall constitute a quorum at all meetings.

Sec. 7. Order of Business. The order of business of the Board of Directors at regular meetings, unless changed by a majority of the Directors present, shall be as follows:

1. Reading of minutes of previous meeting and taking action thereon;
2. Reading reports and statements of officers and committees;
3. Unfinished business;
4. Election of officers (at annual meeting);
5. New or miscellaneous business;
6. Adjournment.

ARTICLE II

COMPENSATION OF OFFICERS

The officers of the corporation shall receive such compensation as shall be fixed by resolution of the Board of Directors.

ARTICLE III

AMENDMENTS

By-Laws for the government of the Board of Directors may be adopted, amended or repealed by a majority vote for the entire Board of Directors at any regular meeting thereof, or at any meeting if such meeting be duly called as a special meeting for that purpose or if each member of the Board of Directors shall be present at the meeting or shall waive in writing the call and notice thereof.

[End of Code of By-Laws]

CODE OF REGULATIONS

OF

SALEM MEDIA OF OHIO, INC.

ARTICLE I

Fiscal Year

Unless otherwise designated by resolution of the Board of Directors, the first fiscal year of the corporation after the adoption of this Code of Regulations shall end on December 31, 1981. Subsequently, the fiscal year of the corporation shall commence on the first day of April in each year and end on

the last day of March, or be such other period as the Board of Directors may designate by resolution.

ARTICLE II

SHAREHOLDERS

Section 1. Meetings of Shareholders

(a) Annual Meeting. The annual meeting of the shareholders of this corporation, for the election of directors, the consideration of financial statements and other reports, and the transaction of such other business as may properly be brought before such meeting, shall be held at 9:30 A.M., on the first Tuesday in the third month following the end of the fiscal year in each year after 1981. The first annual meeting shall be held in 1982. Upon due notice, there may also be considered and acted upon at an annual meeting any matter which could properly be considered and acted upon at a special meeting, in which and for which purpose the annual meeting shall also be considered as, and shall be, a special meeting. In the event the annual

meeting is not held or if directors are not elected thereat, a special meeting may be called and held for that purpose.

(b) Special Meeting. Special meetings of the shareholders may be held on any business day when called by any person or persons who may be authorized by law to do so. Calls for special meetings shall specify the purpose or purposes thereof, and no business shall be considered at any such meeting other than that specified in the call therefor.

(c) Place of Meetings. Any meeting of shareholders may be held at such place within or without the State of Ohio as may be designated in the Notice of said meeting.

(d) Notice of Meeting and Waiver of Notice.

(1) Notice. Written notice of the time, place and purposes of any meeting of shareholders shall be given to each shareholder entitled thereto not less than seven (7) days nor more than sixty (60) days before the date fixed for the meeting and as prescribed by law. Such notice shall be given either by personal delivery or mailed to each shareholder entitled to notice of or to vote at such meeting. If such notice is mailed, it shall be directed, postage prepaid, to the shareholders at their respective addresses as they appear upon the records of the corporation, and notice shall be deemed to have been given on the day so mailed. If any meeting is adjourned to another time or place, no notice as to such adjourned meeting need be given other than by announcement at the meeting at which such an adjournment is taken. No business shall be transacted at any such adjourned meeting except as might have been lawfully transacted at the meeting at which such adjournment was taken.

(2) Notice to Joint Owners. All notices with respect to any shares to which persons are entitled by joint or common ownership may be given to that one of such persons who

is named first upon the books of this corporation, and notice so given shall be sufficient notice to all the holders of such shares.

(3) Waiver. Notice of any meeting, however, may be waived in writing by any shareholder either before or after any meeting of shareholders, or by attendance at such meeting without protest prior to the commencement thereof.

(e) Shareholders Entitled to Notice and to Vote. If a record date shall not be fixed or the books of the corporation shall not be closed against transfers of shares pursuant to statutory authority, the record date for the determination of shareholders entitled to notice of or to vote at any meeting of shareholders shall be the close of business on the twentieth day prior to the date of the meeting, and only shareholders of record at such record date shall be entitled to notice of and to vote at such meeting. Such record date shall continue to be the record date for all adjournments of such meeting unless a new record date shall be fixed and notice thereof and of the date of the adjourned meeting be given to all shareholders entitled to notice in accordance with the new record date so fixed.

(f) Quorum. At any meeting of shareholders, the holders of shares entitling them to exercise a majority of the voting power of the corporation, present in person or by proxy, shall constitute a quorum for such meeting; provided however, that no action required by law, the Articles, or these Regulations to be authorized or taken by the holders of a designated proportion of the shares of the corporation may be authorized or taken by a lesser proportion. The shareholders present in person or by proxy, whether or not a quorum be present, may adjourn the meeting from time to time without notice other than by announcement at the meeting.

(g) Organization of Meetings:

(1) Presiding Officer. The Chairman of the Board, or in his absence, the President, or in the absence of both of them, a Vice-President of the corporation shall call all meetings of the shareholders to order and shall act as Chairman thereof, if all are absent, the shareholders shall elect a Chairman.

(2) Minutes. The secretary of the corporation, or, in his absence, an Assistant Secretary, or, in the absence of both, a person appointed by the Chairman of the meeting, shall act as Secretary of the meeting and shall keep and make a record of the proceedings thereat.

(h) Order of Business. The order of business at all meetings of the shareholders, unless waived or otherwise determined by a vote of the holder or holders of the majority of the number of shares entitled to vote present in person or represented by proxy, shall be as follows:

1. Call meeting to order.

2. Selection of Chairman and/or Secretary, if necessary.

3. Proof of notice of meeting and presentment of affidavit thereof.

4. Roll call, including filing of proxies with Secretary.

5. Upon appropriate demand, appointment of inspectors of election.

6. Reading, correction and approval of previously unapproved minutes.

7. Reports of officers and committees.

8. If annual meeting, or meeting called for that purpose, election of Directors.

9. Unfinished business, if adjourned meeting.

10. Consideration in sequence of all other matters set forth in the call for and written notice of the meeting.
11. Adjournment.

(i) Voting. Except as provided by statute or in the Articles, every shareholder entitled to vote shall be entitled to cast one vote on each proposal submitted to the meeting for each share held of record by him on the record date for the determination of the shareholders entitled to vote at the meeting. At any meeting at which a quorum is present, all questions and business which may come before the meeting shall be determined by a majority of votes cast, except when a greater proportion is required by law, the Articles, or these Regulations.

(j) Proxies. A person who is entitled to attend a shareholders meeting, to vote thereat, or to execute consents, waivers and releases, may be represented at such meeting or vote thereat, and execute consents, waivers, and releases, and exercise any of his rights, by proxy or proxies appointed by a writing signed by such person, or by his duly authorized attorney, as provided by the laws of the State of Ohio.

(k) List of Shareholders. At any meeting of shareholders, a list of shareholders, alphabetically arranged, showing the number and classes of shares held by each on the record date applicable to such meeting shall be produced on the request of any shareholder.

Section 2. Action of Shareholders Without a Meeting

Any action which may be taken at a meeting of shareholders may be taken without a meeting if authorized by a writing or writing signed by all of the holders of shares who would be entitled to notice of a meeting for such purpose, which writing or writings shall be filed or entered upon the records of the corporation.

ARTICLE III

DIRECTORS

Section 1. General Powers

The business, power and authority of this corporation shall be

exercised, conducted and controlled by a Board of Directors, except where the law, the Articles or these Regulations require action to be authorized or taken by the shareholders.

Section 2. Election, Number and Qualification of Directors

(a) Election. The directors shall be elected at the annual meeting of shareholders, or if not so elected, at a special meeting of shareholders called for that purpose. At any meeting of shareholders at which directors are to be elected, only persons nominated as candidates shall be eligible for election.

(b) Number. The number of directors, which shall not be less than the lesser of three (3) or the number of shareholders of record, may be fixed or changed at a meeting of the shareholders called for the purpose of electing directors at which a quorum is present, by the affirmative vote of the holders of a majority of the shares represented at the meeting and entitled to vote on such proposal. The number of directors elected shall be deemed to be the number of directors fixed unless otherwise fixed by resolution adopted at the meeting at which such directors are elected.

(c) Qualification. Directors need not be shareholders of the corporation.

Section 3. Term of Office of Directors

(a) Term. Each director shall hold office until the next annual meeting of the shareholders and until his successor has been elected or until his earlier resignation, removal from

office, or death. Directors shall be subject to removal as provided by statute or by other lawful procedures and nothing herein shall be construed to prevent the removal of any or all directors in accordance therewith.

(b) Resignation. A resignation from the Board of Directors shall be deemed to take effect immediately upon its being received by any incumbent corporate officer other than an officer who is also the resigning director, unless some other time is specified therein.

(c) Vacancy. In the event of any vacancy in the Board of Directors for any cause, the remaining directors, though less than a majority of the whole Board, may fill any such vacancy for the unexpired term.

Section 4. Meetings of Directors

(a) Regular Meetings. A regular meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of the shareholders or a special meeting of the shareholders at which directors are elected. The holding of such shareholders' meeting shall constitute notice of such directors' meeting and such meeting may be held without further notice. Other regular meetings shall be held at such other times and places as may be fixed by the directors.

(b) Special Meetings. Special meetings of the Board of Directors may be held at any time upon call of the Chairman of the Board, the President, any Vice-President, or any two directors.

(c) Place of Meeting. Any meeting of directors may be held at such place within or without the State of Ohio as may be designated in the Notice of said meeting.

(d) Notice of Meeting and Waiver of Notice. Notice of the time and place of any regular or special meeting of the Board of Directors (other than the regular meeting of

directors following the adjournment of the annual meeting of the shareholders or following any special meeting of the shareholders at which directors are elected) shall be given to each director by personal delivery, telephone, mail, telegram or cablegram at least forty-eight (48) hours before the meeting, which notice need not specify the purpose of the meeting. Such notice, however, may be waived in writing by any director either before or after any such meeting, or by attendance at such meeting without protest prior to the commencement thereof.

Section 5. Quorum and Voting

At any meeting of directors, not less than one-half of the whole

authorized number of directors is necessary to constitute a quorum for such meeting, except that a majority of the remaining directors in office constitutes a quorum for filling a vacancy in the Board. At any meeting at which a quorum is present, all acts, questions and business which may come before the meeting shall be determined by a majority of votes cast by the directors present at such meeting, unless the vote of a greater number is required b the Articles, Regulations or By-Laws.

Section 6. Committees

(a) Appointment. The Board of Directors may from time to time appoint certain of its members (but in no event less than three) to act as a committee or committees in the intervals between meetings of the Board and may delegate to such committee or committees powers to be exercised under the control and direction of the Board. Each such committee and each member thereof shall serve at the pleasure of the Board.

(b) Executive Committee. In particular, the Board of Directors may create from its membership and define the powers and duties of an Executive Committee. During the intervals between meetings of the Board of Directors the Executive Committee shall possess

and may exercise all of the powers of the Board of Directors in the management and control of the business of the corporation to the extent permitted by law. All action taken by the Executive Committee shall be reported to the Board of Directors at its first meeting thereafter.

(c) Committee Action. Unless otherwise provided by the Board of Directors, a majority of the members of any committee appointed by the Board of Directors pursuant to this Section shall constitute a quorum at any meeting thereof and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of such committee. Action may be taken by any such committee without a meeting by a writing signed by all its members. Any such committee shall prescribe its own rules for calling and holding meetings and its method or procedure, subject to any rules prescribed by the Board of Directors, and shall keep a written record of all action taken by it.

Section 7. Action of Directors without a Meeting

Any action which may be taken at a meeting of directors may be taken without a meeting if authorized by a writing or writings signed by all the directors, which writing or writings shall be filed or entered upon the records of the corporation.

Section 8. Compensation of Directors

The Board of Directors may allow compensation for attendance at meetings or for any special services, may allow compensation to members of any committee, and may reimburse any director for his expenses in connection with attending any Board or Committee meeting.

Section 9. Attendance at Meetings of Persons who are not Directors

Unless waived by a majority of directors in attendance, not less than twenty-four (24) hours before any regular or special meeting of the Board of Directors, any director who desires the presence at such meeting of not more than one person who is not a director shall so notify all other directors, request the presence of such person at the meeting, and state the reason in writing. Such person will not be permitted to attend the directors' meeting unless a majority of the directors in attendance vote to admit such person to the meeting. Such vote shall constitute the first order of business for any such meeting of the Board of Directors. Such right to attend, whether granted by waiver or vote, may be revoked at any time during any such meeting by the vote of a majority of the directors in attendance.

ARTICLE IV

OFFICERS

Section 1. General Provisions

The Board of Directors shall elect a President, a Secretary and a Treasurer, and may elect a Chairman of the Board, one or more Vice-Presidents, and such other officers and assistant officers as the Board may from time to time deem necessary. The Chairman of the Board, if any, and the President shall be directors, but no one of the other officers need be a director. Any two or more offices may be held by the same person, but no officer

shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required to be executed, acknowledged or verified by two or more officers.

Section 2. Powers and Duties

All officers, as between themselves and the corporation, shall respectively have such authority and perform such duties as are customarily incident to their respective offices, and as may be specified from time to time by the Board of Directors, regardless of whether such authority and duties are customarily incident to such office. In the absence of any officer of the corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate for the time being, the powers or duties of such officer, or any of them, to any other officer or to any director. The Board of Directors may from time to time delegate to any officer authority to appoint and remove subordinate officers and to prescribe their authority and duties. Since the lawful purposes of this corporation include the acquisition and ownership of real property, personal property and property in the nature of patents, copyrights, and trademarks and the protection of the corporation's property rights in its patents, copyrights and trademarks, each of the officers of this corporation is empowered to execute any power of attorney necessary to protect, secure, or vest the corporation's interest in and to real property, personal property and its property protectable by patents, trademarks and copyrights registrations and to secure such patents, copyrights and trademark registrations.

Section 3. Term of Office and Removal

(a) Term. Each officer of the corporation shall hold office during the pleasure of the Board of Directors, and unless sooner removed by the Board of Directors, until the meeting of the Board of Directors following the date of their election and until his successor is elected and qualified.

(b) Removal. The Board of Directors may remove any officer at any time, with or without cause by the affirmative vote of a majority of directors in office.

Section 4. Compensation of Officers

Unless compensation is otherwise determined by a majority of the directors at a regular or special meeting of the Board of Directors, or unless such determination is delegated by the Board of Directors to another officer or officers, the President of the corporation from time to time shall determine the compensation to be paid to all officers and other employees for services rendered to the corporation.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) Right of Indemnification. Each director, officer and member of a committee of this corporation, and any person who may have served at the request of this corporation as a director, officer or member of a committee of any other corporation in which this corporation is a creditor, his heirs, executors and administrators, shall be indemnified by the corporation against all costs and expenses reasonably incurred by him concerning, or in connection with, the defense of any claim asserted or suit or proceeding brought against him by reason of his conduct or actions as a director, officer or member of a committee of this corporation, or a director, officer of member of a committee of such other corporation, whether or not he continues to be a director, officer or member of a committee at the time of incurring such costs or expenses, except costs and expenses incurred in relation to matters as to which such director, officer or member of a committee shall have been willfully derelict in the performance of his duty as such director, officer or member of a committee. Such costs and expenses shall include the costs of reasonable settlements (with or without suit),

judgments, attorneys' fees, costs of suit, fines and penalties and other liabilities (other than amounts paid by any such person to this corporation or any such other corporation).

(b) Definition of Performance. For the purposes of this Article, a director, officer or member of a committee shall conclusively be deemed not to have been willfully derelict in the performance of his duty as such director, officer or member of a committee:

(1) Determination by Suit. In a matter which shall have been the subject of a suit or proceeding in which he was a party which is disposed of by

adjudication on the merits, unless he shall have been finally adjudged in such suit or proceeding to have been willfully derelict in the performance of his duty as such director, officer or member of a committee, or

(2) Determination by Committee. In a matter not falling within (1) next preceding if either a majority of disinterested members of the Board of Directors or a majority of a committee of disinterested shareholders of the corporation, (excluding therefrom any director, officer or member of a committee) selected as hereinafter provided shall determine that he was not willfully derelict. Such determination shall be made by the disinterested members of the Board of Directors except where such members shall determine that such matter should be referred to said committee of disinterested shareholders.

(c) Selection of Committee. The selection of a committee of shareholders provided above may be made by the majority vote of the disinterested directors or, if there be no disinterested director or directors, by the chief executive officer of the corporation. A director or shareholder shall be deemed disinterested in a matter if he has no interest therein other than as a director or shareholder of the corporation as the case may be. The corporation shall pay the fees and expenses of the shareholders or directors, as the case may be, incurred in connection with making a determination as above provided.

(d) Non-Committee Determination. In the event that a director, officer or member of a committee shall be found by some other method not to have been willfully derelict in the performance of his duty as such director, officer or, member of a committee, then such determination as to dereliction shall not be questioned on the ground that it was made otherwise than as provided above.

(e) Indemnification by Law. The foregoing right of indemnification shall be in addition to any rights to which any such person may otherwise be entitled as a matter of law.

ARTICLE VI

SECURITIES HELD BY THE CORPORATION

Section 1. Transfer of Securities Owned by the Corporation

All endorsements, assignments, transfers, stock powers, share powers or other instruments of transfer of securities standing in the name of the corporation shall be executed for and in the name of the corporation by the President, by a Vice-President, by the Secretary or by the Treasurer or by any other person or persons as may be thereunto authorized by the Board of directors.

Section 2. Voting Securities held by the Corporation

The Chairman of the Board, President, any Vice-President, Secretary or Treasurer, in person or by another person thereunto authorized by, the Board of Directors, in person or by proxy or proxies appointed by him, shall have full power and authority on behalf of the corporation to vote, act and consent with respect to any securities issued by other corporations which the corporation may own.

ARTICLE VII

SHARE CERTIFICATES

Section 1. Transfer and Registration of Certificates

The Board of Directors shall have authority to make such rules and Articles or these Regulations, as it deems expedient concerning the issuance, transfer and registration of certificates for shares and the shares represented thereby and may appoint transfer agents and registrars thereof.

Section 2. Substituted Certificates

Any person claiming that a certificate for shares has been lost, stolen or destroyed, shall make an affidavit or affirmation of that fact and, if required, shall give the corporation (and its registrar or registrars and its transfer agent or agents, if any) a bond of indemnity, in such form and with one or more sureties satisfactory to the Board, and, if required by the Board of Directors, shall advertise the same in such manner as the Board of Directors may require, whereupon a new certificate may be executed and delivered of the same tenor and for the same number of shares as the one alleged to have been lost, stolen or destroyed.

ARTICLE VIII

SEAL

The directors may adopt a seal for the corporation which shall be in such form and of such style as is determined by the directors. Failure to affix any such corporate seal shall not affect the validity of any instrument.

ARTICLE IX

CONSISTENCY WITH ARTICLES OF INCORPORATION

If any provision of these Regulations shall be inconsistent with the corporation's Articles of Incorporation (and as they may be amended from time to time), the Articles of Incorporation (as so amended at the time) shall govern.

ARTICLE X

SECTION HEADINGS

The headings contained in this Code of Regulations are for reference purposes only and shall not be construed to be part of and/or shall not affect in any way the meaning or interpretation of this Code of Regulations.

ARTICLE XI

AMENDMENTS

This Code of Regulations of the corporation (and as it may be amended from time to time may be amended or added to by the affirmative vote or the written consent of the shareholders of record entitled to exercise a majority of the voting power on such proposal; provided, however, that if an amendment or addition is adopted by written consent without a meeting of the shareholders, it shall be the duty of the secretary to enter the amendment or addition in the records of the corporation, and to mail a copy of such amendment or addition to each shareholder of record who would be entitled to vote thereon and did not participate in the adoption thereof.

[End of Code of Regulations]

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EXHIBIT 3.42

FILED
IN THE OFFICE OF THE CORPORATION
COMMISSIONER OF THE STATE OF ORE.
MAY 15, 1986
JANE EDWARDS
CORPORATION COMMISSIONER

TRUE COPY
LYNNE R. STAFFORD

ARTICLES OF INCORPORATION

OF

SALEM MEDIA OF OREGON, INC.

The undersigned, acting as the incorporator of a corporation under the Oregon Business Corporation Act, adopts, subscribes, and verifies the following Articles of Incorporation for such corporation:

ARTICLE I

The name of this corporation is Salem Media of Oregon, Inc. and the duration of this corporation shall be perpetual.

ARTICLE II

The purposes for which this corporation is organized are as follows:

1. To engage in the purchase and operation of broadcast facilities and to engage in all lawful activities and to engage in all lawful activities which are

necessary, convenient or suitable in furtherance of such business; and

2. To engage in any other lawful activity for which corporations may be organized under Oregon law, and to exercise any general or specific power now or hereafter granted to corporations under Oregon law.

ARTICLE III

The total authorized capital stock of the corporation consists of 500 shares of common stock of no par value.

ARTICLE IV

The address of the initial registered office of the corporation is Greene & Markley, P.C., The 1515 Building, Suite 840, 1515 SW Fifth Avenue, Portland, Oregon 97201; the name of the initial registered agent is S. Ward Greene.

ARTICLE V

The number of directors constituting the initial Board of Directors are two. The names and addresses of the persons who shall serve as director until the first annual meeting of shareholders, or until their successors are elected and qualified are as follows:

Stewart W. Epperson
8025 North Point Blvd.
Winston Salem, North Carolina 27106

Edward G. Atsinger, III
2310 Ponderosa Drive, Ste. 29
Camarillo, California 93010

ARTICLE VI

The name and address of the incorporator is as follows:

Lynn R. Stafford
Greene & Markley, P.C.
The 1515 Building, Suite 840
1515 SW Fifth Avenue
Portland, Oregon 97201

ARTICLE VII

The corporation shall have the right to purchase its own shares directly or indirectly to the extent of unreserved and unrestricted capital surplus available therefor.

I, the undersigned incorporator, declare under penalty of perjury that I have examined the foregoing and to the best of my knowledge and belief, it is true, correct and complete.

DATED: May 7, 1986

Lynn R. Stafford
LYNN R. STAFFORD

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EXHIBIT 3.43

BYLAWS
OF
SALEM MEDIA OF OREGON, INC.

ARTICLE I

Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders of the

corporation shall be held at 2310 Ponderosa Drive, Suite 29, Camarillo, California on the third Friday of May of each year for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held at the time designated herein for any annual meeting of the shareholders, or at any adjournment thereof, the board of directors shall cause the election thereafter as may be convenient. The first annual meeting shall be held beginning with the year 1987.

Section 2. Special Meetings. Special meetings of the shareholders may be called for any purpose or purposes by the president or the chairman of the board of directors.

Section 3. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 4. Place of Meeting. The board of directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting is otherwise called, the meeting shall be held at the location mentioned in Section 1, above.

Section 5. Quorum. A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Section 6. Proxies. At all meetings of the shareholders, a shareholder may vote in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

Section 7. Voting of Shares. Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of the shareholders.

Section 8. Election of Directors. A candidate shall be elected to the board of directors upon receiving the vote of a majority of the shares represented in person or by proxy at the meeting of the shareholders. Voting upon any contested election shall be by written ballot.

Section 9. Informal Action by Shareholders. Any action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers of Board of Directors. Subject only to any limitations or requirements of law, to any action validly taken by the shareholders and to these bylaws, the board of directors shall have full power to manage and administer the business and affairs of the corporation.

Section 2. Number, Tenure and Qualifications. The initial number of directors of the corporation shall be two (2). Each director shall hold office until the next annual meeting of shareholders and until his successor shall have been elected and qualified. Directors are not required to be residents of the State of Oregon or shareholders of the corporation.

Section 3. Regular Meetings. A regular meeting of the board of directors shall be held without other notice than this bylaw immediately after, and at the same place as, the annual meeting of the shareholders. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 4. Special Meetings. Special meetings of the board of directors may be called by or at the request of any officer or any director. The place for holding any special meeting of the board of directors shall be at the location mentioned in Article I unless a waiver is signed by all of the directors.

Section 5. Notice. Notice of any special meeting shall be given at least four (4) days before such meeting by written notice delivered personally or mailed to each director at his business address or by telegram. If mailed, such notice shall be deemed to be given when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed by Section 2 of this Article II shall constitute a quorum for the transaction of business of any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting without further notice.

Section 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

Section 8. Action without a Meeting. Any action required or permitted to be taken by the board of directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

Section 9. Removal. The entire board of directors or any individual director, at a special meeting of the shareholders called for that purpose, may be removed with or without cause from office by vote of shareholders holding a majority of the shares entitled to vote at an election of directors. If the entire board of directors or any one or more directors is so removed, new directors may be elected at the same meeting.

Section 10. Vacancies. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the board of directors for a term of office continuing only until the next election of directors by the shareholders.

Section 11. Compensation. By resolution of the board of directors, each director may be paid his expenses, if any, of attendance at each meeting of the board of directors, and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the board of directors or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III

Officers

Section 1. Number. The officers of the corporation shall include a chairman of the board, a president, a treasurer and a secretary, each of whom shall be elected by the board of directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer of the corporation may be removed by the board of directors when in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.

Section 5. Chairman of the Board. The chairman of the board shall be the principal executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the board of directors. He may sign, with the secretary or any other proper officer of the corporation authorized by the board of directors, certificates for shares of the corporation and deeds, mortgages, bonds, contracts or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation or shall be required by law to be otherwise signed or executed. He shall have the power to hire and discharge agents and employees who are not officers of the corporation. In general, he shall perform all duties incident to the office of chairman of the board and such other duties as may be prescribed by the board of directors from time to time.

Section 6. President. In the absence of the chairman of the board or in the event of his death, inability or refusal to act, the president shall perform the duties of the chairman of the board and when so acting, shall have all the powers of and be subject to all of the restrictions upon the chairman of the board. The president may sign, with the secretary, certificates for shares of the corporation and shall perform such other duties as from time to time may be assigned to him by the board of directors.

Section 7. Vice President. In the event both the chairman of the board and the president are absent or unable to act, the vice president shall perform the duties and have all the powers of the president to the extent necessary to conduct the day to day operations of the corporation until the chairman of the board or president are again able to perform or until successors are appointed by the board of directors.

Section 8. Secretary. The secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the records of the corporation; (d) keep a register of the address of each shareholder which shall be furnished to the secretary by such shareholder; (e) sign, with the chairman of the board or the president, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the board of directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of secretary and such other duties as from time to tine may be assigned to him by the president or by the board of directors.

Section 9. Treasurer. The treasurer shall: (a) have charge and custody of and be responsible for all funds of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these bylaws; and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the board of directors shall determine.

ARTICLE IV

Contracts, Loans, Checks and Deporits

Section 1. Contracts. The board of directors may authorize any officer or officers or any other agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 3. Checks. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer, officers or other agents of the corporation and in such manner as shall be from time to time be determined by resolution of the board of directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE V

Certificates for Shares and their Transfer

Section 1. Certificates for Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the board of directors. Such certificates shall be signed by the chairman of the board or president and by the secretary and may be sealed with the corporate seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the corporation itself or one of its employees. Each certificate for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in

case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the board of directors may prescribe.

Section 2. Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VI

Indemnification

Section 1. Indemnification. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or a person of whom he is the legal representative is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to any procedure specified in the Oregon Business Corporation Act, as amended from time to time, against all expenses, liabilities and losses (including attorneys fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Such right of indemnification shall be a contract right that may be enforced in any manner desired by such person. Such right of indemnification shall not be exclusive of any other right which such directors, officers or representatives may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any bylaw, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article VI.

Section 2. Insurance. The board of directors may cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in any such capacity or arising out of such status, whether or not the corporation would have the power to indemnify such person.

ARTICLE VII

Dividends

The board of directors may, from time to time, declare and the corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

ARTICLE VIII

Waiver of Notice

Whenever any notice is required to be given to any shareholder or director of the corporation under the provisions of these bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Oregon Business Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX

Amendments

These bylaws may be altered, amended or repealed and new bylaws may be adopted by the board of directors or by the shareholders at any regular or special meeting.

ARTICLE X

Corporate Seal

The board of directors may provide a corporate seal which shall be circular in form and have inscribed on it the name of the corporation and the state of incorporation and the words "Corporate Seal."

I hereby certify that the foregoing bylaws, consisting of 8 pages, are the bylaws of SALEM MEDIA OF OREGON, INC., adopted by the board of directors on ______________________, 1986.

____
Secretary

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EXHIBIT 3.44

DSCB204 (Rev. 81)
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ARTICLES OF INCORPORATION (PREPARE IN TRIPLICATE) COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF STATE - CORPORATION BUREAU 308 NORTH OFFICE BUILDING, HARRISBURG, PA 17120	PLEASE INDICATE (CHECK ONE) TYPE CORPORATION [X] DOMESTIC BUSINESS CORPORATION [ ] DOMESTIC BUSINESS CORPORATION A CLOSE CORPORATION - COMPLETE BACK [ ] DOMESTIC PROFESSIONAL CORPORATION ENTER BOARD LICENSE NO.	FEE $75.00

<S> <C>

---

010 NAME OF CORPORATION (MUST CONTAIN A CORPORATE INDICATOR UNLESS EXEMPT UNDER 15 P.S. 2908 B)
Salem Media of Pennsylvania, Inc.

---

011 ADDRESS OF REGISTERED OFFICE IN PENNSYLVANIA (P.O. BOX NUMBER NOT ACCEPTABLE)
c/o Timothy M. Slavish, Esq., Thorp, Reed & Armstrong; One Riverfront Center

---

012 CITY	033 COUNTY	013 STATE	064 ZIP CODE
Pittsburgh	Allegheny	Pennsylvania	15222

---

050 EXPLAIN THE PURPOSE OR PURPOSES OF THE CORPORATION

The Corporation shall have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Pennsylvania Business Corporation Law.

(ATTACH 8 1/2 x 11 SHEET IF NECESSARY)

The Aggregate Number of Shares, Classes of Shares and Par Value of Shares Which the Corporation Shall have Authority to Issue:

040 Number and Class of Shares	041 Stated Par Value Per Share if Any	042 Total Authorized Capital	031 Term of Existence
10,000 Shares, common stock	$ 1.00	$10,000	perpetual

The Name and Address of Each Incorporator, and the Number and Class of Shares Subscribed to by each Incorporator

060 Name	061, 062 063, 064 Address (Street, City, State, Zip Code)	Number & Class of Shares
Timothy M. Slavish, Esq.	Thorp, Reed & Armstrong	1 share, common
	One Riverfront Center	

Pittsburgh, PA 15222

(ATTACH 8 1/2 x 11 SHEET IF NECESSARY)

IN TESTIMONY WHEREOF, the incorporator(s) has (have) signed and sealed the articles of incorporation this 8th DAY OF April 19 87.

</TABLE>

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/s/ Timothy M. Slavish

<S> <C>

- FOR OFFICE USE ONLY -

030 FILED	002 CODE	003 REV BOX	SEQUENTIAL NO.	100 MICROFILE NUMBER
APR 9 1987	AID			87251712
	REVIEWED BY			
/s/	JJH	004 SICC	AMOUNT	001 CORPORATION NUMBER
JAMES J. HAGGERTY	DATE APPROVED		$75.00	973896

	DATE REJECTED	CERTIFY TO	INPUT BY	LOG IN	LOG IN (REFILE)
SECRETARY OF COMMONWEALTH		[ ] REV.	DP 4.31		
DEPARTMENT OF STATE	MAILED BY DATE	[ ] L & I	VERIFIED BY	LOG OUT	LOG OUT (REFILE)
COMMONWEALTH OF PENNSYLVANIA		[ ] OTHER	JKS 4/22		

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EXHIBIT 3.45

SALEM MEDIA OF PENNSYLVANIA, INC.

(A PENNSYLVANIA CORPORATION)

****

BY-LAWS

****

ARTICLE I - CORPORATE OFFICES

The registered office of Salem Media of Pennsylvania, Inc. (the "Corporation") shall be at One Riverfront Center, Pittsburgh, Pennsylvania 15222. The Corporation may also have offices at such other places within or outside the Commonwealth of Pennsylvania as the Board of Directors may from time to time designate or the business of the Corporation may require.

ARTICLE II - SEAL

The corporate seal shall have inscribed thereon the name of the Corporation, the year of its incorporation and the words "Corporate Seal, Pennsylvania".

ARTICLE III - SHAREHOLDERS' MEETINGS

1. PLACE OF MEETINGS.

All meetings of the shareholders shall be held at the principal office of the Corporation or at such other place or places, either within or without the Commonwealth of Pennsylvania, as may from time to time be selected.

2. ANNUAL MEETING.

The annual meeting of the shareholders of the Corporation shall be held on the third Monday of April in each year, or on such other date as the Board of Directors may by resolution determine, at 2:00 P.M., when they shall elect a Board of Directors, and transact such other business as may properly be brought before the meeting. If the annual meeting shall not be called and held within six (6) months after the designated time, any shareholder may call such meeting.

3. QUORUM.

A shareholders' meeting duly called shall not be organized for the transaction of business unless a quorum is present. The presence in person, or by proxy, of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast shall constitute a quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Adjournment or adjournments of any annual or special meeting may be taken, but any meeting at

which directors are to be elected shall be adjourned only from day to day, or for such longer periods not exceeding fifteen (15) days each, as may be directed by the shareholders who are present in person or by proxy and who are entitled to cast at least a majority of the votes which all such shareholders would be entitled to cast at an election of directors until such directors have been elected. If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided by statute, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum, shall nevertheless constitute a quorum for the purpose of electing directors.

4. VOTING.

At each meeting of the shareholders every shareholder having the right to vote shall be entitled to vote in person or by proxy executed in writing by such shareholder or by his duly authorized attorney in fact, and filed with the Secretary of the Corporation. No unrevoked proxy shall be valid after eleven (11) months from the date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy, unless coupled with an interest, be voted on after three (3) years from the date of its execution. Elections for directors shall be by cumulative voting. Upon demand made by a shareholder at any election for directors before the voting begins, the election shall be by ballot. No share shall be voted at any meeting upon which any installment is due and unpaid. The registered list of shareholders certified by the Transfer Agent of the Corporation or by its Secretary shall be evidence of the right of all persons or entities named therein to vote.

5. NOTICE OF MEETING.

Written notice of the annual meeting shall be mailed to each shareholder entitled to vote thereat, at such address as appears on the books of the Corporation, at least ten (10) days prior to the meeting.

6. JUDGES OF ELECTION.

In advance of any meeting of shareholders, the Board of Directors, may appoint judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If judges of election be not so appointed, the Chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment at the meeting. The number of judges shall be one (1) or three (3). If appointed at a meeting on the request of one (1) or more shareholders or proxies, the majority of shares present and entitled to vote shall determine whether one (1) or three (3) judges are to be appointed. On request of the Chairman of the meeting, or of any shareholder or his proxy, the judge(s) shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. No person who is a candidate for office shall act as a judge.

7. SPECIAL MEETINGS.

Special meetings of the shareholders may be called at any time by the President, or the Board of Directors, or the holders of not less than one-fifth (1/5) of the votes which all shareholders are entitled to cast at the particular meeting. At any time, upon written request of any person or persons who have duly called a special meeting, it shall be the duty of the Secretary to fix the date of the meeting to be held, not less than ten (10) nor more than sixty (60)

days after receipt of the request, and to give due notice thereof. If the Secretary shall neglect or refuse to fix the date of the meeting and give notice thereof, the person or persons calling the meeting may do so.

Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto, unless all shareholders entitled to vote consent thereto.

Written notice of a special meeting of the shareholders, stating the time, place and purpose thereof, shall be given to each shareholder entitled to vote thereat at least five (5) days before such meeting, unless a greater period of notice is required by statute in a particular case.

8. CERTIFIED LIST OF SHAREHOLDERS.

The Secretary or Transfer Agent of the Corporation shall make, at least five (5) days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order with the address of and the number of shares held by each. The list shall be kept on file at the registered office of the Corporation, and shall be subject to inspection by any shareholder at any time during usual business hours, and shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any shareholder during the whole time of the meeting.

ARTICLE IV - DIRECTORS

1. BOARD OF DIRECTORS.

The business and affairs of the Corporation shall be managed by a Board of Directors, consisting of two (2) directors, or such other number as shall be prescribed from time to time by resolution of the Board. Directors shall be natural persons of full age and need not be residents of this Commonwealth or shareholders in the Corporation. They shall be elected by the shareholders, at the annual meeting of the shareholders of the Corporation, and each director shall be elected for the term of at least one (1) year, and until his successor shall be elected and shall qualify.

2. POWERS.

In addition to the powers and authorities by these By-Laws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the shareholders.

3. MEETINGS OF THE BOARD.

The meetings of the Board of Directors may be held at such place within this Commonwealth, or elsewhere, as a majority of the directors may from time to time designate, or as may be designated in the notice calling the meeting.

Each newly elected Board of Directors may meet at such place and time as shall be fixed by the shareholders at the meeting at which such directors are elected and no notice shall be necessary to the newly elected directors in order legally to constitute the meeting, or they may meet at such place and time as may be fixed by the consent in writing of all the directors.

Regular meetings of the Board shall be held without notice at the registered office of the Corporation, or at such other time and place as shall be determined by the Board.

4. SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by the President on forty-eight (48) hours notice to each director, either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of two (2) or more directors.

5. QUORUM.

A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

6. VACANCIES.

Vacancies in the Board of Directors, including vacancies resulting from an increase in the number of directors, shall be filled by a majority of the remaining members of the Board though less than a quorum, and each person so elected shall be a director until his successor is elected by the shareholders,

who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose and held prior thereto.

7. COMPENSATION OF DIRECTORS.

Directors shall be compensated either by a stated annual salary or by a fixed sum and expenses for attendance at each regular or special meeting of the Board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

8. NATIONAL CATASTROPHE.

Notwithstanding any other provisions of law, the Articles or these By-Laws, during any emergency period following a national catastrophe, a majority of the surviving members (or the sole survivor) of the Board of Directors who have not been rendered incapable of acting because

of incapacity or the difficulty of communication or transportation to the place of meeting shall constitute a quorum for the sole purpose of electing directors to fill such emergency vacancies; and a majority of the directors present at such meeting may act to fill such vacancies. Directors so elected shall serve until such absent directors are able to attend meetings or until the shareholders act to elect directors for such purpose. During such an emergency period, if the Board is unable to or fails to meet, any action appropriate to the circumstances may be taken by such officers of the Corporation as may be present and able to do so.

9. PRESUMPTION OF ASSENT.

Minutes of each meeting of the Board shall be made available to each director at or before the next succeeding regular meeting. Every director shall be presumed to have assented to such minutes unless his objection thereto shall be made to the Secretary within ten (10) days after such regular meeting.

10. RESIGNATIONS.

Any director may resign by submitting to the President his resignation, which (unless otherwise specified therein) need not be accepted to make it effective and it shall be effective immediately upon its receipt by such officer.

11. REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual director may be removed from office at any time without assigning any cause, by the vote of shareholders entitled to cast at least a majority of the votes which all shareholders would be entitled to cast at any annual election, given at a special meeting of the shareholders called for that purpose. Unless the entire Board be removed, not more than one (1) director at a time may be removed by any one (1) vote of shareholders; and no individual director shall be removed in case the votes of a sufficient number of shares are cast against the resolution for his removal which if cumulatively voted at an annual election of the full Board would be sufficient to elect at least one (1) director.

ARTICLE V - OFFICERS

1. PRINCIPAL OFFICERS.

The principal officers of the Corporation shall be a Chairman of the Board (if the Board of Directors elects one), a President, one (1) or more Vice Presidents, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice President.

2. ELECTION AND TERM OF OFFICE.

Any officers of the Corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each

annual meeting of the Shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

3. REMOVAL.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

4. VACANCIES.

A vacancy in any principal office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

5. CHAIRMAN OF THE BOARD.

The Chairman of the Board (if the Board of Directors has elected one) shall preside at all meetings of the Shareholders and of the Board of Directors and shall have such further and other authority, responsibility and duties as may be granted to or imposed upon him by the Board of Directors. In the absence of the President, the Chairman of the Board shall assume all authority, power, duties and responsibilities otherwise appointed to the President pursuant to Article V, Section 6, and all references to the President in these By-Laws shall be regarded as references to the Chairman of the Board, except where a contrary meaning is clearly required.

6. PRESIDENT.

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board of Directors and the Chairman of the Board, shall in general supervise and control all of the business and affairs of the Corporation. He shall, in the absence of the Chairman of the Board, preside at all meetings of the Shareholders and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors and Chairman of the Board, certificates for shares of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or some other law to be otherwise signed or executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors and the Chairman of the Board from time to time. During the absence or disability of the Chairman of the Board the President shall exercise the functions of the Chairman of the Board of the Corporation. He shall have authority to sign all certificates, contracts and other instruments of the Corporation necessary or proper to be executed in the course of the Corporation's regular business or which shall be authorized by the Board of Directors and shall perform all such other duties as are incident to his office or are properly required of him by the Board of Directors or the Chairman

of the Board. He shall have the authority, subject to such rules, directions or orders, as may be prescribed by the Chairman of the Board or the Board of Directors, to appoint and terminate the appointment of such agents and employees of the Corporation as he shall deem necessary, to prescribe their power, duties and compensation and to delegate authority to them.

7. VICE PRESIDENT.

In the absence of the President or Chairman of the Board, in the event of their death or inability to act, the Vice President, or if there shall be more than one, the Vice Presidents, in the order determined by the Board of Directors, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President or Vice Presidents, as the case may be, shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

8. SECRETARY.

The Secretary shall: (a) keep the minutes of the Shareholders' and Board of Directors' meetings in one (1) or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (d) keep a register of the post office address of each Shareholder; (e) sign with the President or a Vice President certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

9. TREASURER.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these By-Laws; and (c) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

10. SALARIES.

The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Corporation.

ARTICLE VI - ACTION BY CONSENT; MEETING BY TELEPHONE

1. ACTION BY CONSENT.

Any action which may be taken at a meeting of the shareholders, or at a meeting of the directors or members of the Executive Committee, may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the shareholders who would be entitled to vote at a meeting for such purpose, or by all of the directors or the members of the Executive Committee, as the case may be, and shall be filed with the Secretary of the Corporation.

2. MEETING BY TELEPHONE.

One or more directors or shareholders may participate in a meeting of the Board of Directors or a committee of the Board of Directors or of the shareholders by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute attendance at the meeting.

ARTICLE VII - CORPORATE RECORDS

1. RECORDS REQUIRED.

There shall be kept at the registered office of the Corporation an original or duplicate copy of the minutes of the shareholders and of the directors, and the original or a copy of the Corporation's By-Laws, including all amendments or alterations thereof to date, certified by the Secretary of the Corporation. An original or duplicate share transfer book shall also be kept at the registered office, or at the office of a transfer agent or registrar within this Commonwealth, giving the names of the shareholders in alphabetical order, and showing their respective addresses, the number and classes of shares held by each, the number and date of certificates issued for the shares, and the number and date of cancellation of every certificate surrendered for cancellation.

2. INSPECTION.

Every shareholder shall have a right to examine, in person or by his agent or attorney, at any reasonable time or times for any reasonable purpose, the share transfer book, books or records of account, and records of the proceedings of the shareholders and directors, and make extracts therefrom.

ARTICLE VIII - SHARES

1. CERTIFICATES.

The share certificates of the Corporation shall be numbered and registered in the share transfer books of the Corporation, as they are issued. They shall be signed by the President and

Secretary or Treasurer (in facsimile or otherwise, as permitted by law) and shall bear the corporate seal.

2. TRANSFERS OF SHARES.

Transfers of shares shall be made on the books of the Corporation upon surrender of the certificates therefor, duly endorsed, with signature or signatures guaranteed by a bank or stockbroker. No transfer shall be made

inconsistent with the provisions of Article 8 of the Uniform Code approved April 6, 1953 (Act No. 1), as amended and supplemented.

3. CLOSING SHARE TRANSFER BOOKS OR FIXING RECORD DATE.

The Board of Directors may fix a time, not more than fifty (50) days prior to the date of any meeting of shareholders, or the date fixed for payment of any dividend or distribution, or the date fixed for the allotment of rights, or the date when any change or conversion or exchange of shares will be made or go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend or distribution or to receive any such allotment or rights, or to exercise the rights in respect to any change, conversion, or exchange of shares. In such cases, only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment or rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after any record date fixed as aforesaid. The Board of Directors may close the books of the Corporation against transfers of shares during the whole or any part of such period, and in such case written or printed notice thereof shall be mailed at least ten (10) days before the closing thereof to each shareholder of record at the address appearing on the records of the Corporation or supplied by him to the Corporation for the purpose of notice. While the share transfer books of the Corporation are closed, no transfer of shares shall be made thereon. If no record date is fixed for the determination of shareholders entitled to receive notice of and vote at a shareholders' meeting, transferees of shares which are transferred on the books of the Corporation within ten (10) days next preceding the date of such meeting shall not be entitled to notice of and vote at such meeting.

4. LOST CERTIFICATES.

Any person claiming the loss, destruction or mutilation of a share certificate may have a new certificate issued therefor upon such terms and indemnity to the Corporation as the Board of Directors may prescribe.

ARTICLE IX - CORPORATE FINANCE

1. DIVIDENDS.

Subject to the provisions of the statutes and the Articles of Incorporation, the Board of Directors may declare and pay dividends upon the outstanding shares of the Corporation from time to time and to such extent as it deems advisable.

2. RESERVES.

Before payment of any dividend there may be set aside out of the net profits of the Corporation such sum or sums as the directors, from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for such other purpose as the directors shall think conducive to the interests of the Corporation, and the directors may abolish any such reserve in the manner in which it was created.

3. FINANCIAL REPORTS TO SHAREHOLDERS.

The Board of Directors shall have discretion to determine whether financial reports shall be sent to shareholders, what such reports shall contain, and whether they shall be audited or accompanied by the report of an independent or certified public accountant.

ARTICLE X - INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES

1. INDEMNIFICATION.

The Corporation shall reimburse or indemnify each director, officer and employee of the Corporation (and of any other corporation which he served at the request of the Corporation) for or against all liabilities and expenses reasonably incurred by or imposed upon him in connection with or resulting from any claim, action, suit or proceeding (whether brought by or in the name of this Corporation or such other corporation or otherwise), civil, criminal, administrative or investigative (hereinafter called "action"), in which he may become involved as a party or otherwise by reason of his being or having been such director, officer or employee or by reason of any action taken or not taken in such capacity, whether or not he continues to be such at the time such liabilities or expenses are incurred and whether or not such action or omission to act occurred before or after the adoption of this By-Law, provided that (i) in respect of any action by or in the right of the Corporation or such other corporation, such person was not grossly negligent or guilty of misconduct to

the Corporation or such other corporation, and (ii) in respect of all other actions such person acted in good faith in what he reasonably believed to be in the best interests of this Corporation or such other corporation, and in addition in any criminal action had no reasonable cause to believe that his conduct was unlawful.

As used in this By-Law, the term "liabilities and expenses" shall include but not be limited to counsel fees and expenses and amounts of judgments, fines or penalties against and amounts paid in settlement by, a director, officer or employee.

2. NON-EXCLUSIVITY.

The foregoing right of indemnification shall not be exclusive of other rights to which any such person may otherwise be entitled.

3. PENNSYLVANIA INDEMNIFICATION STATUTES.

All rights of indemnification authorized by the Pennsylvania Business Corporation Law or other applicable statutes, as from time to time amended, are hereby granted to the foregoing persons in addition to, and not in derogation of, the other provisions of this Article.

4. SURVIVAL.

All rights of indemnification set forth herein, in the event of the death of the person involved, shall extend to the legal representatives of his estate and to his heirs and beneficiaries.

ARTICLE XI - MISCELLANEOUS PROVISIONS

1. NOTICES.

Whenever written notice is required to be given to any person, it may be given to such person, either personally or by sending a copy thereof through the mail, or by telegram or telex, charges prepaid, to his address appearing on the books of the Corporation, or supplied by him to the Corporation for the purpose of notice. If the notice is sent by mail, telegram or telex, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or when transmitted to such person. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.

Any shareholder or director may waive in writing and at any time, any notice required to be given under the By-Laws. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where the express purpose of such attendance is to object to the transaction of any business because the meeting was not lawfully called or convened.

2. CHECKS.

All checks, demands for money and notes of the Corporation shall be signed by such officer or officers as the Board of Directors shall from time to time designate.

ARTICLE XII - AMENDMENTS

Except as otherwise specified in the Articles or these By-Laws, these By-Laws may be altered, amended and repealed, and new By-Laws may be adopted, by the vote of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast, or by the vote of a majority of the full Board of Directors of the Corporation, at any regular or special meeting. In each case, notice of the specific change proposed to be made must be given to the shareholders or to the directors, as the case may be, but in the case of a unanimous vote such notice shall be deemed to be waived.

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EXHIBIT 3.46

FILED
In the Office of the
Secretary of State of Texas

JUL 18 1994
Corporations Section

ARTICLES OF INCORPORATION
OF
SALEM MEDIA OF TEXAS, INC.

The undersigned, a natural person of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation for Salem Media of Texas, Inc. (the "Corporation"):

ARTICLE ONE

The name of this Corporation is Salem Media of Texas, Inc.

ARTICLE TWO

The period of the Corporation's duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is one thousand (1,000) shares of Common Stock of the par value of $0.01 per share.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars ($1,000), consisting of money, labor done, or property actually received.

ARTICLE SIX

The name and address of the incorporator of the Corporation is:

Name	Address
Eric H. Halvorson	4880 Santa Rosa Road Suite 300 Camarillo,CA 93012

ARTICLE SEVEN

No shareholder of the Corporation shall, by reason of such shareholder holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance or sale of any such shares, or such notes, debentures, bonds, or other securities, would adversely affect the dividend or voting rights of such shareholder of the Corporation, other than such rights, if any, as the board of directors, in its discretion, may grant to the shareholders to purchase such additional, unissued, or treasury securities; and the Corporation may issue or sell additional unissued or treasury shares of any class of the Corporation, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering the same in whole or in part to the existing shareholders of any class.

ARTICLE EIGHT

At each election for directors of the Corporation, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

ARTICLE NINE

The street address of the registered office of the Corporation is 545 E. John Carpenter Freeway, Suite 450, Irving, Texas 75062, and the name of its registered agent is Greg Anderson.

ARTICLE TEN

The number of directors constituting the initial Board of Directors is 2 and the names and addresses of the persons who are to serve as the initial Directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

NAMES	ADDRESSES
Edward G. Atsinger, III	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012
Stuart W. Epperson	3780 Will Scarlet Road Winston-Salem, NC 27104

ARTICLE ELEVEN

No director of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for any act or omission in such director's capacity as director, except to the extent such director is found liable for (i) a breach of such director's duty of loyalty to the Corporation or its shareholders; (ii) an act or omission not in good faith that constitutes a breach of duty of such director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. No repeal or modification of this ARTICLE NINE shall adversely affect any right or protection of a director of the Corporation existing by virtue of this ARTICLE NINE at the time of such repeal or modification.

IN WITNESS WHEREOF, I have hereunto set my hand, this 30th day of June, 1994.

Eric H. Halvorson

Incorporator

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EXHIBIT 3.47

BY-LAWS

OF

SALEM MEDIA OF TEXAS, INC.

ARTICLE I

OFFICES

1.01. The registered agent and office of Salem Media of Texas, Inc. (the "Corporation") shall be such registered agent and office as shall from time to time be established pursuant to the articles of incorporation, as amended from time to time, of the Corporation (the "Charter") or by resolution of the Board of Directors of the Corporation (the "Board").

1.02. The Corporation may also have offices at such other places both within and without the State of Texas as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.01. Meetings of Shareholders of the Corporation (the "Shareholders") for any purpose may be held at such place, within or without the State of Texas, on the 30th day of April or the first business day thereafter, or as shall be fixed from time to time by the Board, or, if the Board has not so specified, then at

such place as may be fixed by the person or persons calling the meeting.

2.02. An annual meeting of the Shareholders, commencing with the year 1994, shall be held at such date and time as shall be fixed from time to time by the Board, at which they shall elect a Board, and transact such other business as may properly be brought before the meeting.

2.03. At least ten days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at said meeting arranged in alphabetical order, with the residence of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder who may be present.

2.04. Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, the Charter, or these bylaws, may be called by the President, a majority of the Board, or the holders of not less than ten percent of all the shares entitled to vote

at the meetings. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

2.05. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting.

2.06. The holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, the Charter, or these bylaws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall nevertheless have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At an adjourned session at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of the Corporation having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of any applicable statute, the Charter, or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08. Each outstanding share of the Corporation, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders, unless otherwise provided by statute or the Charter. At any meeting of the Shareholders, every Shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such Shareholder or by his or her duly authorized attorney-in-fact, such writing bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. Voting need not be by written ballot unless required by the Charter or by vote of the Shareholders present at the meeting.

2.09. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such record date to be not less than ten nor more than sixty days prior to such meeting, or the Board may close the stock transfer books for such purpose for a period of not less than ten nor more than sixty days prior to such meeting. In the absence of any action by the Board, the date upon which the notice of the meeting is mailed shall be the record date.

2.10. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of Shareholders.

2.11. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, Shareholders may participate in and hold a

meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III

DIRECTORS

3.01. The business and affairs of the Corporation shall be managed by the Board who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter or by these bylaws directed or required to be exercised or done by the Shareholders.

3.02. The initial Board shall be as stated in the Charter. Thereafter, the number of directors which shall constitute the full Board shall be not greater than three (3) nor less than two (2) or as determined from time to time by resolution of the Board or by the Shareholders at the annual meeting or a special meeting called for that purpose, but no decrease shall have the effect of shortening the term of an incumbent director. Directors need not be Shareholders or residents of the State of Texas. The directors shall be elected at the annual meeting of the Shareholders, except as hereinafter provided, and each director elected shall hold office until his or her successor shall be elected and shall qualify.

3.03. At any meeting of Shareholders called expressly for such purpose, any director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the shares of the Corporation then entitled to vote at an election of directors. If any vacancies occur in the Board caused by death, resignation, retirement, disqualification, or removal from office of any director or otherwise, a majority of the directors then in office, though less than a quorum, may choose a successor or successors or a successor or successors may be chosen at a special meeting of Shareholders called for that purpose; and each successor director so chosen shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or special meeting of Shareholders called for that purpose or may be filled by the Board for a term of office continuing only until the next election of one or more directors by the Shareholders.

3.04. Whenever the holders of any class or series of shares of the Corporation are entitled to elect one or more directors by the provisions of the Charter, any vacancies in such directorships and any newly created directorships of such class or series to be filled by reason of an increase in the number of such directors may be filled by the affirmative vote of a majority of the directors elected by such class or series then in office or by a sole remaining director so elected, or by the vote of the holders of the outstanding shares of such class or series, and such directorships shall not in any case be filled by the vote of the remaining directors or the holders of the outstanding shares as a whole unless otherwise provided in the Charter.

3.05. At each election for directors, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such Shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

Executive and Other Committees

3.06. The Board, by resolution adopted by a majority of the Board, may designate from among its members an executive committee and one or more other committees, each of which shall be comprised of one or more members and, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board, including the authority to declare dividends and to authorize the issuance of shares of the Corporation, to the extent permitted by law. Committees shall keep regular minutes of their proceedings and report the same to the Board when required.

Meetings of Directors

3.07. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

3.08. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Shareholders, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

3.09. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10. Special meetings of the Board may be called by the President on two days' notice to each director, either personally or by mail, telecopy, or overnight courier; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the directors. Except as may be otherwise expressly provided by statute, the Charter, or these bylaws, neither the business to be transacted at, nor the purpose of, any special meeting needs to be specified in a notice or waiver of notice.

3.11. At all meetings of the Board the presence of a majority of the full Board shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a

majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Charter or by these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.12. Any action required or permitted to be taken at a meeting of the Board or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

3.13. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, members of the Board, or members of any committee designated by the Board, may participate in and hold a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Compensation of Directors

3.14. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

NOTICES

4.01. Whenever under the provisions of any applicable statute, the Charter or these bylaws, notice is required to be given to any director or Shareholder, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given by mail, postage prepaid, addressed to such director or Shareholder at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

4.02. Whenever any notice is required to be given to any Shareholder or director of the Corporation under the provisions of any applicable statute, the Charter or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE V

OFFICERS

5.01. The officers of the Corporation shall be elected by the directors and shall include a President and a Secretary. The Board may also, at its discretion, elect one or more Vice Presidents and a Treasurer. Such other officers, including assistant officers, and agents as may be deemed necessary may be elected or appointed by the Board. Any two or more offices may be held by the same person.

5.02. The Board at its first meeting after each annual meeting of Shareholders shall choose a President, a Secretary, and such other officers, including assistant officers, and agents as may be deemed necessary, none of whom need be a member of the Board.

5.03. The Board may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

5.04. The salaries of all officers and agents of the Corporation shall be fixed by the Board. Unless so fixed by the Board each officer of the Corporation shall serve without remuneration.

5.05. Each officer of the Corporation shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board may be removed at any time by the Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board.

The President

5.09. The President shall be the chief executive officer of the Corporation, shall have the general powers and duties of oversight, supervision and management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be an ex-officio member of all standing committees of the Board.

The Secretary and Assistant Secretaries

5.10. The Secretary shall attend all sessions of the Board and all meetings of the Shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall be.

5.11. Each Assistant Secretary shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

Other Offices

5.12. Any Vice President elected by the Board shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

5.13. Any Treasurer elected by the Board shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board.

5.14. Any Treasurer elected by the Board shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the directors, at the regular meetings of the Board, or whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board may prescribe or as the President may from time to time delegate.

5.15. If required by the Board, any Treasurer elected by the Board shall give the Corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

5.16. Each Assistant Treasurer shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

6.01. Certificates in such form as may be determined by the Board shall be delivered representing all shares to which Shareholders are entitled. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face thereof the name of the Corporation, the name to whom the certificate is issued, the number and class of shares and the designation of the series, if any, which such certificate represents, the par value of such shares or a statement that such shares are without par value, and that the Corporation is organized under the laws of Texas. Each certificate shall be signed by either the President or any Vice President then in office and by either the Secretary, an Assistant Secretary, or any Treasurer then in office, and may be sealed with the seal of the Corporation or a facsimile thereof. If any certificate is countersigned by a transfer agent, or an assistant transfer agent or registered by a registrar,

other than the Corporation or an employee of the Corporation, the signature of any such officer of the Corporation may be a facsimile. Whenever the Corporation shall be authorized to issue more than one class of stock, there shall be (1) set forth conspicuously upon the face or back of each certificate a full statement of (a) all of

the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and (b) if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences of the shares of each series so far as the same have been fixed and determined and the authority of the Board to fix and determine the relative rights and preferences of subsequent series; or (2) stated conspicuously on the face or back of the certificate that (a) such a statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. Whenever the Corporation by the Charter has limited or denied the preemptive rights of Shareholders to acquire unissued or treasury shares of the Corporation, each certificate (1) shall conspicuously set forth upon the face or back of such certificate a full statement of the limitation or denial of preemptive rights contained in the Charter, or (2) shall conspicuously state on the face or back of the certificate that (a) such statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. If any restriction on the transfer or the registration of the transfer of shares shall be imposed or agreed to by the Corporation, as permitted by law, each certificate representing shares so restricted (1) shall conspicuously set forth a full or summary statement of the restriction on the face of the certificate, or (2) shall set forth such statement on the back of the certificate and conspicuously refer to the same on the face of the certificate, or (3) shall conspicuously state on the face or back of the certificate that such a restriction exists pursuant to a specified document and (a) that the Corporation will furnish to the record holder of the certificate without charge upon written request to the corporation at its principal place of business or registered office a copy of the specified document, or (b) if such document is one required or permitted to be and has been filed under the Texas Business Corporation Act, that such document is on file in the office of the Secretary of State of Texas and contains a full statement of such restriction.

Lost Certificates

6.02. The Board may direct a new certificate representing shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Transfer of Shares

6.03. Upon presentation to the Corporation or the transfer agent of the Corporation with a request to register the transfer of a certificate representing shares duly endorsed and otherwise meeting the requirements for transfer specified in the Texas Business and Commerce Code, it shall

be the duty of the Corporation or the transfer agent of the Corporation to register the transfer as requested.

Registered Shareholders

6.04. Prior to due presentment for transfer, the Corporation may treat the registered owner of any share or shares of stock as the person exclusively entitled to vote, to receive notifications, and otherwise to exercise all rights and powers of an owner.

ARTICLE VII

GENERAL PROVISIONS

Dividends

7.01. Dividends upon the outstanding shares of the Corporation, subject to the provisions of the Charter, if any, may be declared by the Board at any regular or special meeting of the Board or by any committee of the Board so authorized. Dividends may be paid in cash, in property, or in shares of the Corporation, subject to the provisions of any applicable statute or the Charter.

The Board may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividend, such record date to be not more than fifty days prior to the payment date of such dividend, or the Board may close the stock transfer books for such purpose for a period of not more than fifty days prior to the payment date of such dividend. In the absence of any action by the Board, the date upon which the Board adopts the resolution declaring such dividend shall be the record date.

Reserves

7.02. There may be created by resolution of the Board out of the surplus of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Corporation, or for such other purpose as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks

7.03. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Execution of Contracts, Deeds, Etc.

7.04. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

Fiscal Year

7.05. The fiscal year of the Corporation shall be fixed by resolution of the Board.

Voting of Securities

7.06. Unless otherwise directed by the Board, the President shall have full power and authority on behalf of the Corporation to attend, vote and act, and to execute and deliver in the name and on behalf of the Corporation a proxy authorizing an agent or attorney-in-fact for the Corporation to attend, vote and act, at any meeting of security holders of any corporation in which the Corporation may hold securities and to execute and deliver in the name and on behalf of the Corporation any written consent of security holders in lieu of any such meeting, and at any such meeting he, or the agent or the attorney-in-fact duly authorized by him, shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation as the owner thereof might have possessed or exercised if present. The Board may by resolution from time to time confer like power upon any other person or persons.

Indemnification

7.07. (a) Subject to any limitation which may be contained in the Charter, the Corporation shall to the full extent permitted by law, including without limitation, Texas Business Corporation Act Art. 2.02-1, as such Article now exists or shall hereafter be amended, indemnify any person who was, is, or is threatened to be made a named defendant or respondent to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, arbitral, administrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, because such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with such action, suit, or proceeding. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an individual did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Subject to any limitation which may be contained in the Charter, the Corporation shall, to the full extent permitted by law, including without limitation, Art. 2.02-1 of the Texas Business-Corporation Act, as such Article now exists or shall hereafter be amended, pay or reimburse on a current basis the expenses incurred by any person described in subsection (a) of this Section 7.07 in connection with any such action, suit, or proceeding in advance of the final disposition thereof, if the Corporation has received (i) a written affirmation by the recipient of his good faith belief that he has met the standard of conduct necessary for indemnification under the Texas Business

Corporation Act and (ii) a written undertaking by or on behalf of the director to

repay the amount paid or reimbursed if it is ultimately determined that he has not satisfied such standard of conduct or if indemnification is prohibited by law.

(c) If required by law at the time such payment is made, any payment of indemnification or advance of expenses to a director shall be reported in writing to the shareholders with or before the notice or waiver of notice of the next Shareholder's meeting or with or before the next submission to Shareholders of a consent to action without a meeting pursuant to Section A, Article 9.10 of the Texas Business Corporation Act, and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this article, subject to any restrictions imposed by law. The Corporation may create a trust fund, establish any form of self-insurance, grant a security interest or other lien on the assets of the Corporation, or use other means (including, without limitation, a letter of credit, guarantee or surety arrangement) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) The rights provided under this Section 7.07 shall not be deemed exclusive of any other rights permitted by law to which such person may be entitled under any provision of the Charter, a resolution of Shareholders or directors of the Corporation, an agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights provided in this Section 7.07 shall be deemed to be provided by a contract between the Corporation and the individuals who serve in the capacities described in subsection (a) hereof at any time while these bylaws are in effect, and no repeal or modification of this Section 7.07 by the Shareholders shall adversely affect any right of any person otherwise entitled to indemnification by virtue of this Section 7.07 at the time of such repeal or modification.

ARTICLE VIII

AMENDMENTS

8.01. The Board may amend or repeal these bylaws or adopt new bylaws, unless:

(l) the Charter or statute reserves the power exclusively to the Shareholders in whole or part; or

(2) the Shareholders in amending, repealing or adopting a particular bylaw expressly provide that the Board may not amend or repeal such bylaw.

8.02. Unless the Charter or a bylaw adopted by the Shareholders provides otherwise as to all or some portion of the Corporation's bylaws, the Shareholders may amend, repeal, or adopt bylaws of the Corporation even though such bylaws may also be amended, repealed or adopted by the Board.

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<SEQUENCE>57
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EXHIBIT 3.48

FILED
In the Office of the
Secretary of State of Texas

JUL 11 1996

Corporations Section

ARTICLES OF INCORPORATION
OF

SALEM MUSIC NETWORK, INC.

The undersigned, a natural person of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation for South Texas Broadcasting, Inc. (the "Corporation"):

ARTICLE ONE

The name of this Corporation is Salem Music Network, Inc.

ARTICLE TWO

The period of the Corporation's duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is one thousand (1,000) shares of Common Stock of the par value of $0.01 per share.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars ($1,000), consisting of money, labor done, or property actually received.

ARTICLE SIX

The name and address of the incorporator of the Corporation is:

Name	Address
Christine Chernjavsky	1212 Guadalupe Suite 102 Austin, TX 78701

ARTICLE SEVEN

No shareholder of the Corporation shall, by reason of such shareholder holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance or sale of any such shares, or such notes, debentures, bonds, or other securities, would adversely affect the dividend or voting rights of such shareholder of the Corporation, other than such rights, if any, as the board of directors, in its discretion, may grant to the shareholders to purchase such additional, unissued, or treasury securities; and the Corporation may issue or sell additional unissued or treasury shares of any class of the Corporation, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering the same in whole or in part to the existing shareholders of any class.

ARTICLE EIGHT

At each election for directors of the Corporation, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

ARTICLE NINE

The street address of the registered office of the Corporation is 545 E. John Carpenter Freeway, Suite 450, Irving, Texas 75062, and the name of its registered agent is Greg Anderson.

ARTICLE TEN

The number of directors constituting the initial Board of Directors is 2 and the names and addresses of the persons who are to serve as the initial

Directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

NAMES	ADDRESSES
Edward G. Atsinger, III	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012
Stuart W. Epperson	3780 Will Scarlet Road Winston-Salem, NC 27104

ARTICLE ELEVEN

No director of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for any act or omission in such director's capacity as director, except to the extent such director is found liable for (i) a breach of such director's duty of loyalty to the Corporation or its shareholders; (ii) an act or omission not in good faith that constitutes a breach of duty of such director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. No repeal or modification of this ARTICLE NINE shall adversely affect any right or protection of a director of the Corporation existing by virtue of this ARTICLE NINE at the time of such repeal or modification.

IN WITNESS WHEREOF, I have hereunto set my hand, this 11th day of July, 1996.

Christine Chernjavsky

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EXHIBIT 3.49

BY-LAWS

OF

SALEM MUSIC NETWORK, INC.

ARTICLE I

OFFICES

1.01. The registered agent and office of Salem Music Network, Inc. (the "Corporation") shall be such registered agent and office as shall from time to time be established pursuant to the articles of incorporation, as amended from time to time, of the Corporation (the "Charter") or by resolution of the Board of Directors of the Corporation (the "Board").

1.02. The Corporation may also have offices at such other places both within and without the State of Texas as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.01. Meetings of Shareholders of the Corporation (the "Shareholders") for any purpose may be held at such place, within or without the State of Texas, on the 30/th/ day of April or the first business day thereafter, or as shall be fixed from time to time by the Board, or, if the Board has not so specified, then at such place as may be fixed by the person or persons calling the meeting.

2.02. An annual meeting of the Shareholders, commencing with the year 1996, shall be held at such date and time as shall be fixed from time to time by the Board, at which they shall elect a Board, and transact such other business as may properly be brought before the meeting.

2.03. At least ten days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at said meeting arranged in alphabetical order, with the residence of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder who may be present.

2.04. Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, the Charter, or these bylaws, may be called by the President, a majority of the Board, or the holders of not less than ten percent of all the shares entitled to vote

at the meetings. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

2.05. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting.

2.06. The holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, the Charter, or these bylaws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall nevertheless have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At an adjourned session at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of the Corporation having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of any applicable statute, the Charter, or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08. Each outstanding share of the Corporation, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders, unless otherwise provided by statute or the Charter. At any meeting of the Shareholders, every Shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such Shareholder or by his or her duly authorized attorney-in-fact, such writing bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. Voting need not be by written ballot unless required by the Charter or by vote of the Shareholders present at the meeting.

2.09. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such record date to be not less than ten nor more than sixty days prior to such meeting, or the Board may close the stock transfer books for such purpose for a period of not less than ten nor more than sixty days prior to such meeting. In the absence of any action by the Board, the date upon which the notice of the meeting is mailed shall be the record date.

2.10. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of Shareholders.

2.11. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, Shareholders may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III

DIRECTORS

3.01. The business and affairs of the Corporation shall be managed by the Board who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter or by these bylaws directed or required to be exercised or done by the Shareholders.

3.02. The initial Board shall be as stated in the Charter. Thereafter, the number of directors which shall constitute the full Board shall be not greater than three (3) nor less than two (2) or as determined from time to time by resolution of the Board or by the Shareholders at the annual meeting or a special meeting called for that purpose, but no decrease shall have the effect of shortening the term of an incumbent director. Directors need not be Shareholders or residents of the State of Texas. The directors shall be elected at the annual meeting of the Shareholders, except as hereinafter provided, and each director elected shall hold office until his or her successor shall be elected and shall qualify.

3.03. At any meeting of Shareholders called expressly for such purpose, any director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the shares of the Corporation then entitled to vote at an election of directors. If any vacancies occur in the Board caused by death, resignation, retirement, disqualification, or removal from office of any director or otherwise, a majority of the directors then in office, though less than a quorum, may choose a successor or successors or a successor or successors may be chosen at a special meeting of Shareholders called for that purpose; and each successor director so chosen shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or special meeting of Shareholders called for that purpose or may be filled by the Board for a term of office continuing only until the next election of one or more directors by the Shareholders.

3.04. Whenever the holders of any class or series of shares of the Corporation are entitled to elect one or more directors by the provisions of the Charter, any vacancies in such directorships and any newly created directorships of such class or series to be filled by reason of an increase in the number of such directors may be filled by the affirmative vote of a majority of the directors elected by such class or series then in office or by a sole remaining director so elected, or by the vote of the holders of the outstanding shares of such class or series, and such directorships shall not in any case be filled by the vote of the remaining directors or the holders of the outstanding shares as a whole unless otherwise provided in the Charter.

3.05. At each election for directors, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such Shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

EXECUTIVE AND OTHER COMMITTEES

3.06. The Board, by resolution adopted by a majority of the Board, may designate from among its members an executive committee and one or more other committees, each of which shall be comprised of one or more members and, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board, including the authority to declare dividends and to authorize the issuance of shares of the Corporation, to the extent permitted by law. Committees shall keep regular minutes of their proceedings and report the same to the Board when required.

MEETINGS OF DIRECTORS

3.07. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

3.08. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Shareholders, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

3.09. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10. Special meetings of the Board may be called by the President on two days' notice to each director, either personally or by mail, telecopy, or overnight courier; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the directors. Except as may be otherwise expressly provided by statute, the Charter, or these bylaws, neither the business to be transacted at, nor the

purpose of, any special meeting needs to be specified in a notice or waiver of notice.

3.11. At all meetings of the Board the presence of a majority of the full Board shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a

majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Charter or by these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.12. Any action required or permitted to be taken at a meeting of the Board or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

3.13. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, members of the Board, or members of any committee designated by the Board, may participate in and hold a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

COMPENSATION OF DIRECTORS

3.14. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

NOTICES

4.01. Whenever under the provisions of any applicable statute, the Charter or these bylaws, notice is required to be given to any director or Shareholder, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given by mail, postage prepaid, addressed to such director or Shareholder at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

4.02. Whenever any notice is required to be given to any Shareholder or director of the Corporation under the provisions of any applicable statute, the Charter or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE V

OFFICERS

5.01. The officers of the Corporation shall be elected by the directors and shall include a President and a Secretary. The Board may also, at its discretion, elect one or more Vice Presidents and a Treasurer. Such other officers, including assistant officers, and agents as may be deemed necessary may be elected or appointed by the Board. Any two or more offices may be held by the same person.

5.02. The Board at its first meeting after each annual meeting of Shareholders shall choose a President, a Secretary, and such other officers, including assistant officers, and agents as may be deemed necessary, none of whom need be a member of the Board.

5.03. The Board may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

5.04. The salaries of all officers and agents of the Corporation shall be fixed by the Board. Unless so fixed by the Board each officer of the Corporation shall serve without remuneration.

5.05. Each officer of the Corporation shall hold office until his

successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board may be removed at any time by the Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board.

THE PRESIDENT

5.09. The President shall be the chief executive officer of the Corporation, shall have the general powers and duties of oversight, supervision and management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be an ex-officio member of all standing committees of the Board.

THE SECRETARY AND ASSISTANT SECRETARIES

5.10. The Secretary shall attend all sessions of the Board and all meetings of the Shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall be.

5.11. Each Assistant Secretary shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

OTHER OFFICES

5.12. Any Vice President elected by the Board shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

5.13. Any Treasurer elected by the Board shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board.

5.14. Any Treasurer elected by the Board shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the directors, at the regular meetings of the Board, or whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board may prescribe or as the President may from time to time delegate.

5.15. If required by the Board, any Treasurer elected by the Board shall give the Corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

5.16. Each Assistant Treasurer shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

6.01. Certificates in such form as may be determined by the Board shall be delivered representing all shares to which Shareholders are entitled. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face thereof the name of the Corporation, the name to whom the certificate is issued, the number and class of shares and the designation of the series, if any, which such certificate represents, the par value of such shares or a statement that such shares are without par value, and that the Corporation is organized under the laws of Texas. Each certificate shall be signed by either the President or any Vice President then in office and by either the Secretary, an Assistant Secretary, or any Treasurer then in office, and may be sealed with the seal of the Corporation or' a facsimile thereof. If any certificate is countersigned by a transfer agent, or an assistant transfer agent or registered by a registrar, other than the Corporation or an employee of the Corporation, the signature of any such officer of the Corporation may be a facsimile. Whenever the Corporation shall be authorized to issue more than one class of stock, there shall be (1) set forth conspicuously upon the face or back of each certificate a full statement of (a) all of

the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and (b) if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences of the shares of each series so far as the same have been fixed and determined and the authority of the Board to fix and determine the relative rights and preferences of subsequent series; or (2) stated conspicuously on the face or back of the certificate that (a) such a statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. Whenever the Corporation by the Charter has limited or denied the preemptive rights of Shareholders to acquire unissued or treasury shares of the Corporation, each certificate (1) shall conspicuously set forth upon the face or back of such certificate a full statement of the limitation or denial of preemptive rights contained in the Charter, or (2) shall conspicuously state on the face or back of the certificate that (a) such statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. If any restriction on the transfer or the registration of the transfer of shares shall be imposed or agreed to by the Corporation, as permitted by law, each certificate representing shares so restricted (1) shall conspicuously set forth a full or summary statement of the restriction on the face of the certificate, or (2) shall set forth such statement on the back of the certificate and conspicuously refer to the same on the face of the certificate, or (3) shall conspicuously state on the face or back of the certificate that such a restriction exists pursuant to a specified document and (a) that the Corporation will furnish to the record holder of the certificate without charge upon written request to the corporation at its principal place of business or registered office a copy of the specified document, or (b) if such document is one required or permitted to be and has been filed under the Texas Business Corporation Act, that such document is on file in the office of the Secretary of State of Texas and contains a full statement of such restriction.

LOST CERTIFICATES

6.02 The Board may direct a new certificate representing shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

TRANSFER OF SHARES

6.03. Upon presentation to the Corporation or the transfer agent of the Corporation with a request to register the transfer of a certificate representing shares duly endorsed and otherwise meeting the requirements for transfer specified in the Texas Business and Commerce Code, it shall

be the duty of the Corporation or the transfer agent of the Corporation to register the transfer as requested.

REGISTERED SHAREHOLDERS

6.04. Prior to due presentment for transfer, the Corporation may treat the registered owner of any share or shares of stock as the person exclusively entitled to vote, to receive notifications, and otherwise to exercise all rights and powers of an owner.

ARTICLE VII

GENERAL PROVISIONS

DIVIDENDS

7.01. Dividends upon the outstanding shares of the Corporation, subject to the provisions of the Charter, if any, may be declared by the Board at any regular or special meeting of the Board or by any committee of the Board so authorized. Dividends may be paid in cash, in property, or in shares of the Corporation, subject to the provisions of any applicable statute or the Charter. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividend, such record date to be not more than fifty days prior to the payment date of such dividend, or the Board may close the stock transfer books for such purpose for a period of not more than fifty days prior to the payment date of such dividend. In the absence of any action by the Board, the date upon which the Board adopts the resolution declaring such dividend shall be the record date.

RESERVES

7.02. There may be created by resolution of the Board out of the surplus of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Corporation, or for such other purpose as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

7.03. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

EXECUTION OF CONTRACTS, DEEDS, ETC.

7.04. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

FISCAL YEAR.

7.05. The fiscal year of the Corporation shall be fixed by resolution of the Board.

VOTING OF SECURITIES

7.06. Unless otherwise directed by the Board, the President shall have full power and authority on behalf of the Corporation to attend, vote and act, and to execute and deliver in the name and on behalf of the Corporation a proxy authorizing an agent or attorney-in-fact for the Corporation to attend, vote and act, at any meeting of security holders of any corporation in which the Corporation may hold securities and to execute and deliver in the name and on behalf of the Corporation any written consent of security holders in lieu of any such meeting, and at any such meeting he, or the agent or the attorney-in-fact duly authorized by him, shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation as the owner thereof might have possessed or exercised if present. The Board may by resolution from time to time confer like power upon any other person or persons.

INDEMNIFICATION

7.07 (a) Subject to any limitation which may be contained in the Charter, the Corporation shall to the full extent permitted by law, including without limitation, Texas Business Corporation Act Art. 2.02-1, as such Article now exists or shall hereafter be amended, indemnify any person who was, is, or is threatened to be made a named defendant or respondent to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, arbitral, administrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, because such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with such action, suit, or proceeding. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an individual did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Subject to any limitation which may be contained in the Charter, the Corporation shall, to the full extent permitted by law, including without limitation, Art. 2.02-1 of the Texas Business-Corporation Act, as such Article now exists or shall hereafter be amended, pay or reimburse on a current basis the expenses incurred by any person described in subsection (a) of this Section 7.07 in connection with any such action, suit, or proceeding in advance of the final disposition thereof, if the Corporation has received (i) a written affirmation by the recipient of his good faith belief that he has met the standard of conduct necessary for indemnification under the Texas Business Corporation Act and (ii) a written undertaking by or on behalf of the director to

repay the amount paid or reimbursed if it is ultimately determined that he has not satisfied such standard of conduct or if indemnification is prohibited by law.

(c) If required by law at the time such payment is made, any payment of

indemnification or advance of expenses to a director shall be reported in writing to the shareholders with or before the notice or waiver of notice of the next Shareholder's meeting or with or before the next submission to Shareholders of a consent to action without a meeting pursuant to Section A, Article 9.10 of the Texas Business Corporation Act, and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this article, subject to any restrictions imposed by law. The Corporation may create a trust fund, establish any form of self-insurance, grant a security interest or other lien on the assets of the Corporation, or use other means (including, without limitation, a letter of credit, guarantee or surety arrangement) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) The rights provided under this Section 7.07 shall not be deemed exclusive of any other rights permitted by law to which such person may be entitled under any provision of the Charter, a resolution of Shareholders or directors of the Corporation, an agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights provided in this Section 7.07 shall be deemed to be provided by a contract between the Corporation and the individuals who serve in the capacities described in subsection (a) hereof at any time while these bylaws are in effect, and no repeal or modification of this Section 7.07 by the Shareholders shall adversely affect any right of any person otherwise entitled to indemnification by virtue of this Section 7.07 at the time of such repeal or modification.

ARTICLE VIII

AMENDMENTS

8.01. The Board may amend or repeal these bylaws or adopt new bylaws, unless:

(l) the Charter or statute reserves the power exclusively to the Shareholders in whole or part; or

(2) the Shareholders in amending, repealing or adopting a particular bylaw expressly provide that the Board may not amend or repeal such bylaw.

8.02. Unless the Charter or a bylaw adopted by the Shareholders provides otherwise as to all or some portion of the Corporation's bylaws, the Shareholders may amend, repeal, or adopt bylaws of the Corporation even though such bylaws may also be amended, repealed or adopted by the Board.

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EXHIBIT 3.50

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 A.M. 03/05/1992
752065002 - 2290095

CERTIFICATE OF INCORPORATION OF SALEM RADIO NETWORK INCORPORATED

ARTICLE I

NAME OF CORPORATION

The name of this corporation is

Salem Radio Network Incorporated

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the corporation in the State of Delaware is 32 Loockerman Square, Suite L-100, in the City of Dover, County of Kent, and the name of its registered agent at that address is The Prentice-Hall Corporation System, Inc.

ARTICLE III

PURPOSE

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

AUTHORIZED CAPITAL STOCK

The corporation shall be authorized to issue one class of stock to be designated Common Stock; the total number of shares which the corporation shall have authority to issue is one thousand (1,000) and all such shares are to be without par value.

ARTICLE V

INCORPORATOR

The name and mailing address of the incorporator of the corporation is:

Eric H. Halvorson
2310 Ponderosa Drive, Suite 29
Camarillo, California 93010

ARTICLE VI

BOARD POWER REGARDING BYLAWS

In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to make, repeal, alter, amend and rescind the bylaws of the corporation.

ARTICLE VII

ELECTION OF DIRECTORS

Elections of directors need not be by written ballot unless the bylaws of the corporation shall so provide.

ARTICLE VIII

LIMITATION OF DIRECTOR LIABILITY

To the fullest extent permitted by the Delaware General Corporation Law as the same exists or may hereafter be amended, a director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the Delaware General Corporation law is amended after the date of the filing of this Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended from time to time. No repeal or modification of this Article VIII by the stockholders shall adversely affect any right or protection of a director of the corporation existing by virtue of this Article VIII at the time of such repeal or modification.

ARTICLE IX

CORPORATE POWER

The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

ARTICLE X

CREDITOR COMPROMISE OR ARRANGEMENT

Whenever a compromise or arrangement is proposed between this corporation

and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the Delaware General Corporation Law, does hereby make and file this Certificate.

Date: February 27, 1992

Eric H. Halvorson

Eric H. Halvorson

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EXHIBIT 3.51

SALEM RADIO NETWORK INCORPORATED

(a Delaware corporation)

BYLAWS

ARTICLE I

Offices

SECTION 1.01 Registered Office. The registered office of Salem Radio Network Incorporated (hereinafter called the Corporation) in the State of Delaware shall be at 32 Loockerman Square, City of Dover, County of Kent, and the name of the registered agent in charge thereof shall be The Prentice-Hall Corporation System, Inc.

SECTION 1.02 Other Offices. The Corporation may also have an office or offices at such other place or places, either within or without the State of Delaware, as the Board of Directors (hereinafter called the Board) may from time to time determine or as the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

SECTION 2.01 Annual Meetings. Annual meetings of the stockholders of the Corporation for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings shall be held at 10:00 a.m. on the 5th day of June if not a legal holiday, and if a legal holiday, then on the next business day following which is not a legal holiday, or at such time, date and place as the Board shall determine by resolution.

SECTION 2.02 Special Meetings. A special meeting of the stockholders for the transaction of any proper business may be called at any time by the Board or by the President.

SECTION 2.03 Place of Meetings. All meetings of the stockholders shall be held at such places, within or without the State of Delaware, as may from time

to time be designated by the person or persons calling the respective meeting and specified in the respective notices or waivers of notice thereof.

SECTION 2.04 Notice of Meetings. Except as otherwise required by law, notice of each meeting of the stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting by delivering a typewritten or printed notice thereof to him personally, or by depositing such notice in the United States mail, in a postage prepaid envelope, directed to him at his post office address furnished by him to the Secretary of the Corporation for such purpose or, if he shall not have furnished to the Secretary his address for such purpose, then at his post office address last known to the Secretary, or by transmitting a notice thereof to him at

such address by telegraph, cable, or wireless. Except as otherwise expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Every notice of a meeting of the stockholders shall state the place, date and hour of the meeting, and, in the case of a special meeting, shall also state the purpose or purposes for which the meeting is called. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall have waived such notice and such notice shall be deemed waived by any stockholder who shall attend such meeting in person or by proxy, except as a stockholder who shall attend such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise expressly required by law, notice of any adjourned meeting of the stockholders need not be given if the time and place thereof are announced at the meeting at which the adjournment is taken.

SECTION 2.05 Quorum. Except in the case of any meeting for the election of directors summarily ordered as provided by law, the holders of record of a majority in voting interest of the shares of stock of the Corporation entitled to be voted thereat, present in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of the stockholders of the Corporation or any adjournment thereof. In the absence of a quorum at any meeting or any adjournment thereof, a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat or, in the absence therefrom of all the stockholders, any officer entitled to preside at, or to act as secretary of, such meeting may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 2.06 Voting.

(a) Each stockholder shall, at each meeting of the stockholders, be entitled to vote in person or by proxy each share or fractional share of the stock of the Corporation having voting rights on the matter in question and which shall have been held by him and registered in his name on the books of the Corporation:

(i) on the date fixed pursuant to Section 6.05 of these Bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting, or

(ii) if no such record date shall have been so fixed, then (a) at the close of business on the day next preceding the day on which notice of the meeting shall be given or (b) if notice of the meeting shall be waived, at the close of business on the day next preceding the day on which the meeting shall be held.

(b) Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors in such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes. Persons holding stock of the Corporation in a fiduciary capacity shall be entitled to vote such stock. Persons whose stock is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the Corporation he shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his proxy, may represent such stock

and vote thereon. Stock having voting power standing of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants in common, tenants by entirety or otherwise, or with respect to which two or more persons have the same fiduciary relationship, shall be voted in accordance with the provisions of the General Corporation Law of the State of Delaware.

(c) Any such voting rights may be exercised by the stockholder entitled thereto in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date unless said proxy

shall provide for a longer period. The attendance at any meeting of a stockholder who may theretofore have given a proxy shall not have the effect of revoking the same unless he shall in writing so notify the secretary of the meeting prior to the voting of the proxy. At any meeting of the stockholders all matters, except as otherwise provided in the Certificate of Incorporation, in these Bylaws or by law, shall be decided by the vote of a majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat and thereon, a quorum being present. The vote at any meeting of the stockholders on any question need not be by ballot, unless so directed by the chairman of the meeting. On a vote by ballot each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and it shall state the number of shares voted.

SECTION 2.07 List of Stockholders. The Secretary of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 2.08 Judges. If at any meeting of the stockholders a vote by written ballot shall be taken on any question, the chairman of such meeting may appoint a judge or judges to act with respect to such vote. Each judge so appointed shall first subscribe an oath faithfully to execute the duties of a judge at such meeting with strict impartiality and according to the best of his ability. Such judges shall decide upon the qualification of the voters and shall report the number of shares represented at the meeting and entitled to vote on such question, shall conduct and accept the votes, and, when the voting is completed, shall ascertain and report the number of shares voted respectively for and against the question. Reports of judges shall be in writing and subscribed and delivered by them to the Secretary of the Corporation. The judges need not be stockholders of the Corporation, and any officer of the Corporation may be a judge on any question other than a vote for or against a proposal in which he shall have a material interest.

SECTION 2.09 Action Without Meeting. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at

any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

Board of Directors

SECTION 3.01 General Powers. The property, business and affairs of the Corporation shall be managed by the Board.

SECTION 3.02 Number and Term of Office. The number of directors shall be two (2). Directors need not be stockholders. Each of the directors of the Corporation shall hold office until his successor shall have been duly elected and shall qualify or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3.03 Election of Directors. The directors shall be elected annually by the stockholders of the Corporation and the persons receiving the greatest number of votes, up to the number of directors to be elected, shall be the directors.

SECTION 3.04 Resignations. Any director of the Corporation may resign at any time by giving written notice to the Board or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time be not specified, it shall take effect immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 3.05 Vacancies. Except as otherwise provided in the Certificate of Incorporation, any vacancy in the Board, whether because of death, resignation, disqualification, an increase in the number of directors, or any other cause, may be filled by vote of the majority of the remaining directors,

although less than a quorum. Each director so chosen to fill a vacancy shall hold office until his successor shall have been elected and shall qualify or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3.06 Place of Meeting, Etc. The Board may hold any of its meetings at such place or places within or without the State of Delaware as the Board may from time to time by resolution designate or as shall be designated by the person or persons calling the meeting or in the notice or a waiver of notice of any such meeting. Directors may participate in any regular or special meeting of the Board by means of conference telephone or similar communications equipment pursuant to which all persons participating in the meeting of the Board can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 3.07 First Meeting. The Board shall meet as soon as practicable after each annual election of directors and notice of such first meeting shall not be required.

SECTION 3.08 Regular Meetings. Regular meetings of the Board nay be held at such times as the Board shall from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting shall be held at the same hour and place on the next succeeding business day not a legal holiday. Except as provided by law, notice of regular meetings need not be given.

SECTION 3.09 Special Meetings. Special meetings of the Board shall be held whenever called by the President or a majority of the authorized number of directors. Except as otherwise provided by law or by these Bylaws, notice of the time and place of each such special meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph or cable or be delivered personally not less than forty-eight (48) hours before the time at which the meeting is to be held. Except where otherwise required by law or by these Bylaws, notice of the purpose of a special meeting need not be given. Notice of any meeting of the Board shall not be required to be given to any director who is present at such meeting, except a director who shall attend such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 3.10 Quorum and Manner of Acting. Except as otherwise provided in these Bylaws or by law, the presence of a majority of the authorized number of directors shall be required to constitute a quorum for the transaction of business at any meeting of the Board, and all matters shall be decided at any such meeting, a quorum being present, by the affirmative votes of a majority of the directors present. In the absence of a quorum, a majority of directors present at any meeting may adjourn the same from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. The directors shall act only as a Board, and the individual directors shall have no power as such.

SECTION 3.11 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

SECTION 3.12 Removal of Directors. Subject to the provisions of the Certificate of Incorporation, any director may be removed at any time, either with or without cause, by the affirmative vote of the stockholders having a majority of the voting power of the Corporation given at a special meeting of the stockholders called for the purpose.

SECTION 3.13 Compensation. The directors shall receive only such compensation for their services as directors as may be allowed by resolution of the Board. The Board may also provide that the Corporation shall reimburse each such director for any expense incurred by him on account of his attendance at any meetings of the Board or Committees of the Board. Neither the payment of such compensation nor the reimbursement of such expenses shall be construed to preclude any director from serving the Corporation or its subsidiaries in any other capacity and receiving compensation therefor.

SECTION 3.14 Committees. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent provided in the resolution of the Board and except as otherwise limited by law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Any such committee shall keep written minutes of its meetings and

report the same to the Board at the next regular meeting of the Board. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

ARTICLE IV

Officers

SECTION 4.01 Number. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof and their respective titles to be determined by the Board), a Secretary and a Treasurer.

SECTION 4.02 Election, Term of Office and Qualifications. The officers of the Corporation, except such officers as may be appointed in accordance with Section 4.03, shall be elected annually by the Board at the first meeting thereof held after the election thereof. Each officer shall hold office until his successor shall have been duly chosen and shall qualify or until his resignation or removal in the manner hereinafter provided.

SECTION 4.03 Assistants, Agents and Employees, Etc. In addition to the officers specified in Section 4.01, the Board may appoint other assistants, agents and employees as it may deem necessary or advisable, including one or more Assistant Secretaries, and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. The Board may delegate to any officer of the Corporation or any committee of the Board the power to appoint, remove and prescribe the duties of any such assistants, agents or employees.

SECTION 4.04 Removal. Any officer, assistant, agent or employee of the Corporation may be removed, with or without cause, at any time: (i) in the case of an officer, assistant, agent or employee appointed by the Board, only by resolution of the Board; and (ii) in the case of an officer, assistant, agent or employee, by any officer of the Corporation or committee of the Board upon whom or which such power of removal may be conferred by the Board.

SECTION 4.05 Resignations. Any officer or assistant may resign at any time by giving written notice of his resignation to the Board or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; or, if the time be not specified, upon receipt thereof by the Board or the Secretary, as the case may be; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 4.06 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or other cause, may be filled for the unexpired portion of the term thereof in the manner prescribed in these Bylaws for regular appointments or elections to such office.

SECTION 4.07 The President. The President of the Corporation shall be the chief executive officer of the Corporation and shall have, subject to the control of the Board, general and active supervision and management over the business of the Corporation and over its several officers, assistants, agents and employees.

SECTION 4.08 The Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board may from time to time prescribe. At the request of the President, or in case of the President's absence or inability to act upon the request of the Board, a Vice President shall perform the duties of the President and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

SECTION 4.09 The Secretary. The Secretary shall, if present, record the proceedings of all meetings of the Board, of the stockholders, and of all committees of which a secretary shall not have been appointed in one or more books provided for that purpose; he shall see that all notices are duly given in accordance with these Bylaws and as required by law; he shall be custodian of the seal of the Corporation and shall affix and attest the seal to all documents to be executed on behalf of the Corporation under its seal; and, in general, he shall perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the Board.

SECTION 4.10 The Treasurer. The Treasurer shall have the general care and custody of the funds and securities of the Corporation, and shall deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board. He shall receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever. He shall exercise general supervision over expenditures and disbursements made by officers, agents and employees of the Corporation and the preparation of such records and reports in connection therewith as may be necessary or desirable. He shall, in general, perform all other duties incident

to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 4.11 Compensation. The compensation of the officers of the Corporation shall be fixed from time to time by the Board. None of such officers shall be prevented from receiving such compensation by reason of the fact that he is also a director of the Corporation. Nothing contained herein shall preclude any officer from serving the Corporation, or any subsidiary corporation, in any other capacity and receiving such compensation by reason of the fact that he is also a director of the Corporation. Nothing contained herein shall preclude any officer from serving the Corporation, or any subsidiary corporation, in any other capacity and receiving proper compensation therefor.

ARTICLE V

Contracts, Checks, Drafts, Bank Accounts, Etc.

SECTION 5.01 Execution of Contracts. The Board, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board or by these Bylaws, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

SECTION 5.02 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board. Each such officer, assistant, agent or attorney shall give such bond, if any, as the Board may require.

SECTION 5.03 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select, or as may be selected by any officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation to whom such power shall have been delegated by the Board. For the purpose of deposit and for the purpose of collection for the account of the Corporation, the President, any Vice President or the Treasurer (or any other officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation who shall from time to time be determined by the Board) may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

SECTION 5.04 General and Special Bank Accounts. The Board may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositories as the Board may select or as may be selected by any officer or officers, assistant or assistants, agent or agents, or attorney or attorneys of the Corporation to whom such power shall have been delegated by the Board. The Board may make such special rules and regulations with respect to such bank accounts, not inconsistent with the provisions of these Bylaws, as it may deem expedient.

ARTICLE VI

Shares and Their Transfer

SECTION 6.01 Certificates for Stock. Every owner of stock of the Corporation shall be entitled to have a certificate or certificates, to be in such form as the Board shall prescribe, certifying the number and class of shares of the stock of the Corporation owned by him. The certificates representing shares of such stock shall be numbered in the order in which they shall be issued and shall be signed in the name of the Corporation by the President or a Vice President,

and by the Secretary or an Assistant Secretary or by the Treasurer or an Assistant Treasurer. Any of or all of the signatures on the certificates may be a facsimile. In case any officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed upon, any such certificate, shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may nevertheless be issued by the Corporation with the same effect as though the person who signed such certificate, or whose facsimile signature shall have been placed thereupon, were such officer, transfer agent or registrar at the date of issue. A record shall be kept of the respective names of the persons, firms or corporations owning the stock represented by such certificates, the number and class of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation, the respective dates of cancellation.

Every certificate surrendered to the Corporation for exchange or transfer shall be cancelled, and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so cancelled, except in cases provided for in Section 6.04.

SECTION 6.02 Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary, or with a transfer clerk or a transfer agent appointed as provided in Section 6.03, and upon surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation. Whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact shall be so expressed in the entry of transfer if, when the certificate or certificates shall be presented to the Corporation for transfer, both the transferor and the transferee request the Corporation to do so.

SECTION 6.03 Regulations. The Board may make such rules and regulations as it may deem expedient, not inconsistent with these Bylaws, concerning the issue, transfer and registration of certificates for shares of the stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates for stock to bear the signature or signatures of any of them.

SECTION 6.04 Lost, Stolen, Destroyed, and Mutilated Certificates. In any case of loss, theft, destruction, or mutilation of any certificate of stock, another may be issued in its place upon proof of such loss, theft, destruction, or mutilation and upon the giving of a bond of indemnity to the Corporation in such form and in such sum as the Board may direct; provided, however, that a new certificate may be issued without requiring any bond when, in the judgment of the Board, it is proper so to do.

SECTION 6.05 Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any other change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix,

in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. If in any case involving the determination of stockholders for any purpose other than notice of or voting at a meeting of stockholders or expressing consent to corporate action without a meeting the Board shall not fix such a record date, the record date for determining stockholders for such purpose shall be the close of business on the day on which the Board shall adopt the resolution relating thereto. A determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VII

Indemnification

SECTION 7.01 Action, Etc. Other Than by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

SECTION 7.02 Actions, Etc., by or in the Right of the Corporation. The

Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably

entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 7.03 Determination of Right of Indemnification. Any indemnification under Section 7.01 or 7.02 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 7.01 and 7.02. Such determination shall be made (i) by the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

SECTION 7.04 Indemnification Against Expenses of Successful Party. Notwithstanding the other provisions of this Article, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 7.01 or 7.02, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 7.05 Prepaid Expenses. Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board deems appropriate.

SECTION 7.06 Other Rights and Remedies. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7.07 Insurance. Upon resolution passed by the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

SECTION 7.08 Constituent Corporations. For the purposes of this Article, references to "the Corporation" include all constituent corporations absorbed in a consolidation or merger as

well as the resulting or surviving corporation, so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same

capacity.

SECTION 7.09 Other Enterprises, Fines, and Serving at Corporation's Request. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article.

ARTICLE VIII

Miscellaneous

SECTION 8.01 Seal. The Board shall provide for a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation and words and figures showing that the Corporation was incorporated in the State of Delaware and the year of incorporation.

SECTION 8.02 Waiver of Notices. Whenever notice is required to be given by these Bylaws or the Certificate of Incorporation or by law, the person entitled to said notice may waive such notice in writing, either before or after the time stated therein, and such waiver shall be deemed equivalent to notice.

SECTION 8.03 Amendments. These Bylaws, or any of them, may be altered, amended or repealed, and new Bylaws may be made, (i) by the Board, by vote of a majority of the number of directors then in office as directors, acting at any meeting of the Board, or (ii) by the stockholders, at any annual meeting of stockholders, without previous notice, or at any special meeting of stockholders, provided that notice of such proposed amendment, modification, repeal or adoption is given in the notice of special meeting. Any Bylaws made or altered by the stockholders may be altered or repealed by either the Board or the stockholders.

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EXHIBIT 3.52

FILED
In the Office of the
Secretary of State of Texas

JUN 03 1991
Corporations Section

ARTICLES OF INCORPORATION

OF

SALEM RADIO REPRESENTATIVES, INC.

I, the undersigned natural person of the age of eighteen (18) years or more, acting as Incorporator of a corporation (hereinafter referred to as the "Corporation") under the Texas Business Corporation Act (hereinafter referred to as the "Act"), adopt the following Articles of Incorporation for the Corporation:

ARTICLE ONE

NAME

The name of the Corporation is: Salem Radio Representatives, Inc.

ARTICLE TWO

DURATION

The period of the duration of the Corporation is perpetual.

ARTICLE THREE

PURPOSES AND POWERS

Section 1. Purposes. The purposes for which the Corporation is organized are the transaction of any or all lawful business for which corporations may be incorporated under the Act.

Section 2. Powers. Subject to any limitations or restrictions imposed by the Act or other law, or by the Articles of Incorporation, the Corporation shall have and exercise all of the powers

specified in the Act or in any other applicable law of Texas, and all powers necessary or appropriate to effect any or all of the purposes for which the Corporation is organized.

Section 3. Direction of Purposes and Exercise of Powers by Directors. Subject to any limitation or restrictions imposed by the Act, by other law, or by these Articles of Incorporation, the Board of Directors is hereby authorized to direct, by resolution duly adopted, the purposes set forth in Article Three of these Articles of Incorporation and to exercise all powers of the Corporation, without previous authorization or subsequent approval by the Shareholders; and all parties dealing with the Corporation shall have the right to rely on any action taken by the Corporation pursuant to such action by the Board of Directors.

Section 4. Limiting Clause. Nothing in this Article is to be construed as authorizing the Corporation to transact any business in the State of Texas expressly prohibited by any law of Texas or to engage in any activity in Texas which cannot lawfully be engaged in without first obtaining a license under the laws of Texas and such a license cannot be granted to a corporation.

Section 5. Indemnification. The corporation shall indemnify to the fullest extent permitted by law any current or former director of the corporation and his or her estate who is made, or threatened to be made, a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative), including any suit for monetary damages by the corporation or its shareholders by reason of the fact that he is or was a director of the corporation.

The protection and indemnification provided hereunder and as further described in the bylaws of the corporation shall not be deemed exclusive of any other rights to which such director or former director may be entitled, under any agreement, insurance policy, vote of shareholders, or otherwise.

The Corporation may indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, administrative or investigative, by reason of the fact that he or she, his or her testator, or intestate, is or was an officer or employee of the Corporation, or is or was a director, officer or employee of any Corporation which he or she served in such capacity at the request of the Corporation, against the reasonable expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense of the action, suit or proceeding or in connection with any appeal of it. This right of indemnification shall be more fully delineated in the Bylaws of the Corporation. The right to indemnification conferred by this Article shall not restrict the power of the Corporation to make any other type of indemnification permitted by law.

Section 6. Liability of Directors. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for an act or omission in the Director's capacity as a director, except for liability for (i) any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) an act or omission not in good faith that constitutes a breach of duty of the Director to the corporation or an act or omission that involves intentional misconduct or a knowing violation of law; (iii) a transaction from which the director received an improper benefit; (iv) an act or omission for which the liability of a director is expressly provided by statute; or (v) an unlawful dividend or stock repurchase.

If the applicable Texas laws are amended after the date hereof to authorize action by corporations to further eliminate or limit personal liability of directors, then liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the laws of the State of Texas, as amended.

Section 7. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such a person whether or not the Corporation would have the power to indemnify him against such liability by statute.

ARTICLE FOUR

CAPITAL STOCK

Section 1. Authorized Shares. The aggregate number of shares which the Corporation shall have authority to issue is Five Hundred Thousand (500,000) shares of Common Stock of the par value of ten cents ($.10) each.

Section 2. Non-cumulative Voting. Directors shall be elected by majority vote. Cumulative voting shall not be permitted.

ARTICLE FIVE

INITIAL CONSIDERATION FOR ISSUANCE OF SHARES

The Corporation will not commence business until it has received for the issuance of shares consideration of One Thousand Dollars ($1,000.00), consisting of money, labor done or property actually received.

ARTICLE SIX

INITIAL REGISTERED OFFICE AND AGENT

Section 1. Registered Office. The post office address of the initial registered office of the Corporation is: 4600 First Interstate Bank Tower, 1445 Ross Avenue, Dallas, Texas 75202.

Section 2. Registered Agent. The name of the initial registered agent of the Corporation, at such address is: John K. Rothpletz.

ARTICLE SEVEN

DATA RESPECTING DIRECTORS

Section 1. Board of Directors. The number of Directors shall from time to time be fixed by the Bylaws of the Corporation.

Section 2. Names and Addresses. The number of Directors constituting the initial Board of Directors is two (2) and the names and addresses of the persons who are to serve as Directors until the first annual meeting of the shareholders, or until their successors are elected and qualified, are:

Edward G. Atsinger, III
2310 Ponderosa Drive
Suite 29
Camarillo, CA 93010

Stuart W. Epperson
3780 Will Scarlet Road
Winston Salem, NC 27104

Section 3. Increase or Decrease of Directors. The number of directors may be increased or decreased from time to time by amendment to the Bylaws; but no decrease shall have the effect of shortening the term of any incumbent director. In the absence of a Bylaw fixing the number of directors, the number shall be not less than one (1).

ARTICLE EIGHT

ACTIONS WITHOUT A MEETING

Any action required by the Act to be taken at any annual or special meeting of shareholders, or any action which may be taken at any annual or special meeting of shareholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted.

Prompt notice of the taking of any action by shareholders without a meeting by less than unanimous written consent shall be given to those shareholders who did not consent in writing to the action.

ARTICLE NINE

BYLAWS

Except to the extent such power may be modified or divested by action of the shareholders representing a majority of the issued and outstanding shares of the Common Stock of the Corporation taken at a regular or special meeting of the shareholders, the power to adopt, alter, amend or repeal the Bylaws of the Corporation shall be vested in the Board of Directors.

ARTICLE TEN

DATA RESPECTING INCORPORATORS

The name and address of the incorporator is:

John K. Rothpletz
4600 First Interstate Bank Tower
1445 Ross Avenue
Dallas, TX 75202

These Articles of Incorporation are executed this 31st day of May, 1991.

/s/ John K. Rothpletz
JOHN K. ROTHPLETZ

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EXHIBIT 3.53

BYLAWS

OF

SALEM RADIO REPRESENTATIVES, INC.

ARTICLE ONE

REGISTERED OFFICE

The registered office of the corporation is located at 600 East Las Colinas Blvd., Ste. 560, Irving, TX 75039 and the name of the registered agent of the corporation at such address is Paul Martin .

ARTICLE TWO

SHAREHOLDERS' MEETINGS

PLACE OF MEETINGS

All meetings of the shareholders shall be held at the registered office of the corporation, or any other place, within or outside this State, as may be designated for that purpose from time to time by the Board of Directors.

Time of Annual Meeting

The annual meeting of the shareholders shall be held each year at 10:00 A.M. on the last Monday of May. If this day falls on a legal holiday, the annual meeting shall be held at the same time on the next following business day thereafter.

Notice of Meeting

Notice of meeting, stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in writing to each shareholder entitled to vote at the meeting at least ten (10) but not more than fifty (50) days before the date of the meeting either personally or by mail or other means of written communication, addressed to the shareholder at his address appearing on the books of the corporation or given by him to the corporation for the purpose of notice. Notice of adjourned meetings is not necessary unless the meeting is adjourned for thirty (30) days or more, in which case notice of the adjourned meeting shall be given as in the case of any special meeting.

Special Meetings

Special meetings of the shareholders for any purposes or purposes whatsoever may be called at any time by the President, or by the Board of Directors, or by any two (2) or more

Directors, or by one or more shareholder holding not less than one-tenth (1/10) of all the shares entitled to vote at said meeting.

Quorum

A majority of the voting shares constitutes a quorum for the transaction of business. Business may be continued after withdrawal of enough shareholders to leave less than a quorum.

Voting

Only persons whose names appear on the stock records of the corporation on the date on which notice of the meeting is mailed shall be entitled to vote at such meeting, unless some other date is fixed by the Board of Directors for the determination of shareholders of record. Each shareholder is entitled to a number of votes equal to the number of Directors to be elected, multiplied by the number of shares which he is entitled to vote. Voting for the election of Directors shall be by voice unless any shareholder demands a ballot vote before the voting begins.

Proxies

Every person entitled to vote may do so either in person or by written proxy executed in writing by the shareholder or his duly authorized attorney in fact.

Consent of Absentees

No defect in the calling or notice of a shareholders' meeting will affect the validity of any action at the meeting if a quorum was present at the same, and if each shareholder not present in person or by proxy signs a written waiver of notice, a consent to the holding of the meeting, or approval of the minutes, either before or after the meeting, and such waivers, consents or approvals are filed with the corporate records or made a part of the minutes of the meeting.

Action Without Meeting

Action may be taken by the shareholders without a meeting as set forth above if each shareholder entitled to vote signs a written consent to the action and such unanimous consents are filed with the Secretary of the corporation.

ARTICLE THREE

DIRECTORS

Powers

The Directors shall act only as a board and an individual Director shall

have no power as such. All powers of the corporation shall be exercised by, or under the authority of, and the business and affairs of the corporation shall be controlled by the Board of Directors, subject, however, to such limitations as are imposed by law, the articles of incorporation, or these Bylaws, as to actions to be authorized or approved by the shareholders. The Board of Directors may, by

contract or otherwise, given general or limited or special power and authority to officers and employees of the corporation to transaction the general business, or any special business of the corporation, and may give powers of attorney to agents of the corporation to transact any special business requiring such authorization.

Number and Qualifications of Directors

The authorized number of Directors of this corporation shall be two (2). The Directors need not be shareholders of this corporation or residents of Texas or citizens of the United States. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws but no decrease shall have the effect of shortening the term of any incumbent Director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of the shareholders called for that purpose.

Election and Term of Office

The Directors shall be elected by cumulative voting of the shareholders entitled to vote, and shall hold office for a term of three years or until their respective successors are elected, or until their death, resignation or removal.

Vacancies

Vacancies on the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director. The shareholders may by unanimous action without a meeting or at a meeting held pursuant to these Bylaws elect a Director at any time to fill a vacancy not otherwise filled by the Directors.

Removal of Directors

The entire Board of Directors or any individual Director may be removed from office with or without cause by majority vote of the holders of the shares entitled to vote for directors at any regular or special meeting of such shareholders.

Place of Meetings

Meetings of the Board of Directors shall be held at the principal office of the corporation or at such place, within or outside the State, as may be designated from time to time by resolution of the Board or by written consent of all of the members of the Board.

Regular Meetings

Regular meetings of the Board of Directors shall be held without call or notice, immediately following each annual meeting of the shareholders of this corporation; and at such other times as the Directors may determine.

Special Meetings -- Call and Notice

Special meetings of the Board of Directors for any purpose shall be called at any time by the President or, if he is absent or unable or refused to act, by a Vice President or any two Directors. Written notice of said special meetings, stating the time, and in general terms the purpose or purposes thereof, shall be mailed or telegraphed or personally delivered to each Director not later than the day before the day appointed for the meeting.

Quorum

Two-thirds (2/3) of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of any business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation.

Board Action Without Meeting

Any action required or permitted to be taken by the Board of Directors may be taken with a meeting, and with the same force and effect as a unanimous vote of Directors, if all members of the Board shall individually or collectively consent verbally or in writing to such action.

Compensation

Directors and members of committees appointed by the Board of Directors may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by resolution of the Board.

Indemnification of Directors,
Officers and Employees

The Board of Directors is authorized to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against present or former Directors, officers, or employees of this corporation as provided by Article 2.02(a)(16) of the Texas Business Corporation Act.

ARTICLE FOUR

OFFICERS

The officers of the corporation shall consist of a president, vice-president, secretary and a treasurer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Election

The officers of the corporation, except those officers who may be appointed in accordance with the provisions of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Subordinate Officers

The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Removal and Resignation

Any officer may be removed with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at at time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to said office.

Chairman of the Board

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no president of the corporation due to death, removal or resignation, then the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article IV.

President

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the present shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and, in the absence of the chairman of the board, at all meetings

of the Board of Directors. He shall be ex officio a member of all the standing committees, if any, and shall have the general powers and duties of corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Vice-President

In the absence or disability of the president, the vice-president shall perform all of the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or by the bylaws.

Secretary

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number of classes of shares held by each; the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Treasurer

The treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Salaries

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders and approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE FIVE

EXECUTION OF INSTRUMENTS

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name, without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the corporation.

ARTICLE SIX

ISSUANCE AND TRANSFER OF SHARES

Certificates for Paid and Unpaid Shares

Certificates for shares of the corporation shall be issued only when fully paid.

Share Certificates

The corporation shall deliver certificates representing all shares to which shareholders are entitled, which certificates shall be in such form and device as the Board of Directors may provide. Each certificate shall bear upon its face the statement that the corporation is organized in the State of Texas, and the name of the shareholder to whom it is issued, the number and class of shares, and a statement regarding any restrictions on the transferability of said shares. The certificate shall be signed by the President or a Vice President and the Secretary of the corporation, which signatures may be in facsimile if the certificates are to be countersigned by a transfer agent or registered by a registrar, and the seal of the corporation shall be affixed thereto. The certificates shall contain on the faces or backs such recitations or references as are required by law.

Replacement of Certificates

No new certificates shall be issued until the former certificate of the shares represented thereby shall have been surrendered to the Secretary of the corporation and cancelled by the same, except in the case of lost or destroyed certificates for which the Board of Directors may order new certificates to be issued upon such terms, conditions, and guarantees as the Board may see fit to impose, including the filing of sufficient indemnity.

Transfer of Shares

Any shareholder may transfer or assign, for consideration or otherwise, any of the shares of the corporation in which he may hold any ownership interest, provided that said shareholder shall first give sixty (60) days written notice of said transfer to all other shareholders of the corporation; and further provided that upon tender of said notice, that any shareholder or combination of shareholders shall have a right of refusal to purchase said shares, in whole or in part, at a price equal to the agreed price between the shareholder and the good-faith third party purchaser.

Shares of the corporation may be transferred by endorsement by the signature of the owner, his agent, attorney, or legal representative, and the delivery of the certificate. The transferee in any transfer of shares shall be deemed to have full notice of, and to consent to, the bylaws of the corporation to the same extent as if he had signed a written assent thereto.

ARTICLE SEVEN

RECORDS AND REPORTS

Inspection of Books and Records

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding vote shares of the corporation may (a) inspect and copy the records of the shareholders' names and addresses and shareholdings during usual business hours on five day's prior written demand on the corporation and (b) obtain on written demand a list of the shareholders' names and addresses who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which this list has been compiled as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder on or before the later of five (5) days after the demand is received. The record of shareholders shall also be open to inspection on the written demand of any shareholders at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Maintenance and Inspection of Bylaws

The corporation shall keep at its principal business office the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours.

Maintenance and Inspection of Other Corporate Records

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated, at the principal business office of the corporation. The minutes shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Inspection By Directors

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Annual Report to Shareholders

The annual report to shareholders is expressly dispensed with, but nothing herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Closing Stock Transfer Books

The Board of Directors may close the transfer books in their decision for a period not exceeding fifty (50) days preceding any meeting, annual or special, of the shareholders, or the day appointed for the payment of a dividend.

ARTICLE EIGHT

AMENDMENT OF BYLAWS

The power to alter, amend, or repeal these bylaws is vested in the Directors and may be accomplished by majority vote, subject to repeal or change by action of the shareholders.

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EXHIBIT 3.54

FILED
In the Office of the
Secretary of State of Texas

SEP 28 1994

Corporations Section

ARTICLES OF INCORPORATION
OF
SOUTH TEXAS BROADCASTING, INC.

The undersigned, a natural person of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation for South Texas Broadcasting, Inc. (the "Corporation"):

ARTICLE ONE

The name of this Corporation is South Texas Broadcasting, Inc.

ARTICLE TWO

The period of the Corporation's duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is one thousand (1,000) shares of Common Stock of the par value of $0.01 per share.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars ($1,000), consisting of money, labor done, or property actually received.

ARTICLE SIX

The name and address of the incorporator of the Corporation is:

Name	Address
Eric H. Halvorson	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012

ARTICLE SEVEN

No shareholder of the Corporation shall, by reason of such shareholder holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance or sale of any such shares, or such notes, debentures, bonds, or other securities, would adversely affect the dividend or voting rights of such shareholder of the Corporation, other than such rights, if any, as the board of directors, in its discretion, may grant to the shareholders to purchase such additional, unissued, or treasury securities; and the Corporation may issue or sell additional unissued or treasury shares of any class of the Corporation, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering the same in whole or in part to the existing shareholders of any class.

ARTICLE EIGHT

At each election for directors of the Corporation, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

ARTICLE NINE

The street address of the registered office of the Corporation is 545 E. John Carpenter Freeway, Suite 450, Irving, Texas 75062, and the name of its registered agent is Greg Anderson.

ARTICLE TEN

The number of directors constituting the initial Board of Directors is 2 and the names and addresses of the persons who are to serve as the initial Directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

NAMES	ADDRESSES
Edward G. Atsinger, III	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012
Stuart W. Epperson	3780 Will Scarlet Road Winston-Salem, NC 27104

ARTICLE ELEVEN

No director of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for any act or omission in such director's capacity as director, except to the extent such director is found liable for (i) a breach of such director's duty of loyalty to the Corporation or its shareholders; (ii) an act or omission not in good faith that constitutes a breach of duty of such director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. No repeal or modification of this ARTICLE NINE shall adversely affect any right or protection of a director of the Corporation existing by virtue of this ARTICLE NINE at the time of such repeal or modification.

IN WITNESS WHEREOF, I have hereunto set my hand, this 23rd day of September, 1994.

Eric Halvorson

Incorporator

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EXHIBIT 3.55

BYLAWS

OF

SOUTH TEXAS BROADCASTING, INC.

ARTICLE I

OFFICES

1.01. The registered agent and office of South Texas Broadcasting, Inc. (the "Corporation") shall be such registered agent and office as shall from time to tine be established pursuant to the articles of incorporation, as amended from time to time, of the Corporation (the "Charter") or by resolution of the Board of Directors of the Corporation (the "Board").

1.02. The Corporation may also have offices at such other places both within and without the State of Texas as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.01. Meetings of Shareholders of the Corporation (the "Shareholders") for any purpose may be held at such place, within or without the State of Texas, as shall be fixed from time to time by the Board, or, if the Board has not so specified, then at such place as may be fixed by the person or persons calling the meeting.

2.02. An annual meeting of the Shareholders, commencing with the year 1994, shall be held at such date and time as shall be fixed from time to time by the Board, at which they shall elect a Board, and transact such other business as may properly be brought before the meeting.

2.03. At least ten days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at said meeting arranged in alphabetical order, with the residence of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder who may be present.

2.04. Special meetings of the Shareholders, for any purpose or purposes,

unless otherwise prescribed by statute, the Charter, or these bylaws, may be called by the President, a majority of the Board, or the holders of not less than ten percent of all the shares entitled to vote

at the meetings. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

2.05. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting.

2.06. The holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, the Charter, or these bylaws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall nevertheless have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At an adjourned session at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of the Corporation having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of any applicable statute, the Charter, or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08. Each outstanding share of the Corporation, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders, unless otherwise provided by statute or the Charter. At any meeting of the Shareholders, every Shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such Shareholder or by his or her duly authorized attorney-in-fact, such writing bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. Voting need not be by written ballot unless required by the Charter or by vote of the Shareholders present at the meeting.

2.09. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such record date to be not less than ten nor more than sixty days prior to such meeting, or the Board may close the stock transfer books for such purpose for a period of not less than ten nor more than sixty days prior to such meeting. In the absence of any action by the Board, the date upon which the notice of the meeting is mailed shall be the record date.

2.10. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of Shareholders.

2.11. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, Shareholders may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III

DIRECTORS

3.01. The business and affairs of the Corporation shall be managed by the Board who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter or by these bylaws directed or required to be exercised or done by the Shareholders

3.02. The initial Board shall be as stated in the Charter. Thereafter,

the number of directors which shall constitute the full Board shall be not greater than three (3) nor less than two (2) or as determined from time to time by resolution of the Board or by the Shareholders at the annual meeting or a special meeting called for that purpose, but no decrease shall have the effect of shortening the term of an incumbent director. Directors need not be Shareholders or residents of the State of Texas. The directors shall be elected at the annual meeting of the Shareholders, except as hereinafter provided, and each director elected shall hold office until his or her successor shall be elected and shall qualify.

3.03. At any meeting of Shareholders called expressly for such purpose, any director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the shares of the Corporation then entitled to vote at an election of directors. If any vacancies occur in the Board caused by death, resignation, retirement, disqualification, or removal from office of any director or otherwise, a majority of the directors then in office, though less than a quorum, may choose a successor or successors or a successor or successors may be chosen at a special meeting of Shareholders called for that purpose; and each successor director so chosen shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or special meeting of Shareholders called for that purpose or may be filled by the Board for a term of office continuing only until the next election of one or more directors by the Shareholders.

3.04. Whenever the holders of any class or series of shares of the Corporation are entitled to elect one or more directors by the provisions of the Charter, any vacancies in such directorships and any newly created directorships of such class or series to be filled by reason of an increase in the number of such directors may be filled by the affirmative vote of a majority of the directors elected by such class or series then in office or by a sole remaining director so elected, or by the vote of the holders of the outstanding shares of such class or series, and such directorships shall not in any case be filled by the vote of the remaining directors or the holders of the outstanding shares as a whole unless otherwise provided in the Charter.

3.05. At each election for directors, every Shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such Shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

Executive and Other Committees

3.06. The Board, by resolution adopted by a majority of the Board, may designate from among its members an executive committee and one or more other committees, each of which shall be comprised of one or more members and, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board, including the authority to declare dividends and to authorize the issuance of shares of the Corporation, to the extent permitted by law. Committees shall keep regular minutes of their proceedings and report the same to the Board when required.

Meetings of Directors

3.07. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

3.08. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Shareholders, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

3.09. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10. Special meetings of the Board may be called by the President on two days' notice to each director, either personally or by mail, telecopy, or overnight courier; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the directors. Except as may be otherwise expressly provided by statute, the Charter, or these bylaws, neither the business to be transacted at, nor the purpose of, any special meeting needs to be specified in a notice or waiver of notice.

3.11. At all meetings of the Board the presence of a majority of the full Board shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a

majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Charter or by these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.12. Any action required or permitted to be taken at a meeting of the Board or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

3.13. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, members of the Board, or members of any committee designated by the Board, may participate in and hold a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Compensation of Directors

3.14. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation there for

ARTICLE IV

NOTICES

4.01. Whenever under the provisions of any applicable statute, the Charter or these bylaws, notice is required to be given to any director or Shareholder, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given by mail, postage prepaid, addressed to such director or Shareholder at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

4.02. Whenever any notice is required to be given to any Shareholder or director of the Corporation under the provisions of any applicable statute, the Charter or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE V

OFFICERS

5.01. The officers of the Corporation shall be elected by the directors and shall include a President and a Secretary. The Board may also, at its discretion, elect one or more Vice Presidents and a Treasurer. Such other officers, including assistant officers, and agents as may be deemed necessary may be elected or appointed by the Board. Any two or more offices may be held by the same person.

5.02. The Board at its first meeting after each annual meeting of Shareholders shall choose a President, a Secretary, and such other officers, including assistant officers, and agents as may be deemed necessary, none of whom need be a member of the Board.

5.03. The Board may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

5.04. The salaries of all officers and agents of the Corporation shall be fixed by the Board. Unless so fixed by the Board each officer of the Corporation shall serve without remuneration.

5.05. Each officer of the Corporation shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board may be removed at any time by the Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be

filled by the Board.

The President

5.09. The President shall be the chief executive officer of the Corporation, shall have the general powers and duties of oversight, supervision and management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be an ex-officio member of all standing committees of the Board.

The Secretary and Assistant Secretaries

5.10. The Secretary shall attend all sessions of the Board and all meetings of the Shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall be.

5.11. Each Assistant Secretary shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

Other Offices

5.12. Any Vice President elected by the Board shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

5.13. Any Treasurer elected by the Board shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board.

5.14. Any Treasurer elected by the Board shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the directors, at the regular meetings of the Board, or whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board may prescribe or as the President may from time to time delegate.

5.15. If required by the Board, any Treasurer elected by the Board shall give the Corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

5.16. Each Assistant Treasurer shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

6.01. Certificates in such form as may be determined by the Board shall be delivered representing all shares to which Shareholders are entitled. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face thereof the name of the Corporation, the name to whom the certificate is issued, the number and class of shares and the designation of the series, if any, which such certificate represents, the par value of such shares or a statement that such shares are without par value, and that the Corporation is organized under the laws of Texas. Each certificate shall be signed by either the President or any Vice President then in office and by either the Secretary, an Assistant Secretary, or any Treasurer then in office, and may be sealed with the seal of the Corporation or a facsimile thereof. If any certificate is countersigned by a transfer agent, or an assistant transfer agent or registered by a registrar, other than the Corporation or an employee of the Corporation, the signature of any such officer of the Corporation may be a facsimile. Whenever the Corporation shall be authorized to issue more than one class of stock, there shall be (1) set forth conspicuously upon the face or back of each certificate a full statement of (a) all of

the designations, preferences, limitations, and relative rights of the shares of

each class authorized to be issued and (b) if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences of the shares of each series so far as the same have been fixed and determined and the authority of the Board to fix and determine the relative rights and preferences of subsequent series; or (2) stated conspicuously on the face or back of the certificate that (a) such a statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. Whenever the Corporation by the Charter has limited or denied the preemptive rights of Shareholders to acquire unissued or treasury shares of the Corporation, each certificate (1) shall conspicuously set forth upon the face or back of such certificate a full statement of the limitation or denial of preemptive rights contained in the Charter, or (2) shall conspicuously state on the face or back of the certificate that (a) such statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. If any restriction on the transfer or the registration of the transfer of shares shall be imposed or agreed to by the Corporation, as permitted by law, each certificate representing shares so restricted (1) shall conspicuously set forth a full or summary statement of the restriction on the face of the certificate, or (2) shall set forth such statement on the back of the certificate and conspicuously refer to the same on the face of the certificate, or (3) shall conspicuously state on the face or back of the certificate that such a restriction exists pursuant to a specified document and (a) that the Corporation will furnish to the record holder of the certificate without charge upon written request to the corporation at its principal place of business or registered office a copy of the specified document, or (b) if such document is one required or permitted to be and has been filed under the Texas Business Corporation Act, that such document is on file in the office of the Secretary of State of Texas and contains a full statement of such restriction.

Lost Certificates

6.02. The Board may direct a new certificate representing shares to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Transfer of Shares

6.03. Upon presentation to the Corporation or the transfer agent of the Corporation with a request to register the transfer of a certificate representing shares duly endorsed and otherwise meeting the requirements for transfer specified in the Texas Business and Commerce Code, it shall

be the duty of the Corporation or the transfer agent of the Corporation to register the transfer as requested.

Registered Shareholders

6.04. Prior to due presentment for transfer, the Corporation may treat the registered owner of any share or shares of stock as the person exclusively entitled to vote, to receive notifications, and otherwise to exercise all rights and powers of an owner.

ARTICLE VII

GENERAL PROVISIONS

Dividends

7.01. Dividends upon the outstanding shares of the Corporation, subject to the provisions of the Charter, if any, may be declared by the Board at any regular or special meeting of the Board or by any committee of the Board so authorized. Dividends may be paid in cash, in property, or in shares of the Corporation, subject to the provisions of any applicable statute or the Charter. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividend, such record date to be not more than fifty days prior to the payment date of such dividend, or the Board may close the stock transfer books for such purpose for a period of not more than fifty days prior to the payment date of such dividend. In the absence of any action by the Board, the date upon which the Board adopts the resolution declaring such dividend shall be the record date.

Reserves

7.02. There may be created by resolution of the Board out of the surplus of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Corporation, or for such other purpose as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks

7.03. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Execution of Contracts, Deeds, Etc.

7.04. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

Fiscal Year

7.05. The fiscal year of the Corporation shall be fixed by resolution of the Board.

Voting of Securities

7.06. Unless otherwise directed by the Board, the President shall have full power and authority on behalf of the Corporation to attend, vote and act, and to execute and deliver in the name and on behalf of the Corporation a proxy authorizing an agent or attorney-in-fact for the Corporation to attend, vote and act, at any meeting of security holders of any corporation in which the Corporation may hold securities and to execute and deliver in the name and on behalf of the Corporation any written consent of security holders in lieu of any such meeting, and at any such meeting he, or the agent or the attorney-in-fact duly authorized by him, shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation as the owner thereof might have possessed or exercised if present. The Board may by resolution from time to time confer like power upon any other person or persons.

Indemnification

7.07 (a) Subject to any limitation which may be contained in the Charter, the Corporation shall to the full extent permitted by law, including without limitation, Texas Business Corporation Act Art. 2.02-1, as such Article now exists or shall hereafter be amended, indemnify any person who was, is, or is threatened to be made a named defendant or respondent to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, arbitral, administrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, because such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with such action, suit, or proceeding. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an individual did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Subject to any limitation which may be contained in the Charter, the Corporation shall, to the full extent permitted by law, including without limitation, Art. 2.02-1 of the Texas Business corporation Act, as such Article now exists or shall hereafter be amended, pay or reimburse on a current basis the expenses incurred by any person described in subsection (a) of this Section 7.07 in connection with any such action, suit, or proceeding in advance of the final disposition thereof, if the Corporation has received (i) a written affirmation by the recipient of his good faith belief that he has met the standard of conduct necessary for indemnification under the Texas Business Corporation Act and (ii) a written undertaking by or on behalf of the director to

repay the amount paid or reimbursed if it is ultimately determined that he has not satisfied such standard of conduct or if indemnification is prohibited by law.

(c) If required by law at the time such payment is made, any payment of indemnification or advance of expenses to a director shall be reported in writing to the shareholders with or before the notice or waiver of notice of the next Shareholder's meeting or with or before the next submission to Shareholders of a consent to action without a meeting pursuant to Section A, Article 9.10 of the Texas Business Corporation Act, and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this article, subject to any restrictions imposed by law. The Corporation may create a trust fund, establish any form of self-insurance, grant a security interest or other lien on the assets of the Corporation, or use other means (including, without limitation, a letter of credit, guarantee or surety arrangement) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) The rights provided under this Section 7.07 shall not be deemed exclusive of any other rights permitted by law to which such person may be entitled under any provision of the Charter, a resolution of Shareholders or directors of the Corporation, an agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights provided in this Section 7.07 shall be deemed to be provided by a contract between the Corporation and the individuals who serve in the capacities described in subsection (a) hereof at any time while these bylaws are in effect, and no repeal or modification of this Section 7.07 by the Shareholders shall adversely affect any right of any person otherwise entitled to indemnification by virtue of this Section 7.07 at the time of such repeal or modification.

ARTICLE VIII

AMENDMENTS

8.01. The Board may amend or repeal these bylaws or adopt new bylaws, unless:

(1) the Charter or statute reserves the power exclusively to the Shareholders in whole or part; or

(2) the Shareholders in amending, repealing or adopting a particular bylaw expressly provide that the Board may not amend or repeal such bylaw.

8.02. Unless the Charter or a bylaw adopted by the Shareholders provides otherwise as to all or some portion of the Corporation's bylaws, the Shareholders may amend, repeal, or adopt bylaws of the Corporation even though such bylaws may also be amended, repealed or adopted by the Board.

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<SEQUENCE>65
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EXHIBIT 3.56

FILED
in the Office of the
Secretary of State of Texas

MAR 22 1996

CORPORATIONS SECTION

ARTICLES OF INCORPORATION

OF

SRN NEWS NETWORK, INC.

The undersigned, a natural person of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation for South Texas Broadcasting, Inc. (the "Corporation"):

ARTICLE ONE

The name of this Corporation is SRN News Network, Inc.

ARTICLE TWO

The period of the Corporation's duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is one thousand (1,000) shares of Common Stock of the par value of $0.01 per share.

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of at least One Thousand Dollars ($1,000), consisting of money, labor done, or property actually received.

ARTICLE SIX

The name and address of the incorporator of the Corporation is:

Name	Address
Christine Chernjavsky	1212 Guadalupe Suite 102 Austin, TX 78701

ARTICLE SEVEN

No shareholder of the Corporation shall, by reason of such shareholder holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of any class of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance or sale of any such shares, or such notes, debentures, bonds, or other securities, would adversely affect the dividend or voting rights of such shareholder of the Corporation, other than such rights, if any, as the board of directors, in its discretion, may grant to the shareholders to purchase such additional, unissued, or treasury securities; and the Corporation may issue or sell additional unissued or treasury shares of any class of the Corporation, or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, without offering the same in whole or in part to the existing shareholders of any class.

ARTICLE EIGHT

At each election for directors of the Corporation, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

ARTICLE NINE

The street address of the registered office of the Corporation is 545 E. John Carpenter Freeway, Suite 450, Irving, Texas 75062, and the name of its registered agent is Greg Anderson.

ARTICLE TEN

The number of directors constituting the initial Board of Directors is 2 and the names and addresses of the persons who are to serve as the initial Directors until the first annual meeting of shareholders or until their successors are elected and qualified are:

NAMES	ADDRESSES
Edward G. Atsinger, III	4880 Santa Rosa Road Suite 300 Camarillo, CA 93012
Stuart W. Epperson	3780 Will Scarlet Road Winston-Salem, NC 27104

ARTICLE ELEVEN

No director of the Corporation shall be liable to the Corporation or its shareholders for monetary damages for any act or omission in such director's capacity as director, except to the extent such director is found liable for (i) a breach of such director's duty of loyalty to the Corporation or its shareholder; (ii) an act or omission not in good faith that constitutes a breach of duty of such director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of such director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. No repeal or modification of this ARTICLE NINE shall adversely affect any right or protection of a director of the Corporation existing by virtue of this ARTICLE NINE at the time of such repeal or modification.

IN WITNESS WHEREOF, I have hereunto set my hand, this 22nd day of March, 1996.

Christina Chernjavsky

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EXHIBIT 3.57

BYLAWS

OF

SRN NEWS NETWORK, INC.

ARTICLE I

OFFICES

1.01. The registered agent and office of SRN News Network, Inc. (the "Corporation") shall be such registered agent and office as shall from time to time be established pursuant to the articles of incorporation, as amended from time to time, of the Corporation (the "Charter") or by resolution of the Board of Directors of the Corporation (the "Board").

1.02. The Corporation may also have offices at such other places both within and without the State of Texas as the Board may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.01. Meetings of Shareholders of the Corporation (the "Shareholders") for any purpose may be held at such place, within or without the State of Texas, on the 30th day of April or the first business day thereafter, or as shall be fixed from time to time by the Board, or, if the Board has not so specified, then at such place as may be fixed by the person or persons calling the meeting.

2.02. An annual meeting of the Shareholders, commencing with the year 1996, shall be held at such date and time as shall be fixed from time to time by the Board, at which they shall elect a Board, and transact such other business as may properly be brought before the meeting.

2.03. At least ten days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at said meeting arranged in alphabetical order, with the residence of each and the number of voting shares held by each, shall be prepared by the officer or agent having charge of the stock transfer books. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any Shareholder who may be present.

2.04. Special meetings of the Shareholders, for any purpose or purposes, unless otherwise prescribed by statute, the Charter, or these bylaws, may be called by the President, a

majority of the Board, or the holders of not less than ten percent of all the shares entitled to vote at the meetings. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

2.05. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Shareholder of record entitled to vote at the meeting.

2.06. The holders of a majority of the shares of the Corporation issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the Shareholders for the transaction of business except as otherwise provided by statute, the Charter, or these bylaws. If, however, such quorum shall not be present or represented at any meeting of the Shareholders, the Shareholders entitled to vote thereat, present in person or represented by proxy, shall nevertheless have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At an adjourned session at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07. When a quorum is present at any meeting, the vote of the holders of a majority of the shares of the Corporation having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of any applicable statute, the Charter, or these bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Shareholders to leave less than a quorum.

2.08. Each outstanding share of the Corporation, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders, unless otherwise provided by statute or the Charter. At any meeting of the Shareholders, every Shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such Shareholder or by his or her duly authorized attorney-in-fact, such writing bearing a date not more than eleven months prior to said meeting, unless said instrument provides for a longer period. Such proxy shall be filed with the Secretary of the Corporation prior to or at the time of the meeting. Voting need not be by written ballot unless required by the Charter or by vote of the Shareholders present at the meeting.

2.09. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to notice of or to vote at a meeting of Shareholders, such record date to be not less than ten nor more than sixty days prior to such meeting, or the Board may close the stock transfer books for such purpose for a period of not less than ten nor more than sixty days prior to such meeting. In the absence of any action by the Board, the date upon which the notice of the meeting is mailed shall be the record date.

2.10. Any action required by statute to be taken at a meeting of the Shareholders, or any action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Shareholders entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of Shareholders.

2.11. Subject to the provisions required or permitted by statute or the

Charter for notice of meetings, Shareholders may participate in and hold a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE III

DIRECTORS

3.01. The business and affairs of the Corporation shall be managed by the Board who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Charter or by these bylaws directed or required to be exercised or done by the Shareholders

3.02. The initial Board shall be as stated in the Charter. Thereafter, the number of directors which shall constitute the full Board shall be not greater than three (3) nor less than two (2) or as determined from time to time by resolution of the Board or by the Shareholders at the annual meeting or a special meeting called for that purpose, but no decrease shall have the effect of shortening the term of an incumbent director. Directors need not be Shareholders or residents of the State of Texas. The directors shall be elected at the annual meeting of the Shareholders, except as hereinafter provided, and each director elected shall hold office until his or her successor shall be elected and shall qualify.

3.03. At any meeting of Shareholders called expressly for such purpose, any director or the entire Board may be removed, with or without cause, by vote of the holders of a majority of the shares of the Corporation then entitled to vote at an election of directors. If any vacancies occur in the Board caused by death, resignation, retirement, disqualification, or removal from office of any director or otherwise, a majority of the directors then in office, though less than a quorum, may choose a successor or successors or a successor or successors may be chosen at a special meeting of Shareholders called for that purpose; and each successor director so chosen shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or special meeting of Shareholders called for that purpose or may be filled by the Board for a term of office continuing only until the next election of one or more directors by the Shareholders.

3.04. Whenever the holders of any class or series of shares of the Corporation are entitled to elect one or more directors by the provisions of the Charter, any vacancies in such directorships and any newly created directorships of such class or series to be filled by reason of an increase in the number of such directors may be filled by the affirmative vote of a majority of the directors elected by such class or series then in office or by a sole remaining director so elected, or by the vote of the holders of the outstanding shares of such class or series, and such directorships shall not in any case be filled by the vote of the remaining directors or the holders of the outstanding shares as a whole unless otherwise provided in the Charter.

3.05. At each election for directors, every Shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by such Shareholder for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by his shares shall equal, or by distributing such votes on the same principle.

Executive and Other Committees

3.06. The Board, by resolution adopted by a majority of the Board, may designate from among its members an executive committee and one or more other committees, each of which shall be comprised of one or more members and, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board, including the authority to declare dividends and to authorize the issuance of shares of the Corporation, to the extent permitted by law. Committees shall keep regular minutes of their proceedings and report the same to the Board when required.

Meetings of Directors

3.07. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Texas.

3.08. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of Shareholders, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

3.09. Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

3.10. Special meetings of the Board may be called by the President on two days' notice to each director, either personally or by mail, telecopy, or overnight courier; special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of the directors. Except as may be otherwise expressly provided by statute, the Charter, or these bylaws, neither the business to be transacted at, nor the purpose of, any special meeting needs to be specified in a notice or waiver of notice.

3.11. At all meetings of the Board the presence of a majority of the full Board shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a

majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute or by the Charter or by these bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.12. Any action required or permitted to be taken at a meeting of the Board or any committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

3.13. Subject to the provisions required or permitted by statute or the Charter for notice of meetings, members of the Board, or members of any committee designated by the Board, may participate in and hold a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Compensation of Directors

3.14. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV

NOTICES

4.01. Whenever under the provisions of any applicable statute, the Charter or these bylaws, notice is required to be given to any director or Shareholder, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given by mail, postage prepaid, addressed to such director or Shareholder at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

4.02. Whenever any notice is required to be given to any Shareholder or director of the Corporation under the provisions of any applicable statute, the Charter or these bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE V

OFFICERS

5.01. The officers of the Corporation shall be elected by the directors and shall include a President and a Secretary. The Board may also, at its discretion, elect one or more Vice Presidents and a Treasurer. Such other officers, including assistant officers, and agents as may be deemed necessary may be elected or appointed by the Board. Any two or more offices may be held by the same person.

5.02. The Board at its first meeting after each annual meeting of Shareholders shall choose a President, a Secretary, and such other officers,

including assistant officers, and agents as may be deemed necessary, none of whom need be a member of the Board.

5.03. The Board may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

5.04. The salaries of all officers and agents of the Corporation shall be fixed by the Board. Unless so fixed by the Board each officer of the Corporation shall serve without remuneration.

5.05. Each officer of the Corporation shall hold office until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board may be removed at any time by the Board, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board.

The President

5.09. The President shall be the chief executive officer of the Corporation, shall have the general powers and duties of oversight, supervision and management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. He shall be an ex-officio member of all standing committees of the Board.

The Secretary and Assistant Secretaries

5.10. The Secretary shall attend all sessions of the Board and all meetings of the Shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Shareholders and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President, under whose supervision the Secretary shall be.

5.11. Each Assistant Secretary shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

Other Offices

5.12. Any Vice President elected by the Board shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

5.13. Any Treasurer elected by the Board shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board.

5.14. Any Treasurer elected by the Board shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the directors, at the regular meetings of the Board, or whenever they may require it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board may prescribe or as the President may from time to time delegate.

5.15. If required by the Board, any Treasurer elected by the Board shall give the Corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of the office of Treasurer and for the restoration to the Corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the Treasurer's possession or under the Treasurer's control belonging to the Corporation.

5.16. Each Assistant Treasurer shall have such powers and perform such duties as the Board may from time to time prescribe or as the President may from time to time delegate.

ARTICLE VI

CERTIFICATES REPRESENTING SHARES

6.01. Certificates in such form as may be determined by the Board shall be delivered representing all shares to which Shareholders are entitled. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face

thereof the name of the Corporation, the name to whom the certificate is issued, the number and class of shares and the designation of the series, if any, which such certificate represents, the par value of such shares or a statement that such shares are without par value, and that the Corporation is organized under the laws of Texas. Each certificate shall be signed by either the President or any Vice President then in office and by either the Secretary, an Assistant Secretary, or any Treasurer then in office, and may be sealed with the seal of the Corporation or a facsimile thereof. If any certificate is countersigned by a transfer agent, or an assistant transfer agent or registered by a registrar, other than the Corporation or an employee of the Corporation, the signature of any such officer of the Corporation may be a facsimile. Whenever the Corporation shall be authorized to issue more than one class of stock, there shall be (1) set forth conspicuously upon the face or back of each certificate a full statement of (a) all of

the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued and (b) if the Corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences of the shares of each series so far as the same have been fixed and determined and the authority of the Board to fix and determine the relative rights and preferences of subsequent series; or (2) stated conspicuously on the face or back of the certificate that (a) such a statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. Whenever the Corporation by the Charter has limited or denied the preemptive rights of Shareholders to acquire unissued or treasury shares of the Corporation, each certificate (1) shall conspicuously set forth upon the face or back of such certificate a full statement of the limitation or denial of preemptive rights contained in the Charter, or (2) shall conspicuously state on the face or back of the certificate that (a) such statement is set forth in the Charter on file in the office of the Secretary of State of Texas and (b) the Corporation will furnish a copy of such statement to the record holder of the certificate without charge upon request to the Corporation at its principal place of business or registered office. If any restriction on the transfer or the registration of the transfer of shares shall be imposed or agreed to by the Corporation, as permitted by law, each certificate representing shares so restricted (1) shall conspicuously set forth a full or summary statement of the restriction on the face of the certificate, or (2) shall set forth such statement on the back of the certificate and conspicuously refer to the same on the face of the certificate, or (3) shall conspicuously state on the face or back of the certificate that such a restriction exists pursuant to a specified document and (a) that the Corporation will furnish to the record holder of the certificate without charge upon written request to the corporation at its principal place of business or registered office a copy of the specified document, or (b) if such document is one required or permitted to be and has been filed under the Texas Business Corporation Act, that such document is on file in the office of the Secretary of State of Texas and contains a full statement of such restriction.

Lost Certificates

6.02. The Board may direct a new certificate representing shares to be issued in place of any certificate issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate, the Board, in its discretion and as a condition precedent to the issuance thereof, may require the owner of such lost or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Transfer of Shares

6.03. Upon presentation to the Corporation or the transfer agent of the Corporation with a request to register the transfer of a certificate representing shares duly endorsed and otherwise meeting the requirements for transfer specified in the Texas Business and Commerce Code, it shall

be the duty of the Corporation or the transfer agent of the Corporation to register the transfer as requested.

Registered Shareholders

6.04. Prior to due presentment for transfer, the Corporation may treat the registered owner of any share or shares of stock as the person exclusively entitled to vote, to receive notifications, and otherwise to exercise all rights and powers of an owner.

ARTICLE VII

GENERAL PROVISIONS

Dividends

7.01. Dividends upon the outstanding shares of the Corporation, subject to the provisions of the Charter, if any, may be declared by the Board at any regular or special meeting of the Board or by any committee of the Board so authorized. Dividends may be paid in cash, in property, or in shares of the Corporation, subject to the provisions of any applicable statute or the Charter. The Board may fix in advance a record date for the purpose of determining Shareholders entitled to receive payment of any dividend, such record date to be not more than fifty days prior to the payment date of such dividend, or the Board may close the stock transfer books for such purpose for a period of not more than fifty days prior to the payment date of such dividend. In the absence of any action by the Board, the date upon which the Board adopts the resolution declaring such dividend shall be the record date.

Reserves

7.02. There may be created by resolution of the Board out of the surplus of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any property of the Corporation, or for such other purpose as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Checks

7.03. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Execution of Contracts, Deeds, Etc.

7.04. The Board may authorize any officer or officers, agent or agents, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

Fiscal Year

7.05. The fiscal year of the Corporation shall be fixed by resolution of the Board.

Voting of Securities

7.06. Unless otherwise directed by the Board, the President shall have full power and authority on behalf of the Corporation to attend, vote and act, and to execute and deliver in the name and on behalf of the Corporation a proxy authorizing an agent or attorney-in-fact for the Corporation to attend, vote and act, at any meeting of security holders of any corporation in which the Corporation may hold securities and to execute and deliver in the name and on behalf of the Corporation any written consent of security holders in lieu of any such meeting, and at any such meeting he, or the agent or the attorney-in-fact duly authorized by him, shall possess and may exercise any and all rights and powers incident to the ownership of such securities which the Corporation as the owner thereof might have possessed or exercised if present. The Board may by resolution from time to time confer like power upon any other person or persons.

Indemnification

7.07 (a) Subject to any limitation which may be contained in the Charter, the Corporation shall to the full extent permitted by law, including without limitation, Texas Business Corporation Act Art. 2.02-1, as such Article now exists or shall hereafter be amended, indemnify any person who was, is, or is threatened to be made a named defendant or respondent to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, arbitral, administrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, because such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorneys' fees) actually incurred by such person in connection with such action, suit, or proceeding. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that an individual did not act in good faith and in a manner which

he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Subject to any limitation which may be contained in the Charter, the Corporation shall, to the full extent permitted by law, including without limitation, Art. 2.02-1 of the Texas Business Corporation Act, as such Article now exists or shall hereafter be amended, pay or reimburse on a current basis the expenses incurred by any person described in subsection (a) of this Section 7.07 in connection with any such action, suit, or proceeding in advance of the final disposition thereof, if the Corporation has received (i) a written affirmation by the recipient of his good faith belief that he has met the standard of conduct necessary for indemnification under the Texas Business Corporation Act and (ii) a written undertaking by or on behalf of the director to

repay the amount paid or reimbursed if it is ultimately determined that he has not satisfied such standard of conduct or if indemnification is prohibited by law.

(c) If required by law at the time such payment is made, any payment of indemnification or advance of expenses to a director shall be reported in writing to the shareholders with or before the notice or waiver of notice of the next Shareholder's meeting or with or before the next submission to Shareholders of a consent to action without a meeting pursuant to Section A, Article 9.10 of the Texas Business Corporation Act, and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

(d) The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or who is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the corporation would have the power to indemnify him against that liability under this article, subject to any restrictions imposed by law. The Corporation may create a trust fund, establish any form of self-insurance, grant a security interest or other lien on the assets of the Corporation, or use other means (including, without limitation, a letter of credit, guarantee or surety arrangement) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

(e) The rights provided under this Section 7.07 shall not be deemed exclusive of any other rights permitted by law to which such person may be entitled under any provision of the Charter, a resolution of Shareholders or directors of the Corporation, an agreement or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person. The rights provided in this Section 7.07 shall be deemed to be provided by a contract between the Corporation and the individuals who serve in the capacities described in subsection (a) hereof at any time while these bylaws are in effect, and no repeal or modification of this Section 7.07 by the Shareholders shall adversely affect any right of any person otherwise entitled to indemnification by virtue of this Section 7.07 at the time of such repeal or modification.

ARTICLE VIII

AMENDMENTS

8.01. The Board may amend or repeal these bylaws or adopt new bylaws, unless:

(1) the Charter or statute reserves the power exclusively to the Shareholders in whole or part; or

(2) the Shareholders in amending, repealing or adopting a particular bylaw expressly provide that the Board may not amend or repeal such bylaw.

8.02. Unless the Charter or a bylaw adopted by the Shareholders provides otherwise as to all or some portion of the Corporation's bylaws, the Shareholders may amend, repeal, or adopt bylaws of the Corporation even though such bylaws may also be amended, repealed or adopted by the Board.

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EXHIBIT 3.58

1918982
FILED
in the office of the Secretary of State
of the State of California
DEC 20 1994

Tony Miller
Acting Secretary of State

ARTICLES OF INCORPORATION
OF
VISTA BROADCASTING, INC.

One: The name of this Corporation is:

Vista Broadcasting, Inc.

Two: The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

Three: The name in the State of California of this Corporation's initial agent for service of process in accordance with subdivision (b) of Section 1502 of the General Corporation Law is:

Eric H. Halvorson
4880 Santa Rosa Road
Suite 300
Camarillo, CA 93012

Four: The Corporation is authorized to issue only one class of shares of stock; and the total number of shares which this Corporation is authorized to issue is one thousand (1,000) shares of Common Stock, no par value.

Five: The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

Six: The Corporation is authorized to provide indemnification of its agents (as such term is defined in Section 317 of the California General Corporation Law) to the fullest extent permissible under California law.

Dated: Dec. 7, 1994

Eric H. Halvorson

Eric H. Halvorson, Incorporator

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EXHIBIT 3.59

BYLAWS OF
VISTA BROADCASTING, INC.
A CALIFORNIA CORPORATION

ARTICLE I
SHAREHOLDERS' MEETING

Section 1. PLACE OF MEETINGS.

Meetings of shareholders shall be held at any place within or outside the State of California designated by the Board of Directors. In the absence of any such designation, shareholders' meetings shall be held in the principal executive office of the corporation.

Section 2. ANNUAL MEETINGS.

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The annual meeting of shareholders shall be held each year on a date and at a time designated by the Board of Directors. The date so designated shall be within five (5) months after the end of the fiscal year of the corporation, and within fifteen (15) months after the last annual meeting. At each annual meeting directors shall be elected, and any other proper business may be transacted.

Section 3. SPECIAL MEETINGS.
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A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the Board, or by the president or by one or more shareholders holding shares in the aggregate entitled to cast not less than ten percent (10%) of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the Board, the president, any vice-president or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article I, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors may be held.

Section 4. NOTICE OF MEETINGS.
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All notices of meetings of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article I not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (a) in the case of

a special meeting, the general nature of the business to be transacted or (b) in the case of the annual meeting, those matters which the Board of Directors, at the time of giving notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

Section 5. MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.
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Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation, in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or reports shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one (1) year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meetings shall be executed by the secretary, assistant secretary

or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

Section 6. QUORUM.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 7. ADJOURNED MEETING; NOTICE.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article I.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the original meeting, in which case the Board of Directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article I. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

Section 8. VOTING RIGHTS; CUMULATIVE VOTING.

The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article I, subject to the provisions of Sections 702 through 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless a vote of a greater number or voting by classes is required by the California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to accumulate votes (i.e., to cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or

distribute the shareholder's votes on the same principle among any or all of the candidates, as the shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

Section 9. WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS.

The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either

in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of shareholders, except that if action is taken or proposed to be taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article I, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 10. SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.
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Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or to take that action at a meeting at which all shares entitled to vote on that action were present and voted. In the case of election of directors, such consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the Board of Directors that has not been filled by the directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holder, or a transferee of the shares or a personal representative of the shareholder or his respective proxy holder, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting.

This notice shall be given in the manner specified in Section 5 of this Article I. In the case of approval of (a) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (b) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (c) a reorganization of the corporation, pursuant to Section 1201 of that Code, and (d) a distribution in dissolution other than in accordance with the rights of the outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

Section 11. RECORD DATE FOR SHAREHOLDERS NOTICE, VOTING AND GIVING CONSENTS.
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For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding the transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting (i) when no prior action by the Board has been taken, shall be the day on which the first written consent is given, or (ii) when prior action of the Board has been taken, shall

be at the close of business on the day on which the Board adopts the resolution relating to that action or the sixtieth (60th) day before the date of such other action, whichever is later.

Section 12. PROXIES.

Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (a) revoked by the person executing it, before the vote pursuant to that proxy by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or

(b) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, and, provided, further, that the proxy shall be valid only if executed in favor of another shareholder of the corporation. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

Section 13. INSPECTORS OF ELECTION.

Before any meeting of shareholders, the Board of Directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at the meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

(a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

(b) Receive votes, ballots or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine when the polls shall close;

(f) Determine the result; and

(g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

Section 14. VOTING TRUSTS.

If a voting trust agreement is filed in the office of the corporation, the corporation shall take notice of its terms and the limitations this agreement places on the authority of the trustee. The agreement shall be valid only if voting power is vested in another shareholder of the corporation.

ARTICLE II
DIRECTORS; MANAGEMENT

Section 1. POWERS.

Subject to the limitations of the Articles of Incorporation, of the Bylaws

and of the laws of the State of California as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of this corporation shall be controlled by, a board of directors.

Section 2. NUMBER AND QUALIFICATION.

The authorized number of directors shall be two (2) until changed by a duly adopted amendment of the Articles of Incorporation or by an amendment to these Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote.

Section 3. ELECTION AND TENURE OF OFFICE.

Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 4. VACANCIES.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in the event of the death, disqualification, resignation, or removal of any director, or if the Board of Directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of directors is increased or if the shareholders fail, in any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary or the Board of Directors, unless the notice specifies a later time for that resignation to become effective. If the resignation of a director is effective at a future time,

the Board of Directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. REMOVAL OF DIRECTORS.

The entire Board of Directors or any individual director may be removed from office as provided by Sections 302, 303 and 304 of the Corporations Code of the State of California.

Section 6. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.

Regular meetings of the Board of Directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

Section 7. ANNUAL MEETING.

Immediately following each annual meeting of shareholders, the Board of Directors shall hold a regular meeting for the purpose of organization, any desired election of officers and the transaction of other business. Notice of this meeting shall not be required.

Section 8. OTHER REGULAR MEETINGS.
- ---------

Other regular meetings of the Board of Directors shall be held without call at such time as it shall from time to time be fixed by the Board of Directors. Such regular meetings may be held without notice.

Section 9. SPECIAL MEETINGS - NOTICES.
- ---------

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice-president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director, or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least

forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive offices of the corporation.

Section 10. QUORUM.
- ----------

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 13 of this Article II, unless the authorized number of directors is two or less, in which case all of the duly elected and acting directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of Section 310 of the Corporations Code of the State of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. WAIVER OF NOTICE.
- ----------

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

Section 12. DIRECTORS ACTING WITHOUT A MEETING BY UNANIMOUS WRITTEN CONSENT.
- ----------

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 13. ADJOURNMENT.
- ----------

A majority of the directors present, whether or not constituting a quorum,

may adjourn any meeting to another time and place.

Section 14. NOTICE OF ADJOURNMENT.

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 9 of this Article II, to the directors who are not present at the time of the adjournment.

Section 15. COMPENSATION OF DIRECTORS.

Directors and members of committees, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular and special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE III
OFFICERS

Section 1. OFFICERS.

The officers of the corporation shall consist of a president, vice-president, secretary, and chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chairman of the board, one or more additional vice-presidents, one or more assistant secretaries, one or more assistant treasurers and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. One person may hold two or more offices, except those of president and secretary.

Section 2. ELECTION.

The officers of the corporation, except those officers as may be appointed in accordance with the provisions of Section 3 and Section 5 of this Article III shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC.

The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the bylaws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION.

Any officer may be removed, either with or without cause, by the Board of Directors at any regular or special meeting, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors, or to the president or to the secretary of the corporation. Any such resignation shall take effect at the date of this notice or at any later specified time; and, unless otherwise specified, the acceptance of this resignation shall not be necessary to make it effective.

Section 5. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification, or because of any other cause shall be filled in the manner prescribed in the bylaws for regular appointments to the office.

Section 6. CHAIRMAN OF THE BOARD.

The chairman of the board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the bylaws. If there is no

president, the chairman of the board shall in addition be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article III.

Section 7. PRESIDENT.
- ---------

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the chairman of the board, or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of a corporate management usually vested in the office of president of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or the bylaws.

Section 8. VICE-PRESIDENT.
- ---------

In the absence or disability of the president, the vice-president, if any, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to, all the restrictions upon, the president. The vice-president shall have such other powers and perform such other duties as from time to time may be prescribed by the Board of Directors or the bylaws.

Section 9. SECRETARY.
- ---------

The secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same; and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the bylaws or by law to be given, and he shall keep the seal of the corporation in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the bylaws.

Section 10. CHIEF FINANCIAL OFFICER.
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The chief financial officer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital shall be classified according to source and shown in a separate account. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

Section 11. SALARIES.
- ----------

The salaries of the officers and other shareholders employed by the corporation shall be fixed from time to time by the Board of Directors or established under agreements with officers or shareholders approved by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV

CORPORATE RECORDS AND REPORTS-INSPECTION

Section 1. MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the Board of Directors, a record of its shareholders giving the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (a) inspect and copy the

records of the shareholders' names and addresses and shareholdings during usual business hours on five days' prior written demand on the corporation and (b) obtain from the transfer agent of the corporation, on written demand and on tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

Section 2. MAINTENANCE AND INSPECTION OF BYLAWS.

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.

The accounting books and records and minutes of proceedings of the shareholders and the Board of Directors and any committee or committees of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as a holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

Section 4. INSPECTION BY DIRECTORS.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of every kind and the physical properties of the corporation at each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 5. ANNUAL REPORT TO SHAREHOLDERS.

The annual report to shareholders referred to in Section 1501 of the California General Corporation Law is expressly dispensed with, but nothing

herein shall be interpreted as prohibiting the Board of Directors from issuing annual or other periodic reports to the shareholders of the corporation as they consider appropriate.

Section 6. FINANCIAL STATEMENTS.
- ---------

A copy of any annual financial statements and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each statement shall be exhibited at all reasonable times to any shareholder demanding an examination of such statement or a copy thereof shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the treasurer or chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statements and balance sheets referred to in this section shall be accompanied by a report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

Section 7. ANNUAL STATEMENT OF GENERAL INFORMATION.
- ---------

The corporation shall annually, during the period commencing five calendar months preceding the calendar month during which the original Articles of Incorporation were filed and ending with the end of the calendar month during which the original Articles of Incorporation were filed with the Secretary of State, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary and chief financial officer, the street address of its principal executive office or principal business office in the state, and the

general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE V
GENERAL CORPORATE MATTERS

Section 1. RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING.
- ---------

For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful election (other than action by shareholders by written consent without a meeting) the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the Board of Directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

Section 2. CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS.

- ---------

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by the resolution of the Board of Directors.

Section 3. CORPORATE CONTRACTS AND INSTRUMENTS; HOW EXECUTED.
- ---------

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation and this authority shall be general or confined to specific instances; and, unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 4. CERTIFICATES FOR SHARES.
- ---------

A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the Board of Directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice-chairman of

the board or the president or vice-president and by the chief financial officer or an assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent or registrar at the date of issuance.

Section 5. LOST CERTIFICATES.
- ---------

Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and cancelled at the same time. The Board of Directors, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, may authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft or destruction of the certificate or the issuance of the replacement certificate.

Section 6. REPRESENTATION OF SHARES OF OTHER CORPORATIONS.
- ---------

The chairman of the board, the president or any vice-president, or any other person authorized by resolution of the Board of Directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

Section 7. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS.
- ---------

The corporation shall, to the maximum extent permitted by California General Corporation Law, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. For purposes of this Section 7, an "agent" of the corporation includes any person who is or was a director, officer, employee or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

Section 8. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular in number includes the plural, the plural number includes the singular and the term "person" includes both a corporation and a natural person.

ARTICLE VI
OFFICES

Section 1. PRINCIPAL OFFICES.

The Board of Directors shall fix the location of the principal executive offices of the corporation at any place within or outside the State of California. If the principal executive offices are located outside the state, and the corporation has one or more business offices in the state, the Board of Directors shall fix and designate a principal business office in the State of California.

Section 2. OTHER OFFICES.

The Board of Directors may at any time establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE VII
AMENDMENTS

Section 1. AMENDMENT BY SHAREHOLDERS.

New Bylaws may be adopted or these Bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that if the Articles of Incorporation of the corporation set forth a number of authorized directors of the corporation, the authorized number of directors may be changed only by an amendment of the Articles of Incorporation.

Section 2. AMENDMENT BY DIRECTORS.

Subject to the rights of the shareholders as provided in Section 1 of this Article VII, Bylaws, other than a bylaw or an amendment of a bylaw changing the authorized number of directors, may be adopted, amended or repealed by the Board of Directors.

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EXHIBIT 4.01

SALEM COMMUNICATIONS CORPORATION, a California corporation, as Issuer.

ATEP RADIO, INC.,
BELTWAY MEDIA PARTNERS,
BISON MEDIA, INC.,
CARON BROADCASTING, INC.,
COMMON GROUND BROADCASTING, INC.,
GOLDEN GATE BROADCASTING COMPANY, INC.,
INLAND RADIO, INC.,
INSPIRATION MEDIA, INC.,
INSPIRATION MEDIA OF TEXAS, INC.,
NEW ENGLAND CONTINENTAL MEDIA, INC.,
NEW INSPIRATION BROADCASTING COMPANY, INC.,
OASIS RADIO, INC.,
PENNSYLVANIA MEDIA ASSOCIATES, INC.,

RADIO 1210, INC.,
SALEM COMMUNICATIONS CORPORATION, a Delaware corporation
SALEM MEDIA CORPORATION,
SALEM MEDIA OF CALIFORNIA, INC.,
SALEM MEDIA OF COLORADO, INC.,
SALEM MEDIA OF LOUISIANA, INC.,
SALEM MEDIA OF OHIO, INC.,
SALEM MEDIA OF OREGON, INC.,
SALEM MEDIA OF PENNSYLVANIA, INC.,
SALEM MEDIA OF TEXAS, INC.,
SALEM MUSIC NETWORK, INC.,
SALEM RADIO NETWORK INCORPORATED,
SALEM RADIO REPRESENTATIVES, INC.,
SOUTH TEXAS BROADCASTING, INC.,
SRN NEWS NETWORK, INC.,
VISTA BROADCASTING, INC.,
as Guarantors

and

THE BANK OF NEW YORK, as Trustee

INDENTURE

Dated as of September 25, 1997

$150,000,000

9.5% Senior Subordinated Notes due 2007

CROSS-REFERENCE TABLE*

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(a)(4)	N.A.
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N.A. means not applicable.

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SCHEDULE I   Existing Indebtedness of Salem Communications Corporation and its Restricted Subsidiaries

SCHEDULE II   Existing Liens

SCHEDULE III Existing Encumbrances and Restrictions

EXHIBIT A   Form of Restricted Securities Transfer Certificate (General)

EXHIBIT B   Form of Intercompany Note

EXHIBIT C   Form of Restricted Securities Transfer Certificate (Non-U.S. Persons)

INDENTURE, dated as of September 25, 1997, among SALEM COMMUNICATIONS CORPORATION, a California corporation (the "COMPANY"), ATEP RADIO, INC., a California corporation, BELTWAY MEDIA PARTNERS, a Virginia partnership, BISON MEDIA, INC., a California corporation, CARON BROADCASTING, INC., an Ohio corporation, COMMON GROUND BROADCASTING, INC., an Oregon corporation, GOLDEN GATE BROAD CASTING COMPANY, INC., a California corporation, INLAND RADIO, INC., a California corporation, INSPIRATION MEDIA, INC., a Washington corporation, INSPIRATION MEDIA OF TEXAS, INC., a Texas corporation, NEW ENGLAND CONTINENTAL MEDIA, INC., a Massa chusetts corporation, NEW INSPIRATION BROADCASTING COMPANY, INC., a California corporation, OASIS RADIO, INC., a California corporation, PENNSYLVANIA MEDIA ASSOCIATES, INC., a Pennsylvania corporation, RADIO 1210, INC., a California corporation, SALEM COMMUNICATIONS CORPORATION, a Delaware corporation, SALEM MEDIA COR PORATION, a New York corporation, SALEM MEDIA OF CALIFORNIA, INC., a California corporation, SALEM MEDIA OF COLORADO, INC., a Colorado corporation, SALEM MEDIA OF LOUISIANA, INC., a Louisiana corporation SALEM MEDIA OF OHIO, INC., an Ohio corporation, SALEM MEDIA OF OREGON, INC., an Oregon corporation, SALEM MEDIA OF PENNSYL VANIA, INC., a Pennsylvania corporation, SALEM MEDIA OF TEXAS, INC., a Texas corporation, SALEM MUSIC NETWORK, INC., a Texas corporation, SALEM RADIO NETWORK INCOR PORATED, a Delaware corporation, SALEM RADIO REPRESENTATIVES, INC., a Texas corporation, SRN NEWS NETWORK, INC., a Texas corporation, SOUTH TEXAS BROADCAS TING, INC., a Texas corporation, and VISTA BROADCASTING, INC., a California corporation (collectively, the "GUARANTORS"), and THE BANK OF NEW YORK, a New York banking corporation, as trustee (the "TRUSTEE").

RECITALS OF THE COMPANY

The Company has duly authorized the creation of an issue of 9.5% Senior Subordinated Notes due 2007, Series A (the "INITIAL SECURITIES" or the "SERIES A SECURITIES"), and an issue of 9.5% Senior Subordinated Notes due 2007, Series B (the "SERIES B SECURITIES" and, together with the Series A Securities, the "SECURITIES") of substantially the tenor and amount hereinafter set forth, and to provide therefor the Company has duly authorized the execution and delivery of this Indenture and the Securities.

Each Guarantor has duly authorized the issuance of a guarantee (the "GUARANTEES") of the Securities, of substantially the tenor hereinafter set forth, and to provide therefor, each Guarantor has duly authorized the execution and delivery of this Indenture and the Guarantee.

This Indenture is subject to, and shall be governed by, the provisions of the Trust Indenture Act that are required to be part of and to govern indentures

qualified under the Trust Indenture Act.

All acts and things necessary have been done to make (i) the Securities, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, (ii) the Guarantees, when executed by each of the Guarantors and delivered hereunder, the valid obligation of each of the Guarantors and (iii) this Indenture a valid agreement of the Company and each of the Guarantors in accordance with the terms of this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(d) the words "HEREIN", "HEREOF" and "HEREUNDER" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision; and

(e) all references to $, US$, dollars or United States dollars shall refer to the lawful currency of the United States of America.

"ACCREDITED INVESTOR" means an institutional "accredited investor" within the meaning of Rule 501 (a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

"ACQUIRED INDEBTEDNESS" means Indebtedness of a Person (i) existing at the time such Person becomes a Subsidiary or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Indebtedness shall be deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

"AFFILIATE" means, with respect to any specified Person, (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, (ii) any other Person that owns, directly or indirectly, 5% or more of such Person's Equity Interests or any officer or director of any such Person or other Person or, with respect to any natural Person, any Person having a relationship with such Person or other Person by blood, marriage or

adoption not more remote than first cousin or (iii) any other Person 10% or more of the voting Equity Interests of which are beneficially owned or held directly or indirectly by such specified Person. For the purposes of this definition, "CONTROL" when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing.

"ASSET SALE" means any sale, issuance, conveyance, transfer, lease or other disposition (including, without limitation, by way of merger, consolidation or Sale and Leaseback Transaction) (collectively, a "TRANSFER"), directly or indirectly, in one or a series of related transactions, of (i) any Equity Interest of any Restricted Subsidiary; (ii) all or substantially all of the properties and assets of any division or line of business of the Company or

its Restricted Subsidiaries; or (iii) any other properties or assets of the Company or any Restricted Subsidiary, other than in the ordinary course of business. For the purposes of this definition, the term "ASSET SALE" shall not include any transfer of properties and assets (A) that is governed by Section 801(a) or Section 1023, (B) that is by the Company to any Wholly Owned Restricted Subsidiary, or by any Restricted Subsidiary to the Company or any Wholly Owned Restricted Subsidiary in accordance with the terms of this Indenture or (C) that aggregates not more than $1,000,000 in gross proceeds.

"AGENT MEMBER" means any member of, or participant in, the Depositary.

"ASSET SWAP" means an Asset Sale by the Company or any Restricted Subsidiary in exchange for properties or assets that will be used in the business of the Company and its Restricted Subsidiaries existing on the date of this Indenture or reasonably related thereto.

"AVERAGE LIFE TO STATED MATURITY" means, as of the date of determination with respect to any Indebtedness, the quotient obtained by dividing (i) the sum of the products of (a) the number of years from the date of determination to the date or dates of each successive scheduled principal payment of such Indebtedness multiplied by (b) the amount of each such principal payment by (ii) the sum of all such principal payments.

"BANK CREDIT AGREEMENT" means the Credit Agreement, dated as of September 25, 1997, among the Company, the lenders named therein, The Bank of New York, as administrative agent and Bank of America NT&SA, as documentation agent, as such agreement may be amended, renewed, extended, substituted, refinanced, restructured, replaced, supplemented or otherwise modified from time to time (including, without limitation, any successive renewals, extensions, substitutions, refinancings, restructurings, replacements, supplementations or other modifications of the foregoing). For all purposes under this Indenture, "BANK CREDIT AGREEMENT" shall include any amendments, renewals, extensions, substitutions, refinancings, restructurings, replacements, supplements or any other modifications that increase the principal amount of the Indebtedness or the commitments to lend thereunder and have been made in compliance with Section 1008; provided that, for purposes of the definition of "PERMITTED INDEBTEDNESS," no such increase may result in the principal amount of Indebtedness of the Company under the Bank Credit Agreement exceeding the amount permitted by Section 1008(b)(i).

"BANKRUPTCY LAW" means Title 11, United States Bankruptcy Code of 1978, as amended, or any similar United States federal or state law relating to bankruptcy, insolvency,

receivership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law.

"BOARD OF DIRECTORS" means the board of directors of the Company or any Guarantor, as the case may be, or any duly authorized committee of such board.

"BOARD RESOLUTION" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or any Guarantor, as the case may be, to have been duly adopted by the Board of Directors of such entity and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"BUSINESS DAY" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in The City of New York, the State of California or the city in which the Corporate Trust Office is located are authorized or obligated by law or executive order to close.

"CAPITAL LEASE OBLIGATION" means any obligation of the Company and its Restricted Subsidiaries on a Consolidated basis under any capital lease of real or personal property that, in accordance with GAAP, has been recorded as a capitalized lease obligation.

"CASH EQUIVALENTS" means, (i) any evidence of Indebtedness with a maturity of one year or less from the date of acquisition issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof); (ii) certificates of deposit or acceptances with a maturity of one year or less from the date of acquisition of any financial institution that is a member of the Federal Reserve System having combined capital and surplus and undivided profits of not less than $500,000,000; (iii) commercial paper with a maturity of one year or less from the date of acquisition issued by a corporation that is not an Affiliate of the Company organized under the laws of any state of the United States or the District of Columbia and rated A-1 (or higher) according to S&P or P-1 (or higher) according to Moody's or at least an equivalent rating category of another nationally recognized securities rating agency: (iv) any money market

deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500,000,000: and (v) repurchase agreements and reverse repurchase agreements relating to marketable direct obligations issued or unconditionally guaranteed by the government of the United States of America or issued by any agency thereof and backed by the full faith and credit of the United States of America, in each case maturing within one year from the date of acquisition; *provided* that the terms of such agreements comply with the guidelines set forth in the Federal Financial Agreements of Depository Institutions With Securities Dealers and Others, as adopted by the Comptroller of the Currency on October 31, 1985.

"CHANGE OF CONTROL" means the occurrence of any of the following events: (i) any "PERSON" or "GROUP" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "BENEFICIAL OWNER" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person shall be deemed to have beneficial ownership of all shares that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 40% of the total outstanding Voting Stock of the Company, *provided* that the Permitted Holders "BENEFICIALLY OWN" (as so defined) a lesser

percentage of such Voting Stock than such other Person and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of the Company; (ii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company (together with any new directors whose election to such Board or whose nomination for election by the shareholders of the Company, was approved by a vote of 66% of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of such Board of Directors then in office; (iii) the Company consolidates with or merges with or into any Person or conveys, transfers or leases all or substantially all of its assets to any Person, or any corporation consolidates with or merges into or with the Company, in any such event pursuant to a transaction in which the outstanding Voting Stock of the Company is changed into or exchanged for cash, securities or other property, other than any such transaction in which the outstanding Voting Stock of the Company is not changed or exchanged at all (except to the extent necessary to reflect a change in the jurisdiction of incorporation of the Company) or in which (A) the outstanding Voting Stock of the Company is changed into or exchanged for (x) Voting Stock of the surviving corporation which is not Disqualified Equity Interests or (y) cash, securities and other property (other than Equity Interests of the surviving corporation) in an amount which could be paid by the Company as a Restricted Payment in accordance with Section 1009 (and such amount shall be treated as a Restricted Payment subject to the provisions described under Sec tion 1009) and (B) no "PERSON" or "GROUP" other than Permitted Holders owns immediately after such transaction directly or indirectly, more than the greater of (1) 40% of the total outstanding Voting Stock of the surviving corporation and (2) the percentage of the outstanding Voting Stock of the surviving corporation owned, directly or indirectly, by Permitted Holders immediately after such transaction; or (iv) the Company is liquidated or dissolved or adopts a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under Article Eight.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMISSION" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"COMPANY" means Salem Communications Corporation, a corporation incorporated under the laws of California, until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "COMPANY" shall mean such successor Person.

"COMPANY REQUEST" or "COMPANY ORDER" means a written request or order signed in the name of the Company by any one of its Chairman of the Board, its Vice Chairman, its President or a Vice President (regardless of vice presidential designation), and by any one of its Treasurer, an Assistant Treasurer, its Secretary or an Assistant Secretary, and delivered to the Trustee.

"CONSOLIDATED INTEREST EXPENSE" means, without duplication, for any period, the sum of (a) the interest expense of the Company and its Consolidated Restricted Subsidiaries for such period, on a Consolidated basis, including, without limitation, (i) amortization of debt discount, (ii) the net cost under Interest Rate Agreements (including amortization of discounts), (iii) the interest portion

of any deferred payment obligation and (iv) accrued interest, plus (b) the interest component of the Capital Lease Obligations paid, accrued and/or scheduled to be paid or accrued by the Company during such period, and all capitalized interest of the Company and its Consolidated Restricted Subsidiaries, in each case as determined in accordance with GAAP consistently applied.

"CONSOLIDATED NET INCOME" means, for any period, the Consolidated net income (or loss) of the Company and its Consolidated Restricted Subsidiaries for such period as determined in accordance with GAAP consistently applied, adjusted, to the extent included in calculating such net income (or loss), by excluding, without duplication, (i) all extraordinary gains but not losses (less all fees and expenses relating thereto), (ii) the portion of net income (or loss) of the Company and its Consolidated Restricted Subsidiaries allocable to interests in unconsolidated Persons or Unrestricted Subsidiaries, except to the extent of the amount of dividends or distributions actually paid to the Company or its Consolidated Restricted Subsidiaries by such other Person during such period, (iii) net income (or loss) of any Person combined with the Company or any of its Restricted Subsidiaries on a "pooling of interests" basis attributable to any period prior to the date of combination, (iv) any gain or loss, net of taxes, realized upon the termination of any employee pension benefit plan, (v) net gains but not losses (less all fees and expenses relating thereto) in respect of dispositions of assets other than in the ordinary course of business, or (vi) the net income of any Restricted Subsidiary to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders.

"CONSOLIDATED NET WORTH" means the Consolidated equity of the holders of Equity Interests (excluding Disqualified Equity Interests) of the Company and its Restricted Subsidiaries, as determined in accordance with GAAP consistently applied.

"CONSOLIDATION" means, with respect to any Person, the consolidation of the accounts of such Person and each of its subsidiaries (other than any Unrestricted Subsidiaries) if and to the extent the accounts of such Person and each of its subsidiaries (other than any Unrestricted Subsidiaries) would normally be consolidated with those of such Person, all in accordance with GAAP consistently applied. The term "CONSOLIDATED" shall have a similar meaning.

"CORPORATE TRUST OFFICE" means the office of the Trustee or an affiliate or agent thereof at which at any particular time the corporate trust business for the purposes of this Indenture shall be principally administered, which office at the date of execution of this Indenture is located at The Bank of New York, 101 Barclay Street, 21 W, New York, New York 10286, Attention: Corporate Trust Administration.

"CUMULATIVE CONSOLIDATED INTEREST EXPENSE" means, as of any date of determination, Consolidated Interest Expense from the date of this Indenture to the end of the Company's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

"CUMULATIVE OPERATING CASH FLOW" means, as of any date of determination, Operating Cash Flow from the date of this Indenture to the end of the Company's most recently ended full fiscal quarter prior to such date, taken as a single accounting period.

"DEBT TO OPERATING CASH FLOW RATIO" means, as of any date of determination, the ratio of (a) the aggregate principal amount of all outstanding Indebtedness of the Company and its Restricted Subsidiaries as of such date on a Consolidated basis plus the aggregate liquidation preference or redemption amount of all Disqualified Equity Interests of the Company (excluding any such Disqualified Equity Interests held by the Company or a Wholly Owned Restricted Subsidiary of the Company), to (b) Operating Cash Flow of the Company and its Restricted Subsidiaries on a Consolidated basis for the four most recent full fiscal quarters ending immediately prior to such date, determined on a pro forma basis (and after giving pro forma effect to (i) the incurrence of such Indebtedness and (if applicable) the application of the net proceeds therefrom, including to refinance other Indebtedness, as if such Indebtedness was incurred, and the application of such proceeds occurred, at the beginning of such four-quarter period; (ii) the incurrence, repayment or retirement of any other Indebtedness by the Company and its Restricted Subsidiaries since the first day of such four-quarter period as if such Indebtedness was incurred, repaid or retired at the beginning of such four-quarter period (except that, in making such computation, the amount of Indebtedness under any revolving credit facility shall be computed based upon the average balance of such Indebtedness at the end of each month during such four-quarter period); (iii) in the case of Acquired Indebtedness, the related acquisition, as if such acquisition had occurred at

the beginning of such four-quarter period; and (iv) any acquisition or disposition by the Company and its Restricted Subsidiaries of any company or any business or any assets out of the ordinary course of business, or any related repayment of Indebtedness, in each case since the first day of such four-quarter period, assuming such acquisition or disposition had been consummated on the first day of such four-quarter period).

"DEFAULT" means any event which is, or after notice or passage of any time or both would be, an Event of Default.

"DEPOSITARY" means, with respect to the Securities issued in the form of Global Securities, if any, The Depository Trust Company, a New York limited purpose corporation, its nominees and successors, in each case registered as a "clearing agency" under the Exchange Act and maintaining a book-entry system that qualifies for treatment as "registered form" under Section 163(f) of the Code.

"DESIGNATED GUARANTOR SENIOR INDEBTEDNESS" means (i) all Guarantor Senior Indebtedness which guarantees Indebtedness under the Bank Credit Agreement and (ii) any other Guarantor Senior Indebtedness which is incurred pursuant to an agreement (or series of related agreements) simultaneously entered into providing for indebtedness, or commitments to lend, of at least $25,000,000 at the time of determination and is specifically designated in the instrument evidencing such Guarantor Senior Indebtedness or the agreement under which such Guarantor Senior Indebtedness arises as "Designated Guarantor Senior Indebtedness" by the Guarantor which is the obligor under such Guarantor Senior Indebtedness.

"DESIGNATED SENIOR INDEBTEDNESS" means (i) all Senior Indebtedness outstanding under the Bank Credit Agreement and (ii) any other Senior Indebtedness which is incurred pursuant to an agreement (or series of related agreements) simultaneously entered into providing for indebtedness, or commitments to lend, of at least $25,000,000 at the time of determination and is specifically designated in the instrument evidencing such Senior Indebtedness or the agreement under which such Senior Indebtedness arises as "Designated Senior Indebtedness" by the Company.

"DISQUALIFIED EQUITY INTERESTS" means any Equity Interests that, either by their terms or by the terms of any security into which they are convertible or exchangeable or otherwise, are or upon the happening of an event or passage of time would be required to be redeemed prior to any Stated Maturity of the principal of the Securities or are redeemable at the option of the holder thereof at any time prior to any such Stated Maturity, or are convertible into or exchangeable for debt securities at any time prior to any such Stated Maturity at the option of the holder thereof.

"EQUITY INTEREST" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) corporate stock or other equity participations, including partnership interests, whether general or limited, and any limited liability company interests of such Person, including any Preferred Equity Interests.

"EVENT OF DEFAULT" has the meaning specified in Article Five.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

"EXCHANGE OFFER" means the exchange offer by the Company of Series B Securities for Series A Securities to be effected pursuant to Section 2(a) of the Registration Rights Agreement.

"EXCHANGE OFFER REGISTRATION STATEMENT" means the registration statement under the Securities Act contemplated by Section 2(a) of the Registration Rights Agreement.

"FAIR MARKET VALUE" means, with respect to any asset or property, the sale value that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy.

"GAAP" means generally accepted accounting principles in the United States, consistently applied, which are in effect on the date of this Indenture."

"GLOBAL SECURITY" means a Security in book-entry form in the form prescribed in Sections 202 through 205 evidencing all or part of the Securities, issued to the Depositary or its nominee and registered in the name of the Depositary or such nominee.

"GUARANTEE" means the guarantee by any Guarantor of the Company's Indenture Obligations pursuant to a guarantee given in accordance with this

Indenture, including, without limitation, the Guarantees by the Guarantors included in Article Fourteen of this Indenture and any Guarantee delivered pursuant to Section 1014.

"GUARANTEED DEBT" of any Person means, without duplication, all Indebtedness of any other Person referred to in the definition of Indebtedness contained in this Section guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (i) to pay or purchase such Indebtedness or to advance or supply funds for the payment or purchase of such Indebtedness, (ii) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make

payment of such Indebtedness or to assure the holder of such Indebtedness against loss, (iii) to supply funds to, or in any other manner invest in, the debtor (including any agreement to pay for property or services without requiring that such property be received or such services be rendered), (iv) to maintain working capital or equity capital of the debtor, or otherwise to maintain the net worth, solvency or other financial condition of the debtor or (v) otherwise to assure a creditor against loss; *provided* that the term "GUARANTEE" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"GUARANTOR" means the Subsidiaries listed as guarantors in this Indenture or any other guarantor of the Indenture Obligations.

"GUARANTOR SENIOR INDEBTEDNESS" is defined as the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy laws whether or not allowable as a claim in such proceeding) on any Indebtedness of any Guarantor (other than as otherwise provided in this definition), whether outstanding on the date of this Indenture or thereafter created, incurred or assumed, and whether at any time owing, actually or contingent, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to any Guarantee. Without limiting the generality of the foregoing, "Guarantor Senior Indebtedness" shall include (i) the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) and all other obligations of every nature of any Guarantor from time to time owed to the lenders (or their agent) under the Bank Credit Agreement; *provided, however*, that any Indebtedness under any refinancing, refunding or replacement of the Bank Credit Agreement shall not constitute Guarantor Senior Indebtedness to the extent that the Indebtedness thereunder is by its express terms subordinate to any other Indebtedness of any Guarantor and (ii) Indebtedness under Interest Rate Agreements. Notwithstanding the foregoing, "Guarantor Senior Indebtedness" shall not include (i) Indebtedness evidenced by the Guarantees, (ii) Indebtedness that is subordinate or junior in right of payment to any Indebtedness of any Guarantor, (iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 of the United States Code, is without recourse to any Guarantor, (iv) Indebtedness which is represented by Disqualified Equity Interests, (v) any liability for foreign, federal, state, local or other taxes owed or owing by any Guarantor to the extent such liability constitutes Indebtedness, (vi) Indebtedness of any Guarantor to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's subsidiaries, (vii) Indebtedness evidenced by any guarantee of any Subordinated Indebtedness or Pari Passu Indebtedness, (viii) that portion of any Indebtedness which at the time of issuance is issued in violation of this Indenture and (ix) Indebtedness owed by any Guarantor for compensation to employees or for services rendered by employees.

"HOLDER" means a Person in whose name a Security is registered in the Security Register.

"INDEBTEDNESS" means, with respect to any Person, without duplication, (i) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities arising in the ordinary course of business, but including, without limitation, all obligations, contingent or otherwise, of such

Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities and in connection with any agreement to purchase, redeem, exchange, convert or otherwise acquire for value any Equity Interests of such Person, or any warrants, rights or options to acquire such Equity Interests, now or hereafter outstanding, (ii) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments, (iii) all indebtedness created or arising under any

conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), but excluding trade payables arising in the ordinary course of business, (iv) all obligations under Interest Rate Agreements of such Person, (v) all Capital Lease Obligations of such Person, (vi) all Indebtedness referred to in clauses (i) through (v) above of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness, (vii) all Guaranteed Debt of such Person, (viii) all Disqualified Equity Interests valued at the greater of their voluntary or involuntary maximum fixed repurchase price plus accrued and unpaid dividends, and (ix) any amendment, supplement, modification, deferral, renewal, extension, refunding or refinancing of any liability of the types referred to in clauses (i) through (viii) above. The amount of Indebtedness of any Person at any date shall be, without duplication, the principal amount that would be shown on a balance sheet of such Person prepared as of such date in accordance with GAAP and the maximum determinable liability of any Guaranteed Debt referred to in clause (vii) above at such date. The Indebtedness of the Company and its Restricted Subsidiaries shall not include any Indebtedness of Unrestricted Subsidiaries so long as such Indebtedness is non-recourse to the Company and the Restricted Subsidiaries. For purposes hereof, the "MAXIMUM FIXED REPURCHASE PRICE" of any Disqualified Equity Interests which do not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Equity Interests as if such Disqualified Equity Interests were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Equity Interests, such Fair Market Value to be determined in good faith by the Board of Directors of the issuer of such Disqualified Equity Interests.

"INDENTURE OBLIGATIONS" means the obligations of the Company and any other obligor under this Indenture or under the Securities, including any Guarantor, to pay principal, premium, if any, and interest when due and payable, and all other amounts due or to become due under or in connection with this Indenture, the Securities and the performance of all other obligations to the Trustee and the Holders under this Indenture and the Securities, according to the terms hereof and thereof

"INDEPENDENT DIRECTOR" means a director of the Company other than a director (i) who (apart from being a director of the Company or any Subsidiary) is an employee, insider, associate or Affiliate of the Company or a Subsidiary or has held any such position during the previous five years or (ii) who is a director, an employee, insider, associate or Affiliate of another party to the transaction in question.

"INITIAL PURCHASERS" shall mean Furman Selz LLC, Smith Barney Inc., BancBoston Securities Inc. and BNY Capital Markets, Inc. as initial purchasers of the Securities.

"INITIAL SECURITIES" has the meaning specified in the Recitals.

"INTEREST PAYMENT DATE" means the Stated Maturity of an installment of interest on the Securities.

"INTEREST RATE AGREEMENTS" means one or more of the following agreements which shall be entered into by one or more financial institutions: interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements from time to time.

"INVESTMENTS" means, with respect to any Person, directly or indirectly, any advance, loan (including guarantees), or other extension of credit or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase, acquisition or ownership by such Person of any Equity Interests, bonds, notes, debentures or other securities or assets issued or owned by any other Person and all other items that would be classified as investments on a balance sheet prepared in accordance with GAAP.

"LIEN" means any mortgage, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation or other encumbrance upon or with respect to any property of any kind (including any conditional sale or other title retention agreement, any leases in the nature thereof, and any agreement to give any security interest), real or personal, movable or immovable, now owned or hereafter acquired.

"MATURITY" when used with respect to any Security means the date on which the principal of such Security becomes due and payable as therein provided or as provided in this Indenture, whether at Stated Maturity, the Offer Date, or the Redemption Date and whether by declaration of acceleration, Offer in respect

of Excess Proceeds, Change of Control, call for redemption or otherwise.

"MOODY'S" means Moody's Investors Service, Inc. or any successor rating agency.

"NET CASH PROCEEDS" means (a) with respect to any Asset Sale by any Person, the proceeds thereof in the form of cash or Temporary Cash Investments including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed of for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary) net of (i) brokerage commissions and other reasonable fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale, (ii) provisions for all taxes payable as a result of such Asset Sale, (iii) payments made to retire Indebtedness where payment of such Indebtedness is secured by the assets or properties the subject of such Asset Sale or would cause a required repayment under the Bank Credit Agreement, (iv) amounts required to be paid to any Person (other than the Company or any Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (v) appropriate amounts to be provided by the Company or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to

environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee and (b) with respect to any issuance or sale of Equity Interests, or debt securities or Equity Interests that have been converted into or exchanged for Equity Interests, as referred to under Section 1009, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations when received in the form of, or stock or other assets when disposed for, cash or Temporary Cash Investments (except to the extent that such obligations are financed or sold with recourse to the Company or any Restricted Subsidiary), net of attorney's fees, accountant's fees and brokerage, consultation, underwriting and other fees and expenses actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"NON-PAYMENT DEFAULT" means any event (other than a Payment Default) the occurrence of which entitles one or more Persons to accelerate the maturity of any Designated Senior Indebtedness.

"NON-U.S. PERSON" has the meaning given to it by Regulation S under the Securities Act.

"OFFICERS' CERTIFICATE" means a certificate signed by the Chairman of the Board, Vice Chairman, the President or a Vice President (regardless of vice presidential designation), and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Company or any Guarantor, as the case may be, and delivered to the Trustee.

"OPERATING CASH FLOW" means, for any period, the Consolidated Net Income of the Company and its Restricted Subsidiaries for such period, plus (a) extraordinary net losses and net losses on sales of assets outside the ordinary course of business during such period, to the extent such losses were deducted in computing Consolidated Net Income, plus (b) provision for taxes based on income or profits, to the extent such provision for taxes was included in computing such Consolidated Net Income, and any provision for taxes utilized in computing the net losses under clause (a) hereof, plus (c) Consolidated Interest Expense of the Company and its Restricted Subsidiaries for such period, plus (d) depreciation, amortization and all other non-cash charges, to the extent such depreciation, amortization and other non-cash charges were deducted in computing such Consolidated Net Income (including amortization of goodwill and other intangibles).

"OPINION OF COUNSEL" means a written opinion of counsel, who may be counsel for the Company, any of the Guarantors or the Trustee, unless an Opinion of Independent Counsel is required pursuant to the terms of this Indenture, and who shall be acceptable to the Trustee.

"OPINION OF INDEPENDENT COUNSEL" means a written opinion of counsel issued someone who is not an employee or consultant of the Company or any Guarantor and who shall be acceptable to the Trustee.

"OUTSTANDING" when used with respect to Securities means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for which payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company or any Affiliate thereof) in trust or set aside and segregated in trust by the Company or such Affiliate (if the Company or such Affiliate shall act as the Paying Agent) for the Holders; *provided* that if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor reasonably satisfactory to the Trustee has been made;

(c) Securities, except to the extent provided in Sections 402 and 403, with respect to which the Company has effected defeasance or covenant defeasance as provided in Article Four; and

(d) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof reasonably satisfactory to it that such Securities are held by a bona fide purchaser in whose hands the Securities are valid obligations of the Company; *provided*, *however*, that in determining whether the Holders of the requisite principal amount of Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company, any Guarantor, or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor, or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities that a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company, any Guarantor or any other obligor upon the Securities or any Affiliate of the Company, any Guarantor or such other obligor.

"PARI PASSU INDEBTEDNESS" means any Indebtedness of the Company or any Guarantor that is *pari passu* in right of payment to the Securities or any Guarantee, as the case may be.

"PAYING AGENT" means any Person authorized by the Company to pay the principal of, premium, if any, or interest on any Securities on behalf of the Company.

"PAYMENT DEFAULT" means any default in the payment of principal of, premium, if any, or interest, on any Designated Senior Indebtedness.

"PERMITTED GUARANTOR JUNIOR SECURITIES" means (so long as the effect of any exclusion employing this definition is not to cause any Guarantee to be treated in any case or proceeding or similar event described in clause (a), (b) or (c) of Section 1417 as part of the same class of claims as the Guarantor Senior Indebtedness or any class of claims *pari passu* with, or senior to, the Guarantor Senior Indebtedness) for any payment or distribution, debt or equity securities of any Guarantor or any successor corporation provided for by a plan of reorganization or readjustment that are subordinated to any Guarantee at least to the same extent that the Guarantee is subordinated to the payment of all Guarantor Senior Indebtedness then outstanding; *provided* that (1) if a new corporation results from such reorganization or readjustment, such corporation assumes any Guarantor Senior Indebtedness not paid in full in cash or Cash Equivalents in connection with such reorganization or

readjustment and (2) the rights of the holders of such Guarantor Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment.

"PERMITTED HOLDERS" means as of the date of determination (i) any of Stuart W. Epperson and Edward G. Atsinger III; (ii) family members or the relatives of the Persons described in clause (i); (iii) any trusts created for the benefit of the Persons described in clauses (i), (ii) or (iv) or any trust for the benefit of any such trust; or (iv) in the event of the incompetence or death of any of the Persons described in clauses (i) and (ii), such Person's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Equity Interests of the Company.

"PERMITTED INDEBTEDNESS" has the meaning specified in Section 1008.

"PERMITTED INVESTMENTS" means (i) Temporary Cash Investments; (ii) Investments by the Company or any of its Restricted Subsidiaries in a Guarantor and Investments by any Restricted Subsidiary in the Company; (iii) Investments by the Company or any Restricted Subsidiary in another Person, if as a result of such Investment (A) such Person becomes a Restricted Subsidiary that is or would be a Guarantor or (B) such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all of its assets to, the Company or a Restricted Subsidiary that is or would be a Guarantor; (iv) promissory notes received as a result of Asset Sales permitted under Section 1013; (v) Investments in assets owned or used in the ordinary course of business; (vi) Investments in existence on the date of this Indenture; (vii) direct or indirect loans to employees or to a trustee for the benefit of such employees, of the Company or any of its Restricted Subsidiaries in an aggregate amount outstanding at any time not exceeding $1,000,000; (viii) Permitted Non-Commercial Educational Station Investments; *provided* that immediately after giving effect to any such Investment, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the restrictions under Section 1008; and (ix) other Investments that do not exceed $5,000,000 at any one time outstanding.

"PERMITTED NON-COMMERCIAL EDUCATIONAL STATION INVESTMENT" means a loan made by the Company or a Restricted Subsidiary to a non-profit entity, the proceeds of which are used to acquire assets used in the operation of a radio station; *provided* that so long as any such Investment remains outstanding (i) such loan shall be evidenced by a promissory note and shall not be subordinated to any other Indebtedness of such non-profit entity; (ii) at least 40% of the board seats (or other comparable governing body) of such non-profit entity shall be held by executive officers of the Company, and (iii) a technical and professional services agreement shall be in full force and effect between such non-profit entity and the Company pursuant to which the Company shall be compensated for providing engineering, accounting, legal and other assistance in connection with the operation of the station licensed to such non-profit entity (which agreement shall contain customary terms and conditions for technical and professional services agreements in the radio broadcasting industry generally).

"PERMITTED JUNIOR SECURITIES" means (so long as the effect of any exclusion employing this definition is not to cause the Securities to be treated in any case or proceeding or similar event described in clause (a), (b) or (c) of Section 1202 as part of the same class of claims as the Senior Indebtedness or any class of claims *pari passu* with, or senior to, the Senior Indebtedness) for any payment or distribution, debt or equity securities of the Company or any successor corporation

provided for by a plan of reorganization or readjustment that are subordinated to the Securities at least to the same extent that the Securities are subordinated to the payment of all Senior Indebtedness then outstanding; *provided* that (1) if a new corporation results from such reorganization or readjustment, such corporation assumes any Senior Indebtedness not paid in full in cash or Cash Equivalents in connection with such reorganization or readjustment and (2) the rights of the holders of such Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment.

"PERMITTED SUBSIDIARY INDEBTEDNESS" means:

(i) Indebtedness of any Guarantor under Capital Lease Obligations incurred in the ordinary course of business; and

(ii) Indebtedness of any Guarantor (a) issued to finance or refinance the purchase or construction of any assets of such Guarantor or (b) secured by a Lien on any assets of such Guarantor where the lender's sole recourse is to the assets so encumbered, in either case (x) to the extent the purchase or construction prices for such assets are or should be included in "property and equipment" in accordance with GAAP and (y) if the purchase or construction of such assets is not part of any acquisition of a Person or business unit.

"PERSON" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivisions thereof.

"PREDECESSOR SECURITY" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security and, for the purposes of this definition, any Security authenticated and delivered under Section 308 in exchange for a mutilated Security or in lieu of a lost, destroyed or stolen Security shall be deemed to evidence the same debt as the mutilated, lost, destroyed or stolen Security.

"PREFERRED EQUITY INTEREST", as applied to the Equity Interest of any

Person, means an Equity Interest of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over Equity Interests of any other class of such Person.

"PROSPECTUS" means the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including any such prospectus supplement with respect to the terms of the offering of any portion of the Series A Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"PUBLIC EQUITY OFFERING" means, with respect to any Person, an underwritten public offering by such Person of some or all of its Equity Interests (other than Disqualified Equity Interests), the net proceeds of which (after deducting any underwriting discounts and commissions) exceed $10,000,000.

"QUALIFIED EQUITY INTERESTS" of any Person means any and all Equity Interests of such Person other than Disqualified Equity Interests.

"REDEMPTION DATE" when used with respect to any Security to be redeemed pursuant to any provision in this Indenture means the date fixed for such redemption by or pursuant to this Indenture.

"REDEMPTION PRICE" when used with respect to any Security to be redeemed pursuant to any provision in this Indenture means the price at which it is to be redeemed pursuant to this Indenture.

"REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement, dated as of the date of this Indenture, among the Company, the Guarantors and the Initial Purchasers.

"REGISTRATION STATEMENT" means any registration statement of the Company which covers any of the Series A Securities or Series B Securities pursuant to the provisions of the Registration Rights Agreement, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"REGULAR RECORD DATE" for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) next preceding such Interest Payment Date.

"RESPONSIBLE OFFICER" when used with respect to the Trustee means any officer assigned to the Corporate Trust Office or the agent of the Trustee appointed hereunder, including any vice president, assistant vice president, assistant secretary, or any other officer or assistant officer of the Trustee or the agent of the Trustee appointed hereunder to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

"RESTRICTED SECURITIES LEGEND" means a legend substantially in the form of the legend required in the form of Security set forth in Section 202 to be placed upon a Restricted Security.

"RESTRICTED SECURITIES TRANSFER CERTIFICATE" means a certificate substantially in the form set forth in Exhibit A.

"RESTRICTED SECURITY" means each Security required pursuant to Section 306 to bear a Restricted Securities Legend.

"RESTRICTED SUBSIDIARY" means a Subsidiary of the Company other than an Unrestricted Subsidiary.

"RULE 144A INFORMATION" shall be such information with respect to the Company and the Guarantors as is specified pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto).

"SALE AND LEASEBACK TRANSACTION" means any transaction or series of related transactions pursuant to which the Company or a Restricted Subsidiary sells or transfers any property

or asset in connection with the leasing, or the resale against installment payments, of such property or asset to the seller or transferor.

"S&P" means Standard & Poor's Ratings Service, a division of the McGraw Hill Companies, or any successor rating agency.

"SECURITIES" has the meaning specified in the Recitals.

"SECURITIES ACT" means the Securities Act of 1933, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

"SENIOR INDEBTEDNESS" means the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) on any Indebtedness of the Company (other than as otherwise provided in this definition), whether outstanding on the date of this Indenture or thereafter created, incurred or assumed, and whether at any time owing, actually or on a contingent basis, unless, in the case of any particular Indebtedness, the instrument creating or evidencing the same or pursuant to which the same is outstanding expressly provides that such Indebtedness shall not be senior in right of payment to the Securities. Without limiting the generality of the foregoing, "SENIOR INDEBTEDNESS" shall include the principal of, premium, if any, and interest (including interest accruing after the filing of a petition initiating any proceeding under any state, federal or foreign bankruptcy law whether or not allowable as a claim in such proceeding) and all other obligations of every nature of the Company from time to time owed to the lenders (or their agent) under the Bank Credit Agreement (*provided, however*, that any Indebtedness under any refinancing, refunding or replacement of the Bank Credit Agreement shall not constitute Senior Indebtedness to the extent that the Indebtedness thereunder is by its express terms subordinate to any other Indebtedness of the Company) and (ii) Indebtedness under Interest Rate Agreements. Notwithstanding the foregoing, "SENIOR INDEBTEDNESS" shall not include (i) Indebtedness evidenced by the Securities, (ii) Indebtedness that is subordinate or junior in right of payment, by contract or otherwise, to any Indebtedness of the Company, (iii) Indebtedness which when incurred and without respect to any election under Section 1111(b) of Title 11 of the United States Code, is without recourse to the Company, (iv) Indebtedness which is represented by Disqualified Equity Interests, (v) any liability for foreign, federal, state, local or other taxes owed or owing by the Company, (vi) Indebtedness of the Company to a Subsidiary or any other Affiliate of the Company or any of such Affiliate's subsidiaries, (vii) that portion of any Indebtedness which at the time of issuance is issued in violation of this Indenture, (viii) Indebtedness evidenced by a guarantee of any Subordinated Indebtedness or *Pari Passu* Indebtedness and (ix) Indebtedness owed by the Company for compensation to employees or for services rendered by employees.

"SERIES A SECURITIES" has the meaning specified in the Recitals.

"SERIES B SECURITIES" has the meaning specified in the Recitals.

"SHELF REGISTRATION STATEMENT" means a "SHELF" registration statement of the Company pursuant to Section 2(b) of the Registration Rights Agreement, which covers all or a portion of the Registrable Securities (as defined in the Registration Rights Agreement) on an appropriate form

under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SPECIAL RECORD DATE" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 309.

"STATED MATURITY" when used with respect to any Indebtedness or any installment of interest thereon, means the date specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest is due and payable.

"SUBORDINATED INDEBTEDNESS" means Indebtedness of the Company or any Guarantor subordinated in right of payment to the Securities or any Guarantee, as the case may be.

"SUBSIDIARY" means any Person a majority of the equity ownership or the Voting Stock of which is at the time owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

"SUCCESSOR SECURITY" of any particular Security means every Security issued after, and evidencing all or a portion of the same debt as that evidenced by, such particular Security. For the purposes of this definition, any Security authenticated and delivered under Section 308 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"TEMPORARY CASH INVESTMENTS" means (i) any evidence of Indebtedness,

maturing not more than one year after the date of acquisition, issued by the United States of America, or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the United States of America, (ii) any certificate of deposit, maturing not more than one year after the date of acquisition, issued by, or time deposit of, a commercial banking institution (including the Trustee) that is a member of the Federal Reserve System and that has combined capital and surplus and undivided profits of not less than $500,000,000, whose debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P, (iii) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate or Subsidiary of the Company, including the Trustee) organized and existing under the laws of the United States of America with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P and (iv) any money market deposit accounts issued or offered by a domestic commercial bank having capital and surplus in excess of $500,000,000.

"TRUST INDENTURE ACT" means the Trust Indenture Act of 1939, as amended.

"TRUSTEE" means the Person named as the "TRUSTEE" in the first paragraph of this instrument, until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "TRUSTEE" shall mean such successor trustee.

"UNRESTRICTED SUBSIDIARY" means (i) any Subsidiary of the Company that at the time of determination shall be an Unrestricted Subsidiary (as designated by the Board of Directors of the Company, as provided below) and (ii) any Subsidiary of an Unrestricted Subsidiary. The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary if all of the following conditions apply: (a) such Subsidiary is not liable, directly or indirectly, with respect to any Indebtedness other than Unrestricted Subsidiary Indebtedness and (b) any Investment in such Subsidiary made as a result of designating such Subsidiary an Unrestricted Subsidiary shall not violate the provisions of Section 1019. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complies with the foregoing conditions. The Board of Directors of the Company may designate any Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that immediately after giving effect to such designation, the Company could incur $1.00 of additional Indebtedness (other than Permitted Indebtedness) pursuant to the restrictions under Section 1008.

"UNRESTRICTED SUBSIDIARY INDEBTEDNESS" of any Unrestricted Subsidiary means Indebtedness of such Unrestricted Subsidiary (i) as to which neither the Company nor any Restricted Subsidiary is directly or indirectly liable (by virtue of the Company or any such Restricted Subsidiary being the primary obligor on, guarantor of, or otherwise liable in any respect to, such Indebtedness), except Guaranteed Debt of the Company or any Restricted Subsidiary to any Affiliate, in which case (unless the incurrence of such Guaranteed Debt resulted in a Restricted Payment at the time of incurrence) the Company shall be deemed to have made a Restricted Payment equal to the principal amount of any such Indebtedness to the extent guaranteed at the time such Affiliate is designated an Unrestricted Subsidiary and (ii) which, upon the occurrence of a default with respect thereto, does not result in, or permit any holder of any Indebtedness of the Company or any Restricted Subsidiary to declare, a default on such Indebtedness of the Company or any Restricted Subsidiary or cause the payment thereof to be accelerated or payable prior to its Stated Maturity.

"VOTING STOCK" means stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"WHOLLY OWNED RESTRICTED SUBSIDIARY" means a Restricted Subsidiary all the Equity Interests of which are owned by the Company or another Wholly Owned Restricted Subsidiary.

Section 102. *Other Definitions.*

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Section 103. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company, any Guarantor and any other obligor on the Securities shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if

any, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that, in the case of any such application or request as to which the furnishing of such documents, certificates and/or opinions is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such individual, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 104. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one

or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company, any Guarantor or other obligor of the Securities may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which the certificate or opinion is based are erroneous. Any such certificate or opinion may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company, any Guarantor or other obligor of the Securities stating that the information with respect to such factual matters is in the possession of the Company, any Guarantor or other obligor of the Securities, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous. Opinions of Counsel required to be delivered to the Trustee may have qualifications customary for opinions of the type required and counsel delivering such Opinions of Counsel may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

If any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 105. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "ACT" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture if made in the manner provided in this Section. The fact and date of the execution by any person of any such instrument or writing or the authority of the person executing the same may also be proved in any other manner which the Trustee deems sufficient in accordance with such reasonable rules as the Trustee may determine.

(b) The ownership of Securities shall be proved by the Security Register.

(c) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Security shall bind every future Holder of the same Security or the Holder of every Security issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done, suffered or omitted to be done by the Trustee, any Paying Agent or the Company or any Guarantor in reliance thereon, whether or not notation of such action is made upon such Security.

(d) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding Trust Indenture Act Section 316(c), any such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than the date such solicitation is completed.

In the absence of any such record date fixed by the Company, regardless as to whether a solicitation of the Holders is occurring on behalf of the Company or any Holder, the Trustee may, at its option, fix in advance a record date for the determination of such Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Trustee shall have no obligation to do so. Any such record date shall be a date not more than 30 days prior to the first solicitation of Holders generally in connection therewith and no later than a date such solicitation is completed.

If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for purposes of

determining whether Holders of the requisite proportion of Securities then Outstanding have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for this purpose the Securities then Outstanding shall be computed as of such record date; *provided* that no such request, demand, authorization, direction, notice, consent, waiver or other Act by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

Section 106. *Notices, etc., to Trustee, the Company and any Guarantor.*

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

(a) the Trustee by any Holder or by the Company or any Guarantor or any other obligor of the Securities or a Senior Representative or holder of Senior Indebtedness shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to or with the Trustee at the Corporate Trust Office, Attention: Corporate Trust Division, or at any other address previously furnished in writing to the Holders, the Company, any Guarantor, any other obligor of the Securities or a Senior Representative or holder of Senior Indebtedness by the Trustee; or

(b) the Company or any Guarantor shall be sufficient for every purpose (except as provided in Section 501(c)) hereunder if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to the Company or such Guarantor addressed to it at Salem Communications Corporation, 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012, Attention: President, or at any other address previously furnished in writing to the Trustee by the Company;

Section 107. *Notice to Holders: Waiver.*

If this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, or delivered by recognized overnight courier, to each Holder affected by such event, at such Holder's address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case in which notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Any notice when mailed to a Holder in the aforesaid manner shall be conclusively deemed to have been received by such Holder whether or not actually received by such Holder. If this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to mail notice of any event as required by any provision of this

Indenture, then any method of giving such notice as shall be reasonably satisfactory to the Trustee shall be deemed to be a sufficient giving of such notice.

Section 108. *Conflict with Trust Indenture Act.*

If any provision hereof limits, qualifies or conflicts with any provision of the Trust Indenture Act or another provision which is required or deemed to be included in this Indenture by any of the provisions of the Trust Indenture Act, the provision or requirement of the Trust Indenture Act shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be. In each case that this Indenture refers to a provision of the Trust Indenture Act, the portion of such provision required to be incorporated herein in order for this Indenture to be qualified under the Trust Indenture Act is so incorporated by reference in and made a part of this Indenture.

Section 109. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 110. Successors and Assigns.

All covenants and agreements in this Indenture by the Company and the Guarantors shall bind their successors and assigns, whether so expressed or not.

Section 111. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 112. Benefits of Indenture.

Nothing in this Indenture or in the Securities or the Guarantees, express or implied, shall give to any Person (other than the parties hereto and their successors hereunder, any Paying Agent, the Holders and the holders of Senior Indebtedness or Guarantor Senior Indebtedness) any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 113. Governing Law.

THIS INDENTURE AND THE SECURITIES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF).

Section 114. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal or premium. if any, need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to the next succeeding Business Day.

Section 115. Schedules and Exhibits.

All schedules and exhibits attached hereto are by this reference made a part hereof with the same effect as if herein set forth in full.

Section 116. Counterparts.

This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

ARTICLE II

SECURITY FORMS

Section 201. Forms Generally.

The Securities and the Trustee's certificate of authentication shall be in substantially the forms set forth in this Article, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange, any organizational document or governing instrument or applicable law or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

The definitive Securities shall be printed, lithographed or engraved

or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

The terms and provisions contained in the form of Securities set forth in Sections 202 through 205 shall constitute, and are expressly made, a part of this Indenture and, to the extent applicable, the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Section 202. Form of Face of Security.

(a) The form of the face of any Series A Security authenticated and delivered hereunder shall be substantially as follows:

Unless and until (A)(i) a Series A Security is sold under an effective Registration Statement or (ii) a Series A Security is exchanged for a Series B Security in connection with an effective Registration Statement, in each case pursuant to the Registration Rights Agreement or (B) the legend requirement is otherwise terminated in accordance with Section 306, then each Series A Security shall bear the legend set forth below (the "RESTRICTED SECURITIES LEGEND") on the face thereof:

Salem Communications Corporation

9.5% SENIOR SUBORDINATED NOTE DUE 2007, SERIES A

[IF THE SECURITY IS A RESTRICTED SECURITY, INSERT -- THIS SECURITY HAS NOT BEEN REGISTERED UNDER SECTION 5 OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF ANY PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "ACCREDITED INVESTOR"), (2) AGREES THAT IT WILL NOT WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY RESELL OR OTHERWISE TRANSFER THIS SECURITY, EXCEPT (A) TO THE COMPANY, OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) INSIDE THE UNITED STATES TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES (OR HAS FURNISHED ON ITS BEHALF BY A U.S. BROKER-DEALER) TO THE TRUSTEE A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM THE TRUSTEE OR REGISTRAR), (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS SECURITY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SECURITY, IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRUSTEE AND THE COMPANY SUCH CERTIFICATIONS, WRITTEN LEGAL OPINIONS OR OTHER INFORMATION AS EITHER OF

THEM MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT. EACH PURCHASER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

No. _____________ $ ______________________

Salem Communications Corporation, a California corporation (herein called the "COMPANY," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____________ or registered assigns, the principal sum of _________ United States dollars ($___________) on October 1, 2007, at the office or agency of the Company referred to below, and to pay interest thereon from September 25, 1997, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on April 1 and October 1 of each year, commencing April 1, 1998 at the rate of 9.5% per annum, plus Penalty Amounts, if any, in United States dollars, until the principal hereof is paid or duly provided for.

The interest so payable, and punctually paid or duly provided for, on

any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Series A Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be March 15 or September 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Series A Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may be paid to the Person in whose name this Series A Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Series A Securities not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series A Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

The Holder of this Series A Security is entitled to the benefits of the Registration Rights Agreement, dated as of September 25, 1997, among the Company, the Guarantors and the Initial Purchasers, pursuant to which, subject to the terms and conditions thereof, the Company is obligated, among other things, to consummate the Exchange Offer pursuant to which the Holder of this Series A Security shall have the right to exchange this Series A Security for 9.5% Senior Subordinated Notes due 2007, Series B (herein called the "SERIES B SECURITIES") in like principal amount as provided therein. The Series A Securities and the Series B Securities are together referred to as the "SECURITIES." The Series A Securities rank *pari passu* in right of payment with the Series B Securities.

Additional amounts ("PENALTY AMOUNTS") will be assessed on the Series A Securities as follows:

(i)(A) if an Exchange Offer Registration Statement (or, in the event of a change in applicable law or due to current interpretations by the Commission, the Company and the Guarantors are not permitted to effect the Exchange Offer, a Shelf Registration Statement), is not filed within 75 days following the Closing Date, (B) in the event that within 30 days after commencement of the Exchange Offer, any Holder shall notify the Company that such Holder (x) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, (y) may not resell Exchange Securities (as defined in the Registration Rights Agreement) acquired by it in the Exchange Offer to the public without delivering a prospectus and that the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (z) is a broker-dealer and holds Series A Securities acquired directly from the Company or any Guarantor or an "AFFILIATE" of the Company or any Guarantor and a Shelf Registration Statement is not filed within 75 days after such notice or (C) upon the request of an Initial Purchaser, a Shelf Registration Statement is not filed within 75 days after such request, then commencing on either the 76th day after the Closing Date or the expiration of either of the 75-day time periods set forth in clauses (B) or (C) above (either, a "PRESCRIBED TIME PERIOD"), as the case may be, Penalty Amounts shall be accrued on the Series A Securities over and above the stated payment rates thereon at a rate of 0.25% per annum for the first 90 days immediately following either the 76th day after the Closing Date or the expiration of the applicable Prescribed Time Period, as the case may be, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

(ii) if an Exchange Offer Registration Statement or a Shelf Registration Statement is filed pursuant to clause (i) above and is not declared effective within either 150 days following the Closing Date or 75 days following the expiration of the applicable Prescribed Time Period, as the case may be, then commencing on the 151st day after the Closing Date or the 76th day following the expiration of the applicable Prescribed Time Period, as the case may be, Penalty Amounts shall be accrued on the Series A Securities over and above the accrued stated payment rates thereon at a rate of 0.25% per annum for the first 90 days immediately following the 151st day after the Closing Date or the 76th day after the expiration of the Prescribed Time Period, as the case may be, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period; and

(iii) if either (A) the Company and the Guarantors have not exchanged the Exchange Securities (as defined in the Registration Rights Agreement) for all of the Series A Securities validly tendered in accordance with the terms of the Exchange Offer on or prior to 180 days after the Closing Date, or (B) if applicable, a Shelf Registration Statement has been declared effective and such Shelf Registration Statement ceases to be effective prior to two years from its original effective date or such shorter period that will terminate when all of the Series A Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement, then, subject to certain exceptions, Penalty Amounts shall be accrued on the Series A Securities over and

above the stated payment rates at a rate of 0.25% per annum for the first 90 days immediately following the (x) 181st day after the Closing Date in the case of (A) above or (y) the day such Shelf Registration Statement ceases to be effective in the case of (B) above, such Penalty Amounts rate increasing by an additional 0.25% per annum at the beginning of each subsequent 90-day period;

provided, however, that the Penalty Amounts rate on the Series A Securities may not exceed 1.0% per annum; and *provided, further* that (1) upon the filing of the Exchange Offer Registration Statement or a Shelf Registration Statement (in the case of (i) above), (2) upon the effectiveness of the Exchange Offer Registration Statement or a Shelf Registration Statement (in the case of (ii) above), or (3) upon the exchange of Exchange Securities for all Series A Securities tendered in the Exchange Offer or upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective prior to two years from its original effective date (in the case of (iii) above), Penalty Amounts as a result of such clause (i), (ii) or (iii) shall cease to accrue.

Any Penalty Amounts due pursuant to clause (i), (ii) or (iii) above will be payable in cash on the Interest Payment Date related to the Series A Securities. The Penalty Amounts will be determined by multiplying the applicable Penalty Amounts rate by the principal amount of the Series A Securities, multiplied by a fraction, the numerator of which is the number of days such Penalty Amounts rate was applicable during such period, and the denominator of which is 360.

Payment of the principal of, premium, if any, and interest on this Series A Security will be made at the office or agency of the Company maintained for that purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts;

provided, however, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register. If any of the Series A Securities are held by the Depositary, payments of interest to the Depositary may be made by wire transfer to the Depositary. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Reference is hereby made to the further provisions of this Series A Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Series A Security is entitled to the benefits of Guarantees by each of the Guarantors of the punctual payment when due of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is hereby made to Article Fourteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of each of the Guarantors.

All references in this Series A Security or in the Indenture to accrued and unpaid interest shall be deemed to include, to the extent applicable, a reference to Penalty Amounts.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature, this Series A Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers and its corporate seal to be affixed or reproduced hereon.

Dated: Salem Communications Corporation

By: __________________________

Attest:

____
Secretary

(b) The form of the face of any Series B Security authenticated and delivered hereunder shall be substantially as follows:

Salem Communications Corporation

9.5% SENIOR SUBORDINATED NOTE DUE 2007, SERIES B

No. ____________________ $ __________________

Salem Communications Corporation, a California corporation (herein called the "COMPANY," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to ___________ or registered assigns, the principal sum of _____________ United States dollars ($ _________) on October 1, 2007, at the office or agency of the Company referred to below, and to pay interest thereon from September 25, 1997, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on April 1 and October 1, of each year, commencing April 1, 1998 at the rate of 9.5% per annum, in United States dollars, until the principal hereof is paid or duly provided for. Interest amounts paid pursuant to any Predecessor Securities to this Security shall be deemed paid pursuant to this Security.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Series B Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be March 15 or September 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid, or duly provided for, and interest on such defaulted interest at the interest rate borne by the Series B Securities, to the extent lawful, shall forthwith cease to be payable to the Holder on such Regular Record Date, and may be paid to the Person in whose name this Series B Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Series B Securities not less than 10 days prior to such Special Record Date, or may be paid

at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Series B Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

This Series B Security was issued pursuant to the Exchange Offer pursuant to which the 9.5% Senior Subordinated Notes due 2007, Series A (herein called the "SERIES A SECURITIES") in like principal amount were exchanged for the Series B Securities. The Series B Securities rank *pari passu* in right of payment with the Series A Securities.

Any Penalty Amounts payable with respect to any Predecessor Securities to this Security that have not been paid prior to the consummation of the Exchange Offer will be payable in full in cash on the first Interest Payment Date related to this Security following consummation of the Exchange Offer.

Payment of the principal of, premium, if any, and interest on this Series B Security will be made at the office or agency of the Company maintained for that purpose, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts;

provided, however, that payment of interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear on the Security Register. If any of the Series B Securities are held by the Depositary, payments of interest to the Depositary may be made by wire transfer to the Depositary. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Reference is hereby made to the further provisions of this Series B Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

This Series B Security is entitled to the benefits of Guarantees by each of the Guarantors of the punctual payment when due of the Indenture Obligations made in favor of the Trustee for the benefit of the Holders. Reference is hereby made to Article Fourteen of the Indenture for a statement of the respective rights, limitations of rights, duties and obligations under the Guarantees of each of the Guarantors.

Unless the certificate of authentication hereon has been duly executed by the Trustee referred to on the reverse hereof or by the authenticating agent appointed as provided in the Indenture by manual signature, this Series B Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by the manual or facsimile signature of its authorized officers and its corporate seal to be affixed or reproduced hereon.

Dated: Salem Communications Corporation

By: _________________________

Attest:

- -------------------------------
Secretary

Section 203. Form of Reverse of Securities.

(a) The form of the reverse of the Series A Securities shall be substantially as follows:

Salem Communications Corporation

9.5% SENIOR SUBORDINATED NOTE DUE 2007, SERIES A

This Security is one of a duly authorized issue of Securities of the Company designated as its 9.5% Senior Subordinated Notes due 2007, Series A (herein called the "SECURITIES"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $150,000,000, which may be issued under an indenture (herein called the "INDENTURE"), dated as of September 25, 1997, among the Company, the Guarantors and The Bank of New York, as trustee (herein called the "TRUSTEE," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities and the Guarantees are, and are to be, authenticated and delivered.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance or noncompliance with certain conditions set forth therein.

The Indebtedness evidenced by the Securities is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, whether Outstanding on the date of the Indenture or thereafter, and this Security is issued subject to such provisions. Each Holder of this Security, by accepting the same, (a)

agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee his attorney-in-fact for such purpose; provided, however, that, subject to Section 406 of the Indenture, the Indebtedness evidenced by this Security shall cease to be so subordinate and subject in right of payment upon any defeasance of this Security referred to in clause (a) or (b) of the preceding paragraph.

The Securities are subject to redemption at any time on or after October 1, 2002, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice by first-class mail in amounts of $1,000 or an integral multiple of $1,000 at the following redemption prices (expressed as a percentage of the principal amount), if redeemed during the 12-month period beginning October 1 of the years indicated below:

<TABLE>
<CAPTION>

Year	Redemption Price
<S>	<C>
2002..................	104.75%
2003..................	103.17

2004..................	101.59
2005 and thereafter...	100.00

</TABLE>

in each case together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant record dates to receive interest due on an interest payment date). If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

In addition, at any time on or prior to October 1, 2000, the Company may redeem up to $50,000,000 of the aggregate principal amount of Securities with the net proceeds of a Public Equity Offering of the Company at a Redemption Price equal to 109.50% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant record dates to receive interest due on an interest payment date); *provided* that not less than $100,000,000 aggregate principal amount of the Securities remain outstanding immediately after the occurrence of such redemption. If less than all of the Notes are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

If a Change of Control shall occur at any time, then each Holder shall have the right to require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company or a Restricted Subsidiary from any Asset Sale, which proceeds are not used to prepay Senior Indebtedness or invested in properties or assets used in the businesses of the Company, exceed $5,000,000 the Company will be required to apply such proceeds to the repayment of the Securities and certain Indebtedness ranking *pari passu* to the Securities.

In the case of any redemption of Securities, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant record date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the date of redemption.

In the event of redemption of this Security in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

If this Security is in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company maintained for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

If this Security is a Restricted Security in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the Holder, provided it is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act (a "QIB"), may exchange this Security for an interest in a Global Security by instructing the Trustee (by completing the Restricted Securities Transfer Certificate in the form in Exhibit A to the Indenture) to arrange for such Security to be represented by a beneficial interest in a Global Security in accordance with the customary procedures of the Depositary, unless the Company has elected not to issue a Global Security.

If this Security is a Global Security, except as described below, it is not exchangeable for a Security or Securities in certificated form. The Securities will be delivered in certificated form if (i) the Depositary ceases to be registered as a clearing agency under the Exchange Act or is no longer willing or able to provide securities depository services with respect to the Securities, (ii) the Company so determines and (iii) there shall have occurred

an Event of Default or an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default with respect to the Securities represented by such Global Security and such Event of Default or event continues for a period of 90 days. Upon any such issuance, the Trustee is required to register such certificated Security in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof). All such certificated Securities would be required to include the Restricted Securities Legend.

At any time when the Company is not subject to Sections 13 or 15(d) of the Exchange Act, upon the written request of a Holder of a Security, the Company will promptly furnish or cause to be furnished Rule 144A Information to such Holder or to a prospective purchaser of such Security

who such Holder informs the Company is reasonably believed to be a QIB, as the case may be, in order to permit compliance by such Holder with Rule 144A under the Securities Act.

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Guarantees at any time by the Company, the Guarantors and the Trustee with the consent of the Holders of a specified percentage in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Guarantees and certain past Defaults under the Indenture and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor upon the Securities (in the event such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security at the times, place, and rate, and in the coin or currency, herein prescribed, subject to the subordination provisions of the Indenture.

The Securities, if issued in certificated form, are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to and at the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes (subject to provisions with respect to record dates for the payment of interest), whether or not this Security is overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF).

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

(b) The form of the reverse of the Series B Securities shall be substantially as follows:

SALEM COMMUNICATIONS CORPORATION

9.5% SENIOR SUBORDINATED NOTE DUE 2007, SERIES B

This Security is one of a duly authorized issue of Securities of the Company designated as its 9.5% Senior Subordinated Notes due 2007, Series B (herein called the "SECURITIES"), limited (except as otherwise provided in the Indenture referred to below) in aggregate principal amount to $150,000,000, which may be issued under an indenture (herein called the "INDENTURE"), dated as of September 25, 1997, among the Company, the Guarantors and The Bank of New York, as trustee (herein called the "TRUSTEE," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, obligations and immunities thereunder of the Company, the Guarantors, the Trustee and the Holders of the Securities, and of the terms upon which the Securities and the Guarantees are, and are to be, authenticated and delivered.

The Indenture contains provisions for defeasance at any time of (a) the entire Indebtedness on the Securities and (b) certain restrictive covenants and related Defaults and Events of Default, in each case upon compliance or noncompliance with certain conditions set forth therein.

The Indebtedness evidenced by the Securities is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, whether Outstanding on the date of the Indenture or thereafter, and this Security is issued subject to such provisions. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in the Indenture and (c) appoints the Trustee his attorney-in-fact for such purpose; _provided, however_, that, subject to Section 406 of the Indenture, the Indebtedness evidenced by this Security shall cease to be so subordinate and subject in right of payment upon any defeasance of this Security referred to in clause (a) or (b) of the preceding paragraph.

The Securities are subject to redemption at any time on or after October 1, 2002, at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' prior notice by first-class mail in amounts of $1,000 or an integral multiple of $1,000 at the following

redemption prices (expressed as a percentage of the principal amount), if redeemed during the 12-month period beginning October 1 of the years indicated below:

<TABLE>
<CAPTION>

Year	Redemption Price
2002..................	104.75%
2003..................	103.17
2004..................	101.59
2005 and thereafter...	100.00

</TABLE>

in each case together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant record dates to receive interest due on an interest payment date). If less than all of the Securities are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

In addition, at any time on or prior to October 1, 2000, the Company may redeem up to $50,000,000 of the aggregate principal amount of Securities with the net proceeds of a Public Equity Offering of the Company at a Redemption Price equal to 109.50% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the Redemption Date (subject to the right of Holders of record on relevant record dates to receive interest due on an interest payment date); _provided_ that not less than $100,000,000 aggregate principal amount of the Securities remains outstanding immediately after the occurrence of such redemption. If less than all of the Notes are to be redeemed, the Trustee shall select the Securities or portions thereof to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable.

If a Change of Control shall occur at any time, then each Holder shall have the right to require the Company to purchase such Holder's Securities in whole or in part in integral multiples of $1,000, at a purchase price in cash in an amount equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

Under certain circumstances, in the event the Net Cash Proceeds received by the Company or a Restricted Subsidiary from any Asset Sale, which proceeds are not used to prepay Senior Indebtedness or invested in properties or assets used in the businesses of the Company, exceed $5,000,000 the Company will be required to apply such proceeds to the repayment of the Securities and certain Indebtedness ranking *pari passu* to the Securities.

In the case of any redemption of Securities, interest installments whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities of record as of the close of business on the relevant record date referred to on the face hereof. Securities (or portions thereof) for whose redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the date of redemption.

In the event of redemption of this Security in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default shall occur and be continuing, the principal amount of all the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

If this Security is in certificated form, then as provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company maintained for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

If this Security is a Global Security, except as described below, it is not exchangeable for a Security or Securities in certificated form. The Securities will be delivered in certificated form if (i) the Depositary ceases to be registered as a clearing agency under the Exchange Act or is no longer willing or able to provide securities depository services with respect to the Securities, (ii) the Company so determines and (iii) there shall have occurred an Event of Default or an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default with respect to the Securities represented by such Global Security and such Event of Default or event continues for a period of 90 days. Upon any such issuance, the Trustee is required to register such certificated Security in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof).

The Indenture permits, with certain exceptions (including certain amendments permitted without the consent of any Holders) as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the Guarantors and the rights of the Holders under the Indenture and the Guarantees at any time by the Company, the Guarantors and the Trustee with the consent of the Holders of a specified percentage in aggregate principal amount of the Securities at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities at the time Outstanding, on behalf of the Holders of all the Securities, to waive compliance by the Company and the Guarantors with certain provisions of the Indenture and the Guarantees and certain past Defaults under the Indenture and the Guarantees and their consequences. Any such consent or waiver by or on behalf of the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, any Guarantor or any other obligor upon the Securities (in the event such other obligor is obligated to make payments in respect of the Securities), which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security at the times, place, and rate, and in the coin or currency, herein prescribed, subject to the subordination provisions of the Indenture.

The Securities if issued in certificated form are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination,

as requested by the Holder surrendering the same.

No service charge shall be made for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to and at the time of due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes (subject to provisions with respect to record dates for the payment of interest), whether or not this Security is overdue, and neither the Company, the Trustee nor any agent shall be affected by notice to the contrary.

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF).

All terms used in this Security which are defined in the Indenture and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Section 204. Additional Provisions Required in Global Security.

Any Global Security issued hereunder shall, in addition to the provisions contained in Sections 202 and 203, bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

IF THE DEPOSITORY TRUST COMPANY IS ACTING AS THE DEPOSITARY, INSERT -- UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY SUCH CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS

WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Section 205. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be included on the Securities and shall be substantially in the form as follows:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

This is one of the Securities referred to in the within-mentioned Indenture.

The Bank of New York,
as Trustee

Dated: September 25, 1997 By:____________________________
Authorized Signatory

Section 206. Form of Guarantee of Each of the Guarantors.

The form of Guarantee shall be set forth on the Securities substantially as follows:

GUARANTEES

For value received, each of the undersigned hereby unconditionally guarantees, jointly and severally, to the holder of this Security the payment of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal and interest, if any,

of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security and Article Fourteen of the Indenture. These Guarantees will not become effective until the Trustee duly executes the certificate of authentication on this Security. The Indebtedness evidenced by these Guarantees is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior

payment in full of all Guarantor Senior Indebtedness (as defined in the Indenture), whether Outstanding on the date of the Indenture or thereafter, and these Guarantees are issued subject to such provisions.

ATEP RADIO, INC.,
BISON MEDIA, INC.,
CARON BROADCASTING, INC.,
COMMON GROUND BROADCASTING, INC.,
GOLDEN GATE BROADCASTING COMPANY, INC.,
INLAND RADIO, INC.,
INSPIRATION MEDIA, INC.,
INSPIRATION MEDIA OF TEXAS, INC.,
NEW ENGLAND CONTINENTAL MEDIA, INC.,
NEW INSPIRATION BROADCASTING COMPANY, INC.,
OASIS RADIO, INC.,
PENNSYLVANIA MEDIA ASSOCIATES, INC.,
RADIO 1210, INC.,
SALEM COMMUNICATIONS CORPORATION, a Delaware corporation
SALEM MEDIA CORPORATION,
SALEM MEDIA OF CALIFORNIA, INC.,
SALEM MEDIA OF COLORADO, INC.,
SALEM MEDIA OF LOUISIANA, INC.,
SALEM MEDIA OF OHIO, INC.,
SALEM MEDIA OF OREGON, INC.,
SALEM MEDIA OF PENNSYLVANIA, INC.,
SALEM MEDIA OF TEXAS, INC.,
SALEM MUSIC NETWORK, INC.,
SALEM RADIO NETWORK INCORPORATED,
SALEM RADIO REPRESENTATIVES, INC.,
SOUTH TEXAS BROADCASTING, INC.,
SRN NEWS NETWORK, INC., and
VISTA BROADCASTING, INC.,

Attest ____________________ By _________________________________
Jonathan L. Block — Secretary
Edward G. Atsinger, III — President and Chief Executive Officer

BELTWAY MEDIA PARTNERS,

By: Salem Communication Corporation, its general partner

Attest ____________________ By _________________________________
Jonathan L. Block — Secretary
Edward G. Atsinger, III — President and Chief Executive Officer

By: Golden Gate Broadcasting Company, Inc., its general partner

Attest ____________________ By _________________________________
Jonathan L. Block — Secretary
Edward G. Atsinger, III — President and Chief Executive Officer

By: New Inspirations Broadcasting Company, Inc., its general partner

Attest ____________________ By _________________________________
Jonathan L. Block — Secretary
Edward G. Atsinger, III — President and Chief Executive Officer

ARTICLE III

THE SECURITIES

Section 301. Title and Terms.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is limited to $150,000,000 in principal amount of Securities, except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 303, 304, 305, 306, 307, 308, 906, 1013, 1016 or 1108.

The Securities shall be known and designated as the "9.5% Senior Subordinated Notes due 2007", in the case of either Series A or Series B, of the Company. The Stated Maturity of the Securities shall be October 1, 2007, and the Securities shall each bear interest at the rate of 9.5% plus Penalty Amounts, if any, from September 25, 1997 or from the most recent Interest Payment Date to which interest has been paid, as the case may be, payable semiannually on October 1 and April 1, in each year, commencing April 1, 1998, until the principal thereof is paid or duly provided for.

Unless otherwise specified herein, the Series A Securities and the Series B Securities will be treated as one class and are together referred to as the "SECURITIES." The Series A Securities rank pari passu in right of payment with the Series B Securities.

The principal of, premium, if any, and interest on the Securities shall be payable at the office or agency of the Company maintained for such purpose; provided, however, that at the option of the Company interest may be paid by check mailed to addresses of the Persons entitled thereto as such addresses shall appear on the Security Register. If any of the Securities are held by the Depositary, payments of interest may be made by wire transfer to the Depositary. The Trustee is hereby initially designated as the Paying Agent under this Indenture.

The Securities shall be redeemable as provided in Article Eleven.

At the election of the Company, the entire Indebtedness on the Securities or certain of the Company's obligations and covenants and certain Events of Default thereunder may be defeased as provided in Article Four.

The Securities shall be subordinated in right of payment to Senior Indebtedness as provided in Article Twelve.

Section 302. Denominations.

The Securities shall be issuable only in registered form without coupons and only in denominations of $1,000 and any integral multiple thereof

Section 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by one of its Chairman of the Board, its President or one of its Vice Presidents attested by its Secretary or one of its Assistant Secretaries.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices on the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and make available for deliver such Securities as provided in this Indenture and not otherwise.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the Trustee by manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

In case the Company or any Guarantor, pursuant to Article Eight, shall be consolidated, merged with or into any other Person or shall sell, assign,

convey, transfer or lease substantially all of its properties and assets to any Person, and the successor Person resulting from such consolidation, or surviving such merger, or into which the Company or such Guarantor shall have been merged, or the Person which shall have received a sale, assignment, conveyance, transfer or lease as aforesaid, shall have executed an indenture supplemental hereto with the Trustee pursuant to Article Eight, any of the Securities authenticated or delivered prior to such consolidation, merger, sale, assignment, conveyance, transfer or lease may, from time to time, at the request of the successor Person, be exchanged for other Securities executed in the name of the successor Person with such changes in phraseology and form as may be appropriate, but otherwise in substance of like tenor as the Securities surrendered for such exchange and of like principal amount; and the Trustee, upon Company Request of the successor Person, shall authenticate and deliver Securities as specified in such request for the purpose of such exchange. If Securities shall at any time be authenticated and delivered in any new name of a successor Person pursuant to this Section in exchange or substitution for or upon registration of transfer of any Securities, such successor Person, at the option of the Holders but without expense to them, shall provide for the exchange of all Securities at the time Outstanding for Securities authenticated and delivered in such new name.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Securities on behalf of the Trustee. Unless limited by the terms of such appointment, an authenticating agent may authenticate Securities whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An

authenticating agent has the same rights as any Security Registrar or Paying Agent to deal with the Company and its Affiliates.

Section 304. <u>Temporary Securities.</u>

Pending the preparation of definitive Securities, the Company may execute, and upon Company Order, the Trustee shall authenticate and make available for delivery, temporary Securities which are printed, lithographed, typewritten or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as conclusively evidenced by their execution of such Securities.

After the preparation of definitive Securities, the temporary Securities shall be exchangeable for definitive Securities upon surrender of the temporary Securities at the office or agency of the Company designated for such purpose pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities the Company shall execute and the Trustee shall authenticate and make available for delivery in exchange therefor a like principal amount of definitive Securities of authorized denominations. Until so exchanged the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities.

Section 305. <u>Global Securities.</u>

With respect to transfers by QIBS, a Global Security shall, if the Depositary permits, (i) be registered in the name of the Depositary for such Global Security or the nominee of such Depositary, (ii) be deposited with, or on behalf of, the Depositary and (iii) bear legends as set forth in Sections 202(a) and 204; <u>provided</u>, <u>however</u>, the Securities are eligible to be in the form of a Global Security.

Transfers made to Accredited Investors or Non-U.S. Persons shall be made only in certificated form and not as a beneficial interest in a Global Security.

Members of, or participants in, the Depositary ("AGENT MEMBERS") shall have no rights under this Indenture with respect to any Global Security held on their behalf by the Depositary, or the Trustee as its custodian, or under the Global Security, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company from giving effect to any written certification, proxy or other authorization furnished by the Depositary or shall impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Security.

(a) Transfers of the Global Security shall be limited to transfers of such Global Security in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of beneficial owners in a Global Security may be transferred in accordance with the rules and procedures

of the Depositary and the provisions of Section 307. Under the circumstances described in this clause (a) above, and in clause (b) below, beneficial owners shall obtain physical securities in the

form set forth in Sections 202, 203, 204 (if applicable) and 205 ("PHYSICAL SECURITIES") in exchange for their beneficial interests in a Global Security in accordance with the Depositary's and the Securities Registrar's procedures. In connection with the execution, authentication and delivery of such Physical Securities, the Security Registrar shall reflect on its books and records a decrease in the principal amount of the Global Security equal to the principal amount of such Physical Securities and the Company shall execute and the Trustee shall authenticate and make available for delivery one or more Physical Securities having an equal aggregate principal amount. The Securities will be delivered in certificated form if (i) the Depositary ceases to be registered as a clearing agency under the Exchange Act or is not willing or no longer willing or able to provide securities depository services with respect to the Securities, (ii) the Company so determines or (iii) there shall have occurred an Event of Default or an event which, with the giving of notice or lapse of time or both, would constitute an Event of Default with respect to the Securities represented by such Global Security and such Event of Default or event continues for a period of 90 days.

(b) In connection with any transfer of a portion of the beneficial interest in a Global Security pursuant to subsection (b) of this Section to beneficial owners who are required to hold Physical Securities, the Security Registrar shall reflect on its books and records the date and a decrease in the principal amount of a Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security to be transferred, and the Company shall execute, and the Trustee shall authenticate and make available for delivery, one or more Physical Securities of like tenor and amount.

(c) In connection with the transfer of the entire Global Security to beneficial owners pursuant to subsection (b) of this Section, a Global Security shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and make available for delivery, to each beneficial owner identified by the Depositary in exchange for its beneficial owner identified by the Depositary in exchange for its beneficial interest in a Global Security, an equal aggregate principal amount of Physical Securities of authorized denominations.

(d) Any Physical Security delivered in exchange for an interest in Global Securities pursuant to subsection (c) or subsection (d) of this Section shall, except as otherwise provided by paragraph (a)(i)(x) and paragraph (c) of Section 307, bear the Restricted Securities Legend.

(e) The registered holder of a Global Security may grant proxies and otherwise authorize any person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Securities.

Section 306. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee, or such other office as the Trustee may designate, a register (the register maintained in such office and in any other office or agency designated pursuant to Section 1002 being herein sometimes referred to as the "SECURITY REGISTER") in which, subject to such reasonable regulations as the Security Registrar may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee or an agent thereof or of the Company shall initially be the "SECURITY REGISTRAR" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security at the office or agency of the Company designated pursuant to Section 1002, the Company shall execute, and the Trustee shall authenticate and make available for delivery, in the name of the designated transferee or transferees, one or more new Securities of any authorized denomination or denominations, of a like aggregate principal amount.

Furthermore, any Holder of a Global Security shall, by acceptance of such Global Security, agree that transfers of beneficial interest in such Global Security may be effected only through a book-entry system maintained by the Holder of such Global Security (or its agent), and that ownership of a beneficial interest in the Securities shall be required to be reflected in a book entry.

At the option of the Holder, Securities may be exchanged for other Securities of any authorized denomination or denominations, of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the

Company shall execute, and the Trustee shall authenticate and make available for delivery, the Securities of the same series which the Holder making the exchange is entitled to receive; provided that no exchange of Series A Securities for Series B Securities shall occur until an Exchange Offer Registration Statement shall have been declared effective by the Commission and that the Series A Securities exchanged for the Series B Securities shall be cancelled.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same Indebtedness, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer, or for exchange or redemption shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing.

No service charge shall be made to a Holder for any registration of transfer or exchange or redemption of Securities, but the Company may require payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 303, 304, 305, 306, 307, 308, 906, 1013, 1016 or 1108 not involving any transfer.

The Company shall not be required (a) to issue, register the transfer of or exchange any Security during a period beginning at the opening of business (i) 15 days before the date of selection of Securities for redemption under Section 1104 and ending at the close of business on the day of such selection or (ii) 15 days before an Interest Payment Date and ending on the close of business on the Interest Payment Date, or (b) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of Securities being redeemed in part.

Every Restricted Security shall be subject to the restrictions on transfer provided in the legend required to be set forth on the face of each Restricted Security pursuant to Section 202(a), and

the restrictions set forth in this Section 306, and the Holder of each Restricted Security, by such Holder's acceptance thereof (or interest therein), agrees to be bound by such restrictions on transfer.

The restrictions imposed by this Section 306 upon the transferability of any particular Restricted Security shall cease and terminate on (a) the later of two years from their date of issuance or two years after the last date on which the Company or any Affiliate of the Company was the owner of such Restricted Security (or any predecessor of such Restricted Security) or (b) (if earlier) if and when such Restricted Security has been sold pursuant to an effective registration statement under the Securities Act or transferred pursuant to Rule 144 or under the Securities Act (or any successor provision), unless the Holder thereof is an affiliate of the Company within the meaning of Rule 144 (or such successor provisions). Any Restricted Security as to which such restrictions on transfer shall have expired in accordance with their terms or shall have terminated may, upon surrender of such Restricted Security for exchange to the Security Registrar in accordance with the provision of this Section 306 (accompanied, in the event that such restrictions on transfer have terminated pursuant to Rule 144 (or any successor provision), by an Opinion of Counsel satisfactory to the Company and the Trustee, to the effect that the transfer of such Restricted Security has been made in compliance with Rule 144 (or any such successor provision)), be exchanged for a new Security, of like tenor and aggregate principal amount, which shall not bear the Restricted Securities Legend. The Company shall inform the Trustee of the effective date of any Registration Statement registering the Securities under the Securities Act no later than two Business Days after such effective date.

Except as provided in the preceding paragraph, any Security authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, any Global Security, whether pursuant to this Section, Section 304, 308, 906 or 1108 or otherwise, shall also be a Global Security and bear the legend specified in Section 202(a).

Section 307. Special Transfer Provisions.

Unless and until (i) a Security is sold under an effective Registration Statement, or (ii) a Security is exchanged for a Series B Security in connection with the Exchange Offer, in each case pursuant to the Registration Rights Agreement, the following provisions shall apply:

(a) Transfers to Non-QIB Institutional Accredited Investors. The following provisions shall apply with respect to the registration of any

proposed transfer of an Initial Security to an "ACCREDITED INVESTOR" which is not a QIB:

(i) The Security Registrar shall register the transfer of any Initial Security whether or not such Initial Security bears the Restricted Securities Legend, if (x) the requested transfer is at least two years after the original issue date of the Initial Securities to a Person who is not an affiliate (as defined in Rule 144) of the Company (or subsequent transfer date by any such affiliate) or (y) the proposed transferee has delivered to the Security Registrar a certificate substantially in the form set forth in Exhibit A.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the Global Security, upon receipt by the Security Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance

with the Depositary's and the Security Registrar's procedures therefor, the Security Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security transferred, and the Company shall execute, and the Trustee shall authenticate and make available for delivery, one or more Physical Securities of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Security to a QIB:

(i) If the Security to be transferred consists of Physical Securities, the Security Registrar shall register the transfer if such transfer is being made by a proposed transferor who has advised the Company and the Security Registrar in writing pursuant to Exhibit A, that the sale has been made in compliance with the provisions of Rule 144A to the transferee who has advised the Company and the Security Registrar in a writing signed by one of its executive officers in the form required by Rule 144A, that it is purchasing the Initial Security for its own account or an account with respect to which it exercises sole investment discretion and that it, or the person on whose behalf it is acting with respect to any such account, is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A.

(ii) If the proposed transferee is an Agent Member, and the Initial Security to be transferred consists of Physical Securities, upon receipt by the Securities Registrar of instructions given in accordance with the Depositary's and the Security Registrar's procedures therefor, the Security Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Security in an amount equal to the principal amount of the Physical Securities, to be transferred, and the Trustee shall cancel the Physical Security so transferred.

(c) Transfers to Non-U.S. Persons. The following provisions shall apply with respect to the registration of any proposed transfer of an Initial Security to a Non-U.S. Person:

(i) The Security Registrar shall register the transfer of any Initial Security whether or not such Initial Security bears the Restricted Securities Legend, if (x) the requested transfer is at least two years after the original issue date of the Initial Securities to a Person who is not an affiliate (as defined in Rule 144) of the Company (or subsequent transfer date by any such affiliate) or (y) in the case of a transfer to a Non-U.S. Person (including a QIB), the proposed transferor has delivered to the Security Registrar, a certificate substantially in the form of Exhibit C, together with written legal opinions or other information as the Trustee or the Company reasonably may request.

(ii) If the proposed transferor is an Agent Member holding a beneficial interest in the Global Security, upon receipt by the Security Registrar of (x) the documents, if any, required by paragraph (i) and (y) instructions given in accordance with the Depositary's and

the Security Registrar's procedures therefor, the Security Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Global Security in an amount equal to the principal amount of the beneficial interest in the Global Security transferred, and the Company shall execute, and the Trustee shall authenticate and make available for delivery, one or more Physical Securities of like tenor and amount.

(d) Restricted Securities Legend. Upon the registration of transfer, exchange or replacement of Securities not bearing the Restricted Securities Legend, the Security Registrar shall deliver Securities that do not bear the Restricted Securities Legend. Upon the registration of transfer, exchange or replacement of Securities bearing the Restricted Securities Legend, the Security Registrar shall deliver only Securities that bear the Restricted Securities Legend unless either (i) the circumstances contemplated by paragraph (a)(i)(x) of this Section 307 exist or (ii) there is delivered to the Security Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(e) General. By its acceptance of any Security bearing the Restricted Securities Legend, each Holder of such a Security acknowledges the restrictions on transfer of such Security set forth in this Indenture and in the Restricted Securities Legend and agrees that it will transfer such Security only as provided in this Indenture.

The Security Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 306 or this Section 307. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Security Registrar.

Section 308. Mutilated, Destroyed, Lost and Stolen Securities.

If (a) any mutilated Security is surrendered to the Trustee, or (b) the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Security, and there is delivered to the Company, each Guarantor and the Trustee, such security or indemnity, in each case, as may be required by them to save each of them harmless, then, in the absence of notice to the Company, any Guarantor or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and upon its written request the Trustee shall authenticate and make available for delivery, in exchange for any such mutilated Security or in lieu of any such destroyed, lost or stolen Security, a replacement Security of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a replacement Security, pay such Security.

Upon the issuance of any replacement Securities under this Section, the Company may require the payment of a sum sufficient to pay all documentary, stamp or similar issue or transfer taxes or other governmental charges that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every replacement Security issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company and the Guarantors, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

Section 309. Payment of Interest; Interest Rights Preserved..

Interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date and interest on such defaulted interest at the then applicable interest rate borne by the Securities, to the extent lawful (such defaulted interest and interest thereon herein

collectively called "DEFAULTED INTEREST") shall forthwith cease to be payable to the Holder on the Regular Record Date; and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Subsection (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security and the date (not less than 30 days after such notice) of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Subsection provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company in writing of such Special Record Date. In the name and at the expense of the Company, the Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at his address as it appears in the Security Register, not less

than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection (b).

(b) The Company may make payment of any Defaulted Interest in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

Section 310. Persons Deemed Owners.

The Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee may treat the Person in whose name any Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium, if any, and (subject to Section 309) interest on such Security and for all other purposes whatsoever, whether or not such Security is overdue, and neither the Company, any Guarantor, the Trustee nor any agent of the Company, any Guarantor or the Trustee shall be affected by notice to the contrary. No holder of any beneficial interest in any Global Security held on its behalf by a Depositary shall have any rights under this Indenture with respect to such Global Security, and such Depositary may be treated by the Company, any Guarantor, the Trustee and any agent of the Company, any Guarantor or the Trustee as the owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, any Guarantor, the Trustee or any agent of the Company, any Guarantor or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and such holders of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depositary (or its nominee) as Holder of any Security.

Section 311. Cancellation.

All Securities surrendered for payment, purchase, redemption, registration of transfer or exchange shall be delivered to the Trustee and, if not already cancelled, shall be promptly cancelled by it. The Company and any Guarantor may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company or such Guarantor may have acquired in any manner whatsoever, and all Securities so

delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be returned to the Company. The Trustee shall provide

the Company a list of all Securities that have been cancelled from time to time as requested by the Company.

Section 312. Computation of Interest.

Interest on the Securities shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 313. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE IV

DEFEASANCE AND COVENANT DEFEASANCE

Section 401. Company's Option to Effect Defeasance or Covenant Defeasance.

The Company may, at its option by Board Resolution, at any time, with respect to the Securities, elect to have either Section 402 or Section 403 be applied to all of the Outstanding Securities (the "DEFEASED SECURITIES"), upon compliance with the conditions set forth below in this Article Four.

Section 402. Defeasance and Discharge.

Upon the Company's exercise under Section 401 of the option applicable to this Section 402, the Company, each of the Guarantors and any other obligor upon the Securities, if any, shall be deemed to have been discharged from its obligations with respect to the Defeased Securities on the date the conditions set forth below are satisfied (hereinafter, "DEFEASANCE"). For this purpose, such defeasance means that the Company, the Guarantors and any other obligor upon the Securities, shall be deemed to have paid and discharged the entire Indebtedness represented by the Defeased Securities, which shall thereafter be deemed to be "OUTSTANDING" only for the purposes of Section 405 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, and, upon written request, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Defeased Securities to receive, solely from the trust fund described in Section 404 and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest on such Securities and pay all other Indenture Obligations when such payments are due, (b) the Company's obligations with respect to such Defeased Securities under Sections 304, 305, 306, 308, 1002 and 1003, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder, including, without limitation, the Trustee's rights under

Section 606, and (d) this Article Four. Subject to compliance with this Article Four, the Company may exercise its option under this Section 402 notwithstanding the prior exercise of its option under Section 403 with respect to the Securities.

Section 403. Covenant Defeasance.

Upon the Company's exercise under Section 401 of the option applicable to this Section 403, the Company and each Guarantor shall be released from its obligations under any covenant or provision contained or referred to in Sections

1006 through 1019 inclusive, and the provisions of Article Twelve and Sections 1416 through 1429 shall not apply, with respect to the Defeased Securities on and after the date the conditions set forth below are satisfied (hereinafter, "COVENANT DEFEASANCE"), and the Defeased Securities shall thereafter be deemed to be not "OUTSTANDING" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants and the provisions of Article Twelve and Sections 1416 through 1429, but shall continue to be deemed "OUTSTANDING" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the Defeased Securities, the Company and each Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such Section or Article, whether directly or indirectly, by reason of any reference elsewhere herein to any such Section or Article or by reason of any reference in any such Section or Article to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 501(c), (d) or (g), but, except as specified above, the remainder of this Indenture and such Defeased Securities shall be unaffected thereby.

Section 404. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 402 or Section 403 to the Defeased Securities:

(1) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 608 who shall agree to comply with the provisions of this Article Four applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (a) United States dollars in an amount, or (b) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (c) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants or a nationally recognized investment banking firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge the principal of, premium, if any, and interest on the Defeased Securities on the Stated Maturity of such principal or installment of principal or interest (or on any date after October 1, 2002 (such date being referred to as the "DEFEASANCE REDEMPTION DATE"), if when exercising under Section 401 either its option applicable to Section 402 or its option applicable to Section 403, the Company shall have delivered to the Trustee an irrevocable notice to redeem all of the Outstanding Securities on the Defeasance Redemption Date) and pay all other Indenture Obligations; provided that the Trustee shall have been irrevocably instructed to apply such United States dollars or the proceeds of such U.S. Government

Obligations to said payments with respect to the Securities; and provided, further, that the United States dollars or U.S. Government Obligations deposited shall not be subject to the rights of the holders of Senior Indebtedness or Guarantor Senior Indebtedness pursuant to the provisions of Articles Twelve and Fourteen. For this purpose, "U.S. GOVERNMENT OBLIGATIONS" means securities that are (i) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligation or a specific payment of principal of or interest on any such U.S. Government Obligation held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal of or interest on the U.S. Government Obligation evidenced by such depository receipt.

(2) In the case of an election under Section 402, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States stating that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Independent Counsel in the United States shall confirm that, the holders of the Outstanding Securities will not recognize income, gain or loss for federal

income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

(3) In the case of an election under Section 403, the Company shall have delivered to the Trustee an Opinion of Independent Counsel in the United States to the effect that the holders of the Outstanding Securities will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.

(4) No Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as subsections 501(h) and (i) are concerned, at any time during the period ending on the 91st day after the date of deposit.

(5) Such defeasance or covenant defeasance shall not cause the Trustee for the Securities to have a conflicting interest with respect to any securities of the Company or any Guarantor.

(6) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, this Indenture or any other material agreement or instrument to which the Company or any Guarantor is a party or by which it is bound.

(7) The Company shall have delivered to the Trustee an Opinion of Independent Counsel to the effect that (A) the trust funds will not be subject to any rights of holders of Senior Indebtedness or Guarantor Senior Indebtedness, including, without limitation, those arising under this Indenture and (B) after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally.

(8) The Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Securities or any Guarantee over the other creditors of the Company or any Guarantor with the intent of defeating, hindering, delaying or defrauding creditors of the Company, any Guarantor or others.

(9) No event or condition shall exist that would prevent the Company from making payments of the principal of, premium, if any, and interest on the Securities and of all other Indenture Obligations on the date of such deposit or at any time ending on the 91st day after the date of such deposit.

(10) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Independent Counsel, each stating that all conditions precedent provided for relating to either the defeasance under Section 402 or the covenant defeasance under Section 403 (as the case may be) have been complied with as contemplated by this Section 404.

Opinions of Counsel or Opinions of Independent Counsel required to be delivered under this Section may have qualifications customary for opinions of the type required and counsel delivering such opinions may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

Section 405. Deposited Money and U.S. Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee as permitted under Section 404 (collectively, for purposes of this Section 405, the "TRUSTEE") pursuant to Section 404 in respect of the Defeased Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 404 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the Defeased Securities.

Anything in this Article Four to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any United States dollars or U.S. Government Obligations held by it as provided in Section 404 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect defeasance or covenant defeasance.

Section 406. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or U.S. Government Obligations in accordance with Section 402 or 403, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and each Guarantor's obligations under this Indenture and the Securities and the provisions of Articles Twelve and Fourteen hereof shall be revived and reinstated as though no deposit had occurred pursuant to Section 402 or 403, as the case may be, until such time as the Trustee or Paying Agent is permitted to apply all such United States dollars or U.S. Government Obligations in accordance with Section 402 or 403, as the case may be; provided, however, that if the Company makes any payment to the Trustee or Paying Agent of principal of, premium, if any, or interest on any Security following the reinstatement of its obligations, the Trustee or Paying Agent shall promptly pay any such amount to the Holders of the Securities and the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE V

REMEDIES

Section 501. Events of Default.

"EVENT OF DEFAULT", wherever used herein, means any one of the following events which has occurred and is continuing (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article Twelve or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) there shall be a default in the payment of any interest on any Security (including any Penalty Amounts) when it becomes due and payable, and such default shall continue for a period of 30 days;

(b) there shall be a default in the payment of the principal of (or premium, if any, on) any Security at its Maturity (upon acceleration, optional or mandatory redemption, required repurchase or otherwise);

(c) (i) there shall be a default in the performance, or breach, of any covenant or agreement of the Company or any Guarantor under this Indenture (other than a default in the performance or breach of a covenant or agreement which is specifically dealt with in clause (a) or (b) or in clause (ii), (iii) or (iv) of this clause (c)) and such default or breach shall continue for a period of

30 days after written notice has been given, by certified mail, (y) to the Company by the Trustee or (z) to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Securities; (ii) there shall be a default in the performance or breach of the provisions of Article Eight; (iii) the Company shall have failed to make or consummate an Offer in accordance with the provisions of Section 1013; or (iv) the Company shall have failed to make or consummate a Change of Control Offer in accordance with the provisions of Section 1016;

(d) one or more defaults shall have occurred under any agreements, indentures or instruments under which the Company, any Guarantor or any Restricted Subsidiary then has outstanding Indebtedness in excess of $5,000,000 in the aggregate and, if not already matured at its final maturity in accordance with its terms, such Indebtedness shall have been accelerated;

(e) any Guarantee shall for any reason cease to be, or be asserted in writing by any Guarantor or the Company not to be, in full force and effect, enforceable in accordance with its terms, except to the extent contemplated by this Indenture and any such Guarantee;

(f) one or more judgments, orders or decrees for the payment of money in excess of $5,000,000 either individually or in the aggregate (net of amounts covered by insurance, bond, surety or similar instrument) shall be entered against the Company, any Guarantor, or any Restricted Subsidiary or any of their respective properties and shall not be discharged and either (a) any creditor shall have commenced an enforcement proceeding upon such judgment, order or decree or (b) there shall have been a period of 60 consecutive days during which a stay of enforcement of such judgment or order, by reason of an appeal or otherwise, shall not be in effect;

(g) any holder or holders of at least $5,000,000 in aggregate principal amount of Indebtedness of the Company, any Guarantor or any Restricted Subsidiary after a default under such Indebtedness shall notify the Trustee of the intended sale or disposition of any assets of the Company, any Guarantor or any Restricted Subsidiary that have been pledged to or for the benefit of such holder or holders to secure such Indebtedness or shall commence proceedings, or take any action (including by way of set-off), to retain in satisfaction of such Indebtedness or to collect on, seize, dispose of or apply in satisfaction of Indebtedness, assets of the Company or any Restricted Subsidiary (including funds on deposit or held pursuant to lock-box and other similar arrangements);

(h) there shall have been the entry by a court of competent jurisdiction of (i) a decree or order for relief in respect of the Company, any Guarantor or any Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or (ii) a decree or order adjudging the Company, any Guarantor or any Restricted Subsidiary bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, any Guarantor or any Restricted Subsidiary under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company, any Guarantor or any Restricted Subsidiary or of any substantial part of their respective properties, or ordering the winding up or liquidation of their affairs, and any such decree or order for relief shall continue to be in effect, or any such other decree or order shall be unstayed and in effect, for a period of 60 consecutive days; or

(i) (i) the Company, any Guarantor or any Restricted Subsidiary commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to

be adjudicated bankrupt or insolvent, (ii) the Company, any Guarantor or any Restricted Subsidiary consents to the entry of a decree or order for relief in respect of the Company, any Guarantor or such Restricted Subsidiary in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (iii) the Company, any Guarantor or any Restricted Subsidiary files a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, (iv) the Company, any Guarantor or any Restricted Subsidiary (1) consents to the filing of such petition or the appointment of, or taking possession by, a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company, any Guarantor or such Restricted Subsidiary or of any substantial part of its respective properties, (2) makes an assignment for the benefit of creditors or (3) admits in writing its inability to pay its debts generally as they become due, or (v) the Company, any Guarantor or any Restricted Subsidiary takes any corporate action in furtherance any such actions in this paragraph (i).

The Company shall deliver to the Trustee within five days after the occurrence thereof, written notice, in the form of an Officers' Certificate, of any Default, its status and what action the Company is taking or proposes to take with respect thereto. Unless the Corporate Trust Office of the Trustee has received written notice of an Event of Default of the nature described in this Section, the Trustee shall not be deemed to have knowledge of such Event of Default for the purposes of Article Five or for any other purpose.

Section 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default (other than an Event of Default specified in Sections 501(h) and (i)), shall occur and be continuing, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Securities Outstanding may, and the Trustee at the request of the Holders of not less than 25% in aggregate principal amount of the Securities Outstanding shall, declare all unpaid principal of, premium, if any, and accrued interest on all the Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by the Holders of the Securities); provided that so long as the Bank Credit Agreement is in effect, such declaration shall not become effective until the earlier of (a) five Business Days after receipt of such notice of acceleration from the Holders or the Trustee by the agent under the Bank Credit Agreement or (b) acceleration of the Indebtedness under the Bank Credit Agreement. Thereupon the Trustee may, at its discretion, proceed to protect and enforce the rights of the Holders of the Securities by

appropriate judicial proceedings. If an Event of Default specified in clause (h) or (i) of Section 501 occurs and is continuing, then all the Securities shall *ipso facto* become and be immediately due and payable, in an amount equal to the principal amount of the Securities, together with accrued and unpaid interest, if any, to the date the Securities become due and payable, without any declaration or other act on the part of the Trustee or any Holder. The Trustee or, if notice of acceleration is given by the Holders, the Holders shall give notice to the agent under the Bank Credit Agreement of any such acceleration.

After such declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter in this Article provided, the Holders of

a majority in aggregate principal amount of the Securities Outstanding, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(a) the Company has paid or deposited with the Trustee a sum sufficient to pay:

(i) all sums paid or advanced by the Trustee under this Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel,

(ii) all overdue interest on all Securities,

(iii) the principal of and premium, if any, on any Securities which have become due otherwise than by such declaration of acceleration and interest thereon at a rate borne by the Securities, and

(iv) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate borne by the Securities; and

(b) all Events of Default, other than the non-payment of principal of the Securities which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent Default or impair any right consequent thereon provided in Section 513.

Section 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company and each Guarantor covenant that if:

(a) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) default is made in the payment of the principal of or premium, if any, on any Security at the Stated Maturity thereof,

the Company and any such Guarantor will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, subject to Articles Twelve and Fourteen, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, with interest upon the overdue principal and premium, if any, and, to the extent that payment of such interest shall be legally enforceable, upon overdue installments of interest, at the rate borne by the Securities; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company or any Guarantor, as the case may be, fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may

institute a judicial proceeding for the collection of the sums so due and unpaid and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company or any Guarantor or any other obligor upon the Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any Guarantor or any other obligor upon the Securities, wherever situated.

If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the

Holders under this Indenture or the Guarantees by such appropriate private or judicial proceedings as the Trustee shall deem most effectual to protect and enforce such rights, including, seeking recourse against any Guarantor pursuant to the terms of any Guarantee, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein or therein, or to enforce any other proper remedy, including, without limitation, seeking recourse against any Guarantor pursuant to the terms of a Guarantee, or to enforce any other proper remedy, subject however to Section 512.

Section 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor, including each Guarantor, upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, and premium, if any, and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(b) subject to Articles Twelve and Fourteen, to collect and receive any moneys, securities or other property payable or deliverable upon any conversion or exchange of Securities or upon any such claims and to distribute the same; and any custodian, in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 606.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 505. Trustee May Enforce Claims without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 506. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article or otherwise on behalf of the Holders or the Trustee pursuant to this Article or through any proceeding or any arrangement or restructuring in anticipation or in lieu of any proceeding contemplated by this Article shall be applied, subject to applicable law, in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 606;

SECOND: Subject to Articles Twelve and Fourteen, to the payment of the amounts then due and unpaid upon the Securities for principal, premium, if any, and interest, and of all other Indenture Obligations in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on

such Securities for principal, premium, if any, and interest and all other Indenture Obligations; and

THIRD: Subject to Articles Twelve and Fourteen, the balance, if any, to the Person or Persons entitled thereto, including the Company, provided that all sums due and owing to the Holders and the Trustee have been paid in full as required by this Indenture.

Section 507. Limitation on Suits.

No Holder of any Securities shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(a) such Holder has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Holders of not less than 25% in principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as trustee hereunder;

(c) such Holder or Holders have offered to the Trustee an indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture or any Guarantee to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner provided in this Indenture or any Guarantee and for the equal and ratable benefit of all the Holders.

Section 508. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, but subject to Articles Twelve and Fourteen, the Holder of any Security shall have the right on the terms stated herein, which is absolute and unconditional, to receive payment of the principal of, premium, if any, and (subject to Section 309) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption or repurchase, on the Redemption Date or repurchase date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder, subject to Articles Twelve and Fourteen.

Section 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture or the Guarantees and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Company, each of the Guarantors, the Trustee and the Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 510. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 512. Control by Holders.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided that:

(a) such direction shall not be in conflict with any rule of law or with this Indenture or any Guarantee or expose the Trustee to personal liability; and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 513. Waiver of Past Defaults.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities may on behalf of the Holders of all the Securities waive any past Default hereunder and its consequences, except a Default:

(a) in the payment of the principal of, premium, if any, or interest (including Penalty Amounts) on any Security (unless such Default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration and any Penalty Amounts has been deposited with the Trustee); or

(b) in respect of a covenant or a provision hereof which under Article Nine cannot be modified or amended without the consent of Holders of each Outstanding Security.

Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to

the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the principal of, premium, if any, or interest on any Security on or after the respective Stated Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

Section 515. Waiver of Stay, Extension or Usury Laws.

Each of the Company and any Guarantor covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law or any usury or other law wherever enacted, now or at any time hereafter in force, which would prohibit or forgive the Company or any Guarantor from paying all or any portion of the principal of, premium, if any, or interest on the Securities contemplated herein or in the Securities or any other Indenture Obligations or which may affect the covenants or the performance of this Indenture; and each of the Company and any Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such

law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VI

THE TRUSTEE

Section 601. Notice of Defaults.

Within 30 days after the occurrence of any Default, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, notice of such Default hereunder actually known to a Responsible Officer of the Trustee, unless such Default shall have been cured or waived; *provided, however*, that, except in the case of a Default in the payment of the principal of, premium, if any, or interest on any Security, the Trustee shall be protected in withholding such notice if and so long as a trust committee of Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the Holders.

Section 602. Certain Rights and Duties of Trustee.

Subject to the provisions of Trust Indenture Act Sections 315(a) through 315(d):

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of Indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) the Trustee may consult with counsel of its choice and any written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred therein or thereby in compliance with such request or direction;

(e) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture other than any liabilities arising out of the negligence of the Trustee;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, appraisal, bond, debenture, note, coupon, security or other paper or document; *provided*, that the Trustee in its discretion may make such further inquiry or investigation into such facts or matters as it may deem fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers;

(i) the Trustee shall not be liable for interest on any money received

by it except as the Trustee may agree in writing with the Company, except as otherwise provided herein;

(j) money held in trust by the Trustee need not be segregated from other funds except to the extent required by law, except as otherwise provided herein;

(k) if an Event of Default has occurred and is continuing, in accordance with Trust Indenture Act Section 315(c), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs; and

(l) in the event that the Trustee receives notice pursuant to Section 1203(b)(2), the Trustee shall use commercially reasonably efforts to provide a copy of such notice to the Company promptly upon such receipt.

Section 603. Trustee Not Responsible for Recitals, Dispositions of Securities or Application of Proceeds Thereof.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities, except that the Trustee represents that it is duly authorized to execute and deliver this Indenture, authenticate the Securities and perform its obligations hereunder and that the statements made by it in any Statement of Eligibility and Qualification on Form T-I supplied to the Company are true and accurate subject to the qualifications set forth therein. The Trustee shall not be accountable for the use or application by the Company of Securities or the proceeds thereof.

Section 604. Trustee and Agents May Hold Securities; Collections; etc.

The Trustee (or any affiliate), any Paying Agent, Security Registrar or any agent of the Company, in its individual or any other capacity, may purchase or otherwise become the owner or pledgee of Securities, with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or other agent and, subject to Trust Indenture Act Sections 310 and 311, may otherwise deal with the Company and receive, collect, hold and retain collections from the Company with the same rights it would have if it were not the Trustee, Paying Agent, Security Registrar or such other agent.

Section 605. Money Held in Trust.

All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by mandatory provisions of law. Except for funds or securities deposited with the Trustee pursuant to Article Four, the Trustee may invest all moneys received by the Trustee, until used or applied as herein provided, in Temporary Cash Investments in accordance with the written directions of the Company. The Trustee shall not be liable for any losses incurred in connection with any investments made in accordance with this Section 605, unless the Trustee acted with gross negligence or in bad faith. With respect to any losses on investments made under this Section 605, the Company is liable for the full extent of any such loss.

Section 606. Compensation and Indemnification of Trustee and Its Prior Claim.

The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, such compensation for all services rendered by it hereunder (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) set forth in writing, and the Company covenants and agrees to pay or reimburse the Trustee and each predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by or on behalf of it in accordance with any of the provisions of this Indenture (including the

reasonable compensation and the expenses and disbursements of its counsel and of

all agents and other persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or misconduct. The Company also covenants to indemnify the Trustee and each predecessor Trustee for, and to hold it harmless against, any loss, liability, tax, assessment or other governmental charge (other than taxes applicable to the Trustee's compensation hereunder) or expense incurred without negligence or bad faith on such Trustee's part, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder and such Trustee's duties hereunder, including enforcement of this Indenture and also including any liability which the Trustee may incur as a result of failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses of defending itself against or investigating any claim of liability (whether asserted by any Holder, the Company or any other Person) in connection with the exercise or performance of any of its powers or duties under this Indenture. The obligations of the Company under this Section to compensate and indemnify the Trustee and each predecessor Trustee and to pay or reimburse the Trustee and each predecessor Trustee for expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Indenture.

All payments and reimbursements pursuant to this Section 606 shall be made with interest at the rate borne by the Securities.

As security for the performance of the obligations of the Company under this Section 606, the Trustee shall have a Lien prior to the Securities upon all property and funds held or collected by the Trustee, except funds held in trust for the payment of principal of (and premium, if any) or interest on particular Securities. The Trustee's right to receive payment of any amounts due under this Section 606 shall not be subordinate to any other liability or indebtedness of the Company (even though the Securities may be so subordinate), and the Securities shall be subordinate to the Trustee's right to receive such payment.

Section 607. Conflicting Interests.

The Trustee shall comply with the provisions of Section 310(b) of the Trust Indenture Act.

Section 608. Corporate Trustee Required, Eligibility.

There shall at all times be a Trustee hereunder which shall be eligible to act as trustee under Trust Indenture Act Section 310(a)(1) and which shall have a combined capital and surplus of at least $250,000,000, to the extent there is an institution eligible and willing to serve. The Trustee shall be a participant in the Depository Trust Company and FAST distribution systems. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect hereinafter specified in this Article. The Corporate Trust Office shall initially be located at The Bank of New York, 101 Barclay Street, 21 W, New York, New York 10286.

Section 609. Resignation and Removal: Appointment of Successor Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor trustee under Section 610.

(b) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign by giving written notice thereof to the Company. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee by written instrument executed by authority of the Board of Directors of the Company, a copy of which shall be delivered to the resigning Trustee and a copy to the successor trustee. If an instrument of acceptance by a successor trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, or any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor trustee.

(c) The Trustee may be removed at any time by an Act of the Holders of not less than a majority in aggregate principal amount of the Outstanding

Securities, delivered to the Trustee and to the Company. If the Trustee is so removed by an Act of Holders, then any Holder of a Security who has been a bona fide Holder of a Security for at least six months may, on behalf of such Holder and all others similarly situated, petition a court of competent jurisdiction for appointment of a successor Trustee.

(d) If at any time:

(1) the Trustee shall fail to comply with the provisions of Trust Indenture Act Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 608 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any case, (i) the Company by a Board Resolution may remove the Trustee, or (ii) subject to Section 514, the Holder of any Security who has been a bona fide Holder of a Security for at least six months may, on behalf of such Holder and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by a Board Resolution, shall promptly appoint a successor trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities delivered to the Company and the retiring Trustee, the successor trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor trustee and supersede the successor trustee appointed by the Company. If no successor trustee shall have been so appointed by the Company or the Holders of the Securities and accepted appointment in the manner hereinafter provided, the Holder of any Security who has been a bona fide Holder for at least six months may, subject to Section 514, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor trustee.

(f) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Securities as their names and addresses appear in the Security Register. Each notice shall include the name of the successor trustee and the address of its Corporate Trust Office or agent hereunder.

Section 610. <u>Acceptance of Appointment by Successor.</u>

Every successor trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee as if originally named as Trustee hereunder; but, nevertheless, on the written request of the Company or the successor trustee, upon payment of its charges then unpaid, such retiring Trustee shall, pay over to the successor trustee all moneys at the time held by it hereunder and shall execute and deliver an instrument transferring to such successor trustee all such rights, powers, duties and obligations. Upon request of any such successor trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any Trustee ceasing to act shall, nevertheless, retain a prior claim upon all property or funds held or collected by such Trustee or such successor trustee to secure any amounts then due such Trustee pursuant to the provisions of Section 606.

No successor trustee with respect to the Securities shall accept appointment as provided in this Section 610 unless at the time of such acceptance such successor trustee shall be eligible to act as trustee under the provisions of Trust Indenture Act Section 310(a) and this Article Sixth and shall have a combined capital and surplus of at least $250,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 608.

Upon acceptance of appointment by any successor trustee as provided in this Section 610, the Company shall give notice thereof to the Holders of the Securities, by mailing such notice to such Holders at their addresses as they shall appear on the Security Register. If the acceptance of appointment is substantially contemporaneous with the resignation, then the notice called for by the preceding sentence may be combined with the notice called for by Section 609. If the Company fails

to give such notice within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be given at the expense of the Company.

Section 611. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be eligible under Trust Indenture Act Section 310(a) and this Article Sixth and shall have a combined capital and surplus of at least $250,000,000 and have a Corporate Trust Office or an agent selected in accordance with Section 608 without the execution or filing of any paper or any further act on the part of any of the parties hereto.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee and deliver such Securities so authenticated; and, in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor trustee; and in all such cases such certificate shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; provided that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 612. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or other obligor under the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor). A Trustee who has resigned or been removed shall be subject to the Trust Indenture Act Section 311(a) to the extent indicated therein.

ARTICLE VII

HOLDERS' LISTS AND REPORTS BY TRUSTEE

Section 701. Company to Furnish Trustee with Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee

(a) semiannually, not more than 15 days after each Regular Record Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of such Regular Record Date; and

(b) at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee shall be the Security Registrar, no such list need be furnished.

Section 702. Disclosure of Names and Addresses of Holders.

Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of any information as to the names and addresses of the Holders in accordance with Trust Indenture Act Section 312, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Trust Indenture Act Section 312.

Section 703. Reports by Trustee.

Within 60 days after May 15 of each year commencing with the first May 15 after the first issuance of Securities, the Trustee shall transmit by mail to all Holders, as their names and addresses appear in the Security Register, as provided in Trust Indenture Act Section 313(c), a brief report dated as of such May 15 in accordance with and to the extent required by Trust Indenture Act Section 313(a). The Trustee shall also comply with Trust Indenture Act Section 313(b).

Commencing at the time this Indenture is qualified under the Trustee Indenture Act, a copy of each report at the time of its mailing to Holders, shall be filed with the Commission and each stock exchange on which the Securities are listed.

Section 704. Reports by Company and Guarantors.

The Company and any Guarantor shall:

(a) file with the Trustee, within 15 days after the Company or any Guarantor, as the case may be, is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company or any Guarantor may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company or any Guarantor, as the case may be, is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents

and reports with respect to compliance by the Company or any Guarantor, as the case may be, with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations; and

(c) transmit or cause to be transmitted by mail to all Holders, as their names and addresses appear in the Security Register, within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in Trust Indenture Act Section 313(c), such summaries of any information, documents and reports required to by filed by the Company or any Guarantor, as the case may be, pursuant to Subsections (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

ARTICLE VIII

CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

Section 801. Company or Any Guarantor May Consolidate, etc., Only on Certain Terms.

(a) The Company shall not, in a single transaction or through a series of related transactions, consolidate with or merge with or into any other Person or sell, assign, convey, transfer or lease or otherwise dispose of all or substantially all of its properties and assets to any Person or group of affiliated Persons, or permit any of its Subsidiaries to enter into any such transaction or transactions if such transaction or transactions, in the

aggregate, would result in a sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Subsidiaries on a Consolidated basis to any other Person or group of affiliated Persons, unless at the time and after giving effect thereto:

(i) either (1) the Company shall be the continuing corporation, or (2) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company and its Subsidiaries on a Consolidated basis (the "SURVIVING ENTITY") shall be a corporation duly organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and such Person assumes, by a supplemental indenture in a form reasonably satisfactory to the Trustee, all the obligations of the Company under the Securities and this Indenture, and this Indenture shall remain in full force and effect;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect to such transaction on a pro forma basis, the Consolidated Net Worth of the Company (or the Surviving Entity if the Company is not the continuing obligor under this Indenture) is equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(iv) immediately before and immediately after giving effect to such transaction on a pro forma basis (on the assumption that the transaction occurred on the first day of the four-quarter period immediately prior to the consummation of such transaction with the appropriate adjustments with respect to the transaction being included in such pro forma calculation), the Company (or the Surviving Entity if the Company is not the continuing obligor under this Indenture) could incur $1.00 of additional Indebtedness under Section 1008 (other than Permitted Indebtedness);

(v) each Guarantor, if any, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations under this Indenture and the Securities;

(vi) if any of the property or assets of the Company or any of its Subsidiaries would thereupon become subject to any Lien, the provisions of Section 1012 are complied with; and

(vii) the Company or the Surviving Entity shall have delivered, or caused to be delivered, to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger, transfer, sale, assignment, conveyance, lease or other transaction and the supplemental indenture in respect thereto comply with the provisions of this Indenture and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) Each Guarantor shall not, and the Company shall not permit a Guarantor to, in a single transaction or through a series of related transactions merge or consolidate with or into any other corporation (other than the Company or any other Guarantor) or other entity, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets on a Consolidated basis to any entity (other than the Company or any other Guarantor) unless at the time and after giving effect thereto:

(i) either (1) such Guarantor shall be the continuing corporation or (2) the entity (if other than such Guarantor) formed by such consolidation or into which such Guarantor is merged or the entity which acquires by sale, assignment, conveyance, transfer, lease or disposition the properties and assets of such Guarantor shall be a corporation duly organized and validly existing under the laws of the United States, any state thereof or the District of Columbia and shall expressly assume by a supplemental indenture, executed and delivered to the Trustee, in a form reasonably satisfactory to the Trustee, all the obligations of such Guarantor under its Guarantee and this Indenture;

(ii) immediately before and immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing; and

(iii) such Guarantor shall have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, conveyance,

transfer, lease or disposition and such supplemental indenture comply with this Indenture, and thereafter all obligations of the predecessor shall terminate.

The provisions of this Section 801(b) shall not apply to any transaction (including any Asset Sale made in accordance with Section 1013) with respect to any Guarantor if the Guarantee of such Guarantor is released in connection with such transaction in accordance with Section 1014(c).

Section 802. Successor Substituted.

Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Company or any Guarantor in accordance with Section 801, the successor Person formed by such consolidation or into which the Company or such Guarantor, as the case may be, is merged or the successor Person to which such sale, assignment, conveyance, transfer, lease or disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company or such Guarantor, as the case may be, under this Indenture, the Securities and/or such Guarantee, as the case may be, with the same effect as if such successor had been named as the Company or such Guarantor, as the case may be, herein, in the Securities and/or in such Guarantee, as the case may be. When a successor assumes all the obligations of its predecessor under this Indenture, the Securities or a Guarantee, as the case may be, the predecessor shall be released from those obligations; provided that in the case of a transfer by lease, the predecessor shall not be released from the payment of principal and interest on the Securities or a Guarantee, as the case may be.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures and Agreements without Consent of Holders.

Without the consent of any Holders, the Company and the Guarantors, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto or agreements or other instruments with respect to any Guarantee, in form and substance satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company, any Guarantor or any other obligor upon the Securities, and the assumption by any such successor of the covenants of the Company or such Guarantor or obligor herein and in the Securities and in any Guarantee, in each case in compliance with the provisions of this Indenture;

(b) to add to the covenants of the Company, any Guarantor or any other obligor upon the Securities for the benefit of the Holders, or to surrender any right or power herein conferred upon the Company, any Guarantor or any other obligor upon the Securities, as applicable, herein, in the Securities or in any Guarantee;

(c) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein or in any Guarantee, or to make any

other provisions with respect to matters or questions arising under this Indenture, the Securities or any Guarantee; provided that, in each case, such provisions shall not adversely affect the interests of the Holders;

(d) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, as contemplated by Section 905 or otherwise;

(e) to add a Guarantor pursuant to the requirements of Section 1014;

(f) to evidence and provide the acceptance of the appointment of a

successor trustee hereunder;

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as additional security for the payment and performance of the Indenture Obligations, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to this Indenture or otherwise; or

(h) to provide for uncertificated Securities in place of or in addition to certificated Securities.

Section 902. Supplemental Indentures and Agreements with Consent of Holders.

With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities, by Act of said Holders delivered to the Company, each Guarantor, and the Trustee, the Company, each Guarantor (if a party thereto), when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto or agreements or other instruments with respect to any Guarantee in form and substance satisfactory to the Trustee for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture, the Securities or any Guarantee; provided, however, that no such supplemental indenture, agreement or instrument shall, without the consent of the Holder of each Outstanding Security affected thereby:

(a) change the Stated Maturity of the principal of, or any installment of interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which the principal of any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(b) amend, change or modify the obligation of the Company to make and consummate an Offer with respect to any Asset Sale or Asset Sales in accordance with Section 1013 or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with Section 1016, including amending, changing or modifying any definitions with respect thereto;

(c) reduce the percentage in principal amount of the Outstanding Securities, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver or compliance with provisions of this Indenture or defaults hereunder and their consequences provided for in this Indenture or with respect to any Guarantee;

(d) modify any of the provisions of this Section or Sections 513 or 1022, except to increase the percentage in principal amount of the Outstanding Securities the consent of whose Holders is required for any such actions or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Security affected thereby;

(e) except as otherwise permitted under Article Eight, consent to the assignment or transfer by the Company or any Guarantor of any of its rights and obligations under this Indenture; or

(f) amend or modify any of the provisions of this Indenture relating to the subordination of the Securities or any Guarantee in any manner adverse to the Holders of the Securities or any Guarantee.

Upon the written request of the Company and each Guarantor, accompanied by a copy of a Board Resolution authorizing the execution of any such supplemental indenture or Guarantee, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid, the Trustee shall, subject to Section 903, join with the Company and each Guarantor in the execution of such supplemental indenture or Guarantee.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture or Guarantee or agreement or instrument relating to any Guarantee, but it shall be sufficient if such Act shall approve the substance thereof.

Section 903. Execution of Supplemental Indentures and Agreements.

In executing, or accepting the additional trusts created by, any supplemental indenture, agreement or instrument permitted by this Article or the

modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Trust Indenture Act Section 315(a) through 315(d) and Section 602 hereof) shall be fully protected in relying upon, an Opinion of Counsel and an Officers' Certificate stating that the execution of such supplemental indenture, agreement or instrument is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture, agreement or instrument which affects the Trustee's own rights, duties or immunities under this Indenture, any Guarantee or otherwise.

Section 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

Section 906. Reference in Securities to Supplemental Indentures.

Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors, to any such supplemental indenture may be prepared and executed by the Company and each Guarantor and authenticated and delivered by the Trustee in exchange for Outstanding Securities.

Section 907. Effect on Senior Indebtedness.

No supplemental indenture shall adversely affect the rights under Articles Twelve and Fourteen, or any definitions or provisions related thereto, or the Guarantees of any holder of Senior Indebtedness or Guarantor Senior Indebtedness unless the requisite holders of each issue of Senior Indebtedness or Guarantor Senior Indebtedness affected thereby shall have consented to such supplemental indenture.

ARTICLE X

COVENANTS

Section 1001. Payment of Principal, Premium and Interest.

Subject to the provisions of Articles Twelve and Fourteen, the Company will duly and punctually pay the principal of, premium, if any, and interest on the Securities in accordance with the terms of the Securities and this Indenture.

Section 1002. Maintenance of Office or Agency.

The Company will maintain an office or agency where Securities may be presented or surrendered for payment. The Company also will maintain an office or agency where Securities may be surrendered for registration of transfer, redemption or exchange and where notices and demands to or upon the Company in respect of the Securities and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location and any change in the location of any such offices or agencies. If at any time the Company shall fail to maintain any such required offices or agencies or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the office of the agent of the Trustee described above and the Company hereby appoints such agent as its agent to receive all such presentations, surrenders, notices and demands.

The Company may from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes, and may from time to time rescind such designation. The Company

will give prompt written notice to the Trustee of any such designation or rescission and any change in the location of any such office or agency.

Section 1003. Money for Security Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent, it will, on or before 10:00 a.m. each due date of the principal of, premium, if any, or interest on any of the Securities, segregate and hold in trust for the benefit of the Holders entitled thereto a sum sufficient to pay the principal, premium, if any, or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

If the Company is not acting as Paying Agent, the Company will, before each due date of the principal of, premium, if any, or interest on any Securities, deposit with a Paying Agent a sum in same day funds sufficient to pay the principal, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of such action or any failure so to act.

If the Company is not acting as Paying Agent, the Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(a) hold all sums held by it for the payment of the principal of, premium, if any, or interest on Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any Default by the Company or any Guarantor (or any other obligor upon the Securities) in the making of any payment of principal, premium, if any, or interest;

(c) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and

(d) acknowledge, accept and agree to comply in all aspects with the provisions of this Indenture relating to the duties, rights and disabilities of such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor, including each Guarantor, upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee shall serve as the Paying Agent.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall promptly be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in The New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will promptly be repaid to the Company.

Section 1004. Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all

things necessary to preserve and keep in full force and effect, the corporate existence and related rights and franchises (charter and statutory) of the Company and each Subsidiary; provided, however, that the Company shall not be required to preserve any such right or franchise or the corporate existence of any such Subsidiary if the Board of Directors of the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries as a whole and that the loss thereof could not reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder; and provided, further, however, that the foregoing shall not prohibit a sale, transfer or conveyance of a Subsidiary or any of its assets in compliance with the terms of this Indenture.

Section 1005. Payment of Taxes and Other Claims.

The Company will pay or discharge or cause to be paid or discharged, on or before the date the same shall become due and payable, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary shown to be due on any return of the Company or any Subsidiary or otherwise assessed or upon the income, profits or property of the Company or any Subsidiary if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder and (b) all lawful claims for labor, materials and supplies, which, if unpaid, would by law become a Lien upon the property of the Company or any Subsidiary, except for any Lien permitted to be incurred under Section 1012 if failure to pay or discharge the same could reasonably be expected to have a material adverse effect on the ability of the Company or any Guarantor to perform its obligations hereunder; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate

proceedings properly instituted and diligently conducted and in respect of which appropriate reserves (in the good faith judgment of management of the Company) are being maintained in accordance with GAAP.

Section 1006. Maintenance of Properties.

The Company will cause all material properties owned by the Company or any Subsidiary or used or held for use in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order (ordinary wear and tear excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary and not reasonably expected to have a material adverse effect on the ability of the Company to perform its obligations hereunder.

Section 1007. Insurance.

The Company will at all times keep all of its and its Subsidiaries' properties which are of an insurable nature insured with insurers, believed by the Company to be responsible, against loss or damage to the extent that property of similar character is usually so insured by corporations similarly situated and owning like properties.

Section 1008. Limitation on Indebtedness.

(a) The Company shall not, and shall not permit any Restricted Subsidiary to, create, incur, assume or directly or indirectly guarantee or in any other manner become directly or indirectly liable for ("INCUR") any Indebtedness (including Acquired Indebtedness), except that the Company may incur Indebtedness and a Guarantor may incur Permitted Subsidiary Indebtedness if, in each case, the Debt to Operating Cash Flow Ratio of the Company and its Restricted Subsidiaries at the time of the incurrence of such Indebtedness, after giving pro forma effect thereto, is 7:1 or less.

(b) The foregoing limitation will not apply to the incurrence of any

of the following (collectively, "PERMITTED INDEBTEDNESS"):

(i) Indebtedness of the Company under the Bank Credit Agreement in an aggregate principal amount at any one time outstanding not to exceed $75,000,000;

(ii) Indebtedness of the Company pursuant to the Securities and Indebtedness of any Guarantor pursuant to a Guarantee;

(iii) Indebtedness of any Guarantor consisting of a guarantee of the Company's Indebtedness under the Bank Credit Agreement;

(iv) Indebtedness of the Company or any Restricted Subsidiary outstanding on the date of this Indenture and listed on Schedule I hereto;

(v) Indebtedness of the Company owing to a Restricted Subsidiary;

provided that any Indebtedness of the Company owing to a Restricted Subsidiary that is not a Guarantor is made pursuant to an intercompany note in the form attached to this Indenture as Exhibit B and is subordinated in right of payment from and after such time as the Securities shall become due and payable (whether at Stated Maturity, by acceleration or otherwise) to the payment and performance of the Company's obligations under the Securities; *provided further*, that any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to a Wholly Owned Restricted Subsidiary or a pledge to or for the benefit of the lenders under the Bank Credit Agreement) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (v);

(vi) Indebtedness of a Wholly Owned Restricted Subsidiary owing to the Company or another Wholly Owned Restricted Subsidiary; *provided* that, with respect to Indebtedness owing to a Wholly Owned Subsidiary that is not a Guarantor, (1) any such Indebtedness is made pursuant to an intercompany note in the form attached to this Indenture as Exhibit B and (2) any such Indebtedness shall be subordinated in right of payment from and after such time as the obligations under the Guarantee, if any, by such Wholly Owned Restricted Subsidiary shall become due and payable to the payment and performance of such Wholly Owned Restricted Subsidiary's obligations under its Guarantee; *provided, further*, that (1) any disposition, pledge or transfer of any such Indebtedness to a Person (other than a disposition, pledge or transfer to the Company or a Wholly Owned Restricted Subsidiary or pledge to or for the benefit of the lenders under the Bank Credit Agreement) shall be deemed to be an incurrence of such Indebtedness by the obligor not permitted by this clause (vi) and (2) any transaction pursuant to which any Wholly Owned Restricted Subsidiary, which has Indebtedness owing to the Company or any other Wholly Owned Restricted Subsidiary, ceases to be a Wholly Owned Restricted Subsidiary shall be deemed to be the incurrence of Indebtedness by such Wholly Owned Restricted Subsidiary that is not permitted by this clause (vi);

(vii) guarantees of any Restricted Subsidiary made in accordance with the provisions of Section 1014;

(viii) obligations of the Company entered into in the ordinary course of business pursuant to Interest Rate Agreements designed to protect the Company against fluctuations in interest rates in respect of Indebtedness of the Company as long as such obligations at the time incurred do not exceed the aggregate principal amount of such Indebtedness then outstanding or in good faith anticipated to be outstanding within 90 days of such incurrence;

(ix) any renewals, extensions, substitutions, refundings, refinancings or replacements (collectively, a "REFINANCING") of any Indebtedness described in clauses (ii), (iii), (iv) and (v) above, including any successive refinancings so long as the aggregate principal amount of Indebtedness represented thereby is not increased by such refinancing (except, in the case of Guarantees under clause (iii), which Guarantees do not exceed the aggregate principal amount of the Bank Credit Agreement) plus the lesser of (I) the stated amount of any premium, interest or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium, interest or other payment actually paid

at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing and, in the case of Pari Passu Indebtedness or Subordinated Indebtedness, such refinancing does not reduce the Average Life to Stated Maturity or the Stated Maturity of such Indebtedness; and

(x) Indebtedness of the Company in addition to that described in clauses (i) through (ix) above, and any renewals, extensions, substitutions, refinancings, or replacements of such Indebtedness, so long as the aggregate principal amount of all such Indebtedness shall not exceed $5,000,000.

Section 1009. Limitation on Restricted Payments.

(a) The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly:

(i) declare or pay any dividend on, or make any distribution to holders of, any of the Company's Equity Interests (other than dividends or distributions payable solely in its Qualified Equity Interests);

(ii) purchase, redeem or otherwise acquire or retire for value, directly or indirectly, any Equity Interest of the Company or any Affiliate thereof (except Equity Interests held by the Company or a Wholly Owned Restricted Subsidiary);

(iii) make any principal payment on, or repurchase, redeem, defease, retire or otherwise acquire for value, prior to any scheduled principal payment, sinking fund or maturity, any Subordinated Indebtedness;

(iv) declare or pay any dividend or distribution on any Equity Interests of any Subsidiary to any Person (other than the Company or any of its Wholly Owned Restricted Subsidiaries);

(v) incur, create or assume any guarantee of Indebtedness of any Affiliate (other than a Wholly Owned Restricted Subsidiary of the Company); or

(vi) make any Investment in any Person (other than any Permitted Investments) (any of the foregoing payments described in clauses (i) through (vi), other than any such action that is a Permitted Payment, collectively, "RESTRICTED PAYMENTS") unless after giving effect to the proposed Restricted Payment (the amount of any such Restricted Payment, if other than cash, as determined by the Board of Directors of the Company, whose determination shall be conclusive and evidenced by a Board Resolution), (1) no Default or Event of Default shall have occurred and be continuing and such Restricted Payment shall not be an event which is, or after notice or lapse of time or both, would be, an "EVENT OF DEFAULT" under the terms of any Indebtedness of the Company or its Restricted Subsidiaries; and (2) the aggregate amount of all such Restricted Payments declared or made after the date of this Indenture does not exceed the sum of:

(A) an amount equal to the Company's Cumulative Operating Cash Flow less 1.4 times the Company's Cumulative Consolidated Interest Expense; and

(B) the aggregate Net Cash Proceeds received after the date of this Indenture by the Company from capital contributions (other than from a Subsidiary) or from the issuance or sale (other than to any of its Subsidiaries) of its Qualified Equity Interests (except, in each case, to the extent such proceeds are used to purchase, redeem or otherwise retire Equity Interests or Subordinated Indebtedness as set forth below).

(b) Notwithstanding the foregoing, and in the case of clauses (ii) through (vi) below, so long as there is no Default or Event of Default continuing, the foregoing provisions shall not prohibit the following actions (clauses (i) through (vi) being referred to as "PERMITTED PAYMENTS"):

(i) the payment of any dividend within 60 days after the date of declaration thereof, if at such date of declaration such payment would be permitted by the provisions of paragraph (a) of this Section and such payment shall be deemed to have been paid on such date of declaration for purposes of the calculation required by paragraph (a) of this Section;

(ii) any transaction with an officer or director of the Company entered into in the ordinary course of business (including compensation or employee benefit arrangements with any officer or director of the Company);

(iii) the repurchase, redemption, or other acquisition or retirement of any Equity Interests of the Company in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege pursuant to which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to a Subsidiary) of other Qualified Equity Interests of the Company; *provided* that the Net Cash Proceeds from the issuance of such Qualified Equity Interests are excluded from clause (2)(B) of paragraph (a) of this Section;

(iv) any repurchase, redemption, defeasance, retirement, refinancing

or acquisition for value or payment of principal of any Subordinated Indebtedness in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent issuance and sale for cash (other than to any Subsidiary of the Company) of any Qualified Equity Interests of the Company,

provided that the Net Cash Proceeds from the issuance of such shares of Qualified Equity Interests are excluded from clause (2)(B) of paragraph (a) of this Section;

(v) the repurchase, redemption, defeasance, retirement, refinancing or acquisition for value or payment of principal of any Subordinated Indebtedness (other than Disqualified Equity Interests) (a "REFINANCING") through the issuance of new Subordinated Indebtedness of the Company, as the case may be,

provided that any such new Indebtedness (1) shall be in a principal amount that does not exceed the principal amount so refinanced or, if such Subordinated Indebtedness provides for an amount less than the principal amount thereof to be due and payable upon a declaration or acceleration thereof, then such lesser amount as of the date of determination), plus the lesser of (I) the stated amount of any premium, interest or other payment required to be paid in connection with such a refinancing pursuant to the terms of the Indebtedness being refinanced or (II) the amount of premium, interest or other payment actually paid at such time to refinance the Indebtedness, plus, in either case, the amount of expenses of the Company incurred in connection with such refinancing; (2) has an Average Life to Stated Maturity greater than the remaining Average Life to Stated Maturity of the

Securities; (3) has a Stated Maturity for its final scheduled principal payment later than the Stated Maturity for the final scheduled principal payment of the Securities; and (4) is expressly subordinated in right of payment to the Securities at least to the same extent as the Indebtedness to be refinanced; and

(vi) the payment prior to maturity of Indebtedness outstanding on the date of the Indenture evidenced by those certain Promissory Notes dated March 1, 1994 by the Company to New Inspiration Broadcasting Company, Inc. ("NEW INSPIRATION") and by the Company to Golden Gate Broadcasting Company, Inc. ("GOLDEN GATE") in each case, in connection with the payment prior to maturity (which payment shall also be permitted under this clause (vi)) of Indebtedness outstanding on the date of the Indenture evidenced by those certain Promissory Notes dated August 12, 1997 by Golden Gate to Mr. Atsinger and Mr. Epperson in the principal amount, in each case, of $1,230,000 and by New Inspiration to Mr. Atsinger and Mrs. Epperson in the principal amount, in each case, of $2,116,000.

Section 1010. Limitation on Transactions with Affiliates.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist any transaction or series of related transactions (including, without limitation, the sale, purchase, exchange or lease of assets, property or services) with any Affiliate of the Company (other than the Company or a Wholly Owned Restricted Subsidiary) unless (a) such transaction or series of transactions is in writing on terms that are no less favorable to the Company or such Restricted Subsidiary, as the case may be, than would be available in a comparable transaction in arm's-length dealings with an unrelated third party and (b)(i) with respect to any transaction or series of transactions involving aggregate payments in excess of $1,000,000, the Company delivers an Officers' Certificate to the Trustee certifying that such transaction or series of related transactions complies with clause (a) above and such transaction or series of related transactions has been approved by a majority of the members of the Board of Directors of the Company (and approved by a majority of Independent Directors or, in the event there is only one Independent Director, by such Independent Director) and (ii) with respect to any transaction or series of transactions involving aggregate payments in excess of $5,000,000, an opinion as to the fairness to the Company or such Restricted Subsidiary from a financial point of view issued by an investment banking of national standing. Notwithstanding the foregoing, this provision will not apply to (A) any transaction with an officer or director of the Company entered into in the ordinary course of business (including compensation or employee benefit arrangements with any officer or director of the Company), (B) any transaction entered into by the Company or one of its Wholly Owned Restricted Subsidiaries with a Wholly Owned Restricted Subsidiary of the Company, and (C) transactions in existence on the date of this Indenture and any renewal, replacement or extension thereof on substantially similar terms.

Section 1011. Limitation on Senior Subordinated Indebtedness.

The Company shall not, and shall not permit any Guarantor to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise in any manner become directly or indirectly liable for or with respect to or otherwise

permit to exist any Indebtedness that is subordinate in right of payment, by contract or otherwise, to any Indebtedness of the Company or such Guarantor, as the case may be, unless such Indebtedness is also *pari passu* with the Securities or the Guarantee of such

Guarantor, or subordinate in right of payment to the Securities or such Guarantee to at least the same extent as the Securities or such Guarantee are subordinate in right of payment to Senior Indebtedness or Guarantor Senior Indebtedness, as the case may be, as set forth in this Indenture.

Section 1012. Limitation on Liens.

The Company shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, affirm or suffer to exist any Lien of any kind upon any of its property or assets (including any intercompany notes), now owned or acquired after the date of this Indenture, or any income or profits therefrom, except if the Securities are directly secured equally and ratably with (or prior to in the case of Liens with respect to Subordinated Indebtedness) the obligation or liability secured by such Lien, excluding, however, from the operation of the foregoing any of the following;

(a) any Lien existing as of the date of this Indenture and listed on Schedule II hereto;

(b) any Lien arising by reason of (i) any judgment, decree or order of any court, so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree or order shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired; (ii) taxes not yet delinquent or which are being contested in good faith; (iii) security for payment of workers' compensation or other insurance; (iv) good faith deposits in connection with tenders, leases, contracts (other than contracts for the payment of money); (v) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of property material to the operation of the business of the Company or any Subsidiary or the value of such property for the purpose of such business; (vi) deposits to secure public or statutory obligations, or in lieu of surety or appeal bonds; (vii) certain surveys, exceptions, title defects, encumbrances, easements, reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph or telephone lines and other similar purposes or zoning or other restrictions as to the use of real property not interfering with the ordinary conduct of the business of the Company or any of its Subsidiaries; or (viii) operation of law in favor of mechanics, materialmen, laborers, employees or suppliers, incurred in the ordinary course of business for sums which are not yet delinquent or are being contested in good faith by negotiations or by appropriate proceedings which suspend the collection thereof;

(c) any Lien now or hereafter existing on property of the Company or any of its Restricted Subsidiaries securing Senior Indebtedness or Guarantor Senior Indebtedness, in each case which Indebtedness is permitted under the provisions of Section 1008 and provided that the provisions of Section 1014 are complied with;

(d) any Lien securing Acquired Indebtedness created prior to (and not created in connection with or in contemplation of) the incurrence of such Indebtedness by the Company or any Subsidiary, in each case which Indebtedness is permitted under the provisions of Section 1008;

provided that any such Lien only extends to the assets that were subject to such Lien securing such Acquired Indebtedness prior to the related transaction by the Company or its Subsidiaries;

(e) any Lien securing Permitted Subsidiary Indebtedness; and

(f) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (a) through (e) so long as the amount of security is not increased thereby.

Section 1013. Limitation on Sale of Assets.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate an Asset Sale unless (i) at

least 80% of the consideration from such Asset Sale is received in cash and (ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the shares or assets sold (other than in the case of an involuntary Asset Sale, as determined by the Board of Directors of the Company and evidenced in a Board Resolution).

(b) If all or a portion of the Net Cash Proceeds of any Asset Sale are not required to be applied to repay permanently any Senior Indebtedness then outstanding as required by the terms thereof, or the Company determines not to apply such Net Cash Proceeds to the permanent prepayment of such Senior Indebtedness or if no such Senior Indebtedness is then outstanding, then the Company may, within 12 months of the Asset Sale, invest the Net Cash Proceeds in properties and assets that (as determined by the Board of Directors) replace the properties and assets that were the subject of the Asset Sale or in properties and assets that will be used in the businesses of the Company or its Restricted Subsidiaries existing on the date of this Indenture or reasonably related thereto. The amount of such Net Cash Proceeds neither used to permanently repay or prepay Senior Indebtedness nor used or invested as set forth in this paragraph constitutes "EXCESS PROCEEDS."

(c) When the aggregate amount of Excess Proceeds equals $5,000,000 or more, the Company shall apply the Excess Proceeds to the repayment of the Securities and any Pari Passu Indebtedness required to be repurchased under the instrument governing such Pari Passu Indebtedness as follows: (a) the Company shall make an offer to purchase (an "OFFER") from all Holders of the Securities in accordance with the procedures set forth in this Indenture in the maximum principal amount (expressed as a multiple of $1,000) of Securities that may be purchased out of an amount (the "SECURITY AMOUNT") equal to the product of such Excess Proceeds multiplied by a fraction, the numerator of which is the outstanding principal amount of the Securities, and the denominator of which is the sum of the outstanding principal amount of the Securities and such Pari Passu Indebtedness (subject to proration in the event such amount is less than the aggregate Offered Price of all Securities tendered) and (b) to the extent required by such Pari Passu Indebtedness to permanently reduce the principal amount of such Pari Passu Indebtedness, the Company shall make an offer to purchase or otherwise repurchase or redeem Pari Passu Indebtedness (a "PARI PASSU OFFER") in an amount (the "PARI PASSU DEBT AMOUNT") equal to the excess of the Excess Proceeds over the Security Amount; provided that in no event shall
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the Pari Passu Debt Amount exceed the principal amount of such Pari Passu Indebtedness plus the amount of any premium required to be paid to repurchase such Pari Passu Indebtedness. The offer price shall be payable in cash in an amount equal to 100% of the principal amount of the Securities plus accrued and unpaid interest, if any, to the date (the "OFFER

DATE") such Offer is consummated (the "OFFERED PRICE"), in accordance with the procedures set forth in this Indenture. To the extent that the aggregate Offered Price of the Securities tendered pursuant to the Offer is less than the Security Amount relating thereto or the aggregate amount of Pari Passu Indebtedness that is purchased is less than the Pari Passu Debt Amount (the amount of such shortfall, if any, constituting a "DEFICIENCY"), the Company shall use such Deficiency in the business of the Company and its Restricted Subsidiaries. Upon completion of the purchase of all the Securities tendered pursuant to an Offer and repurchase of the Pari Passu Indebtedness pursuant to a Pari Passu Offer, the amount of Excess Proceeds, if any, shall be reset at zero.

(d) Whenever the Excess Proceeds received by the Company exceed $5,000,000, such Excess Proceeds shall be set aside by the Company in a separate account pending (i) deposit with the Depositary or a Paying Agent of the amount required to purchase the Securities or Pari Passu Indebtedness tendered in an Offer or a Pari Passu Offer, (ii) delivery by the Company of the Offered Price to the Holders of the Securities or Pari Passu Indebtedness tendered in an Offer or a Pari Passu Offer and (iii) application, as set forth above, of Excess Proceeds in the business of the Company and its Restricted Subsidiaries. Such Excess Proceeds may be invested in Temporary Cash Investments, provided that the
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maturity date of any such investment made after the amount of Excess Proceeds exceeds $5,000,000 shall not be later than the Offer Date. The Company shall be entitled to any interest or dividends accrued, earned or paid on such Temporary Cash Investments; provided that the Company shall not withdraw such interest
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from the separate account if an Event of Default has occurred and is continuing.

(e) If the Company becomes obligated to make an Offer pursuant to clause (c) above, the Securities shall be purchased by the Company, at the option of the Holder thereof, in whole or in part, in integral multiples of $1,000, on a date that is not earlier than 45 days and not later than 60 days from the date the notice is given to Holders, or such later date as may be necessary for the Company to comply with the requirements under the Exchange Act, subject to proration in the event the Security Amount is less than the aggregate Offered Price of all Securities tendered.

(f) The Company shall comply with the applicable tender offer rules,

including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with an Offer.

(g) The Company shall not, and shall not permit any Restricted Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under (i) Indebtedness as in effect on the date of this Indenture and listed on Schedule I hereto as such Indebtedness may be refinanced from time to time, provided that such restrictions are no less favorable to the Holders of Securities than those existing on the date of this Indenture or (ii) any Senior Indebtedness and any Guarantor Senior Indebtedness) that would materially impair the ability of the Company to make an Offer to purchase the Securities or, if such Offer is made, to pay for the Securities tendered for purchase.

(h) Subject to paragraph (f) above, within 30 days after the date on which the amount of Excess Proceeds equals or exceeds $5,000,000, the Company shall send or cause to be sent

by first-class mail, postage prepaid, to the Trustee and to each Holder of the Securities, at his address appearing in the Security Register, a notice stating or including:

(1) that the Holder has the right to require the Company to repurchase, subject to proration, such Holder's Securities at the Offered Price;

(2) the Offer Date;

(3) the instructions a Holder must follow in order to have its Securities purchased in accordance with paragraph (c) of this Section; and

(4) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Sales otherwise described in the offering materials (or corresponding successor reports) (or in the event the Company is not required to prepare any of the foregoing forms, the comparable information required pursuant to Section 1020), (ii) a description of material developments in the Company's business subsequent to the date of the latest of such Reports, (iii) if material, appropriate pro forma financial information, and (iv) such other information. if any, concerning the business of the Company which the Company in good faith believes will enable such Holders to make an informed investment decision.

(i) Holders electing to have Securities purchased hereunder will be required to surrender such Securities at the address specified in the notice at least three Business Days prior to the Offer Date. Holders will be entitled to withdraw their election to have their Securities purchased pursuant to this Section 1013 if the Company receives, not later than three Business Days prior to the Offer Date, a facsimile transmission or letter setting forth (1) the name of the Holder, (2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted, (3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which his election is to be withdrawn, (4) a statement that such Holder is withdrawing his election to have such principal amount of such Security purchased, and (5) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original notice of the Offer and that has been or will be delivered for purchase by the Company.

(j) The Company shall (i) not later than the Offer Date, accept for payment Securities or portions thereof tendered pursuant to the Offer, (ii) not later than 10:00 a.m. (New York City time) on the Offer Date, deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money in same day funds (or New York Clearing House funds if such deposit is made prior to the Offer Date) sufficient to pay the aggregate Offered Price of all the Securities or portions thereof that are to be purchased on that date and (iii) not later than the Offer Date, deliver to the Paying Agent (if other than the Company) an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company.

Subject to applicable escheat laws, as provided in the Securities, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest, if any, thereon, held by them for the payment of the Offered Price; provided, however, that (x) to the extent that the

aggregate amount of cash deposited by the Company with the Trustee in respect of an Offer exceeds the aggregate Offered Price of the Securities or portions thereof to be purchased, the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Offer Date the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon.

(k) Securities to be purchased shall, on the Offer Date, become due and payable at the Offered Price and from and after such date (unless the Company shall default in the payment of the Offered Price) such Securities shall cease to bear interest. Such Offered Price shall be paid to such Holder promptly following the later of the Offer Date and the time of delivery of such Security to the relevant Paying Agent at the office of such Paying Agent by the Holder thereof in the manner required. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Offered Price; *provided, however*, that installments of interest whose Stated Maturity is on or prior to the Offer Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309; *provided*, further, that Securities to be purchased are subject to proration in the event the Excess Proceeds are less than the aggregate Offered Price of all Securities tendered for purchase, with such adjustments as may be appropriate by the Trustee so that only Securities in denominations of $1,000 or integral multiples thereof, shall be purchased. If any Security tendered for purchase shall not be so paid upon surrender thereof by deposit of funds with the Trustee or a Paying Agent in accordance with paragraph (j) above, the principal thereof shall, until paid, bear interest from the Offer Date at the rate borne by such Security. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased.

Section 1014. *Limitation on Issuances of Guarantees of and Pledges for Indebtedness.*

(a) The Company shall not permit any Restricted Subsidiary, other than the Guarantors, directly or indirectly, to secure the payment of any Senior Indebtedness of the Company and the Company will not, and will not permit any Restricted Subsidiary to, pledge any intercompany notes representing obligations of any Restricted Subsidiary (other than the Guarantors) to secure the payment of any Senior Indebtedness unless in each case such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture providing for a guarantee of payment of the Securities by such Restricted Subsidiary, which guarantee shall be on the same terms as the guarantee of the Senior Indebtedness (if a guarantee of Senior Indebtedness is granted by any such Restricted Subsidiary) except that the guarantee of the Securities need not be secured and shall be subordinated to the claims against such Restricted Subsidiary in respect of Senior Indebtedness to the

same extent as the Securities are subordinated to Senior Indebtedness of the Company under this Indenture.

(b) The Company shall not permit any Restricted Subsidiary, other than the Guarantors, directly or indirectly, to guarantee, assume or in any other manner become liable with respect to any Indebtedness of the Company (other than guarantees in existence on the date of this Indenture) unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to this Indenture providing for a guarantee of the Securities on the same terms as the guarantee of such Indebtedness except that if the Securities are subordinated in right of payment to such Indebtedness, the guarantee under the supplemental indenture shall be subordinated to the guarantee of such Indebtedness to the same extent as the Securities are subordinated to such Indebtedness under this Indenture.

(c) Each guarantee created pursuant to the provisions described in the foregoing paragraph is referred to as a "GUARANTEE" and the issuer of each such Guarantee is referred to as a "GUARANTOR." Notwithstanding the foregoing, any Guarantee by a Restricted Subsidiary of the Securities shall provide by its terms that it shall be automatically and unconditionally released and discharged upon (i) any sale, exchange or transfer, to any Person not an Affiliate of the

Company, of all of the Company's Equity Interest in, or all or substantially all the assets of, such Restricted Subsidiary, which is in compliance with this Indenture or (ii) (with respect to any Guarantees created after the date of this Indenture) the release by the holders of the Indebtedness of the Company described in clauses (a) and (b) above of their security interest or their guarantee by such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness), at a time when (A) no other Indebtedness of the Company has been secured or guaranteed by such Restricted Subsidiary, as the case may be, or (B) the holders of all such other Indebtedness which is secured or guaranteed by such Restricted Subsidiary also release their security interest in, or guarantee by, such Restricted Subsidiary (including any deemed release upon payment in full of all obligations under such Indebtedness).

Section 1015. Restriction on Transfer of Assets.

The Company and the Guarantors shall not sell, convey, transfer or otherwise dispose of their respective assets or property to any of the Company's Restricted Subsidiaries (other than any Guarantor), except for sales, conveyances, transfers or other dispositions made in the ordinary course of business. For purposes of this provision, any sale, conveyance, transfer, lease or other disposition of property or assets, having a Fair Market Value in excess of (a) $ 1,000,000 for any sale, conveyance, transfer, lease or disposition or series of related sales, conveyances, transfers, leases and dispositions and (b) $5,000,000 in the aggregate for all such sales, conveyances, transfers, leases or dispositions in any fiscal year of the Company shall not be considered "IN THE ORDINARY COURSE OF BUSINESS"; provided that sales by the Company of block program time and spot advertising shall not be deemed not to be "IN THE ORDINARY COURSE OF BUSINESS" solely because of the dollar value of such sales.

Section 1016. Purchase of Securities upon a Change of Control.

(a) If a Change of Control shall occur at any time, then each Holder of Securities shall have the right to require that the Company purchase such Holder's Securities in whole or in part

in integral multiples of $1,000, at a purchase price (the "CHANGE OF CONTROL PURCHASE PRICE") in cash in an amount equal to 101% of the principal amount of such Securities, plus accrued and unpaid interest, if any, to the date of purchase (the "CHANGE OF CONTROL PURCHASE DATE"), pursuant to the offer described In Subsection (c) of this Section (the "CHANGE OF CONTROL OFFER") and in accordance with the procedures set forth in Subsections (b), (c), (d) and (e) of this Section.

(b) Within 30 days following any Change of Control, the Company shall notify the Trustee thereof and give written notice (a "CHANGE OF CONTROL PURCHASE NOTICE") of such Change of Control to each Holder by first-class mail, postage prepaid, at his address appearing in the Security Register stating or including:

(1) that a Change of Control has occurred, the date of such event, and that such Holder has the right to require the Company to repurchase such Holder's Securities at the Change of Control Purchase Price;

(2) the circumstances and relevant facts regarding such Change of Control (including but not limited to information with respect to pro forma historical income, cash flow and capitalization after giving effect to such Change of Control);

(3) (i) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q, as applicable, and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required to be prepared by the Company and any Guarantor pursuant to Section 1020), (ii) a description of material developments in the Company's business subsequent to the date of the latest of such reports and (iii) such other information, if any, concerning the business of the Company that the Company in good faith believes will enable such Holders to make an informed investment decision;

(4) that the Change of Control Offer is being made pursuant to this Section 1016(a) and that all Securities property tendered pursuant to the Change of Control Offer will be accepted for payment at the Change of Control Purchase Price;

(5) the Change of Control Purchase Date which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed, or such later date as is necessary to comply with requirements under the Exchange Act;

(6) the Change of Control Purchase Price;

(7) the names and addresses of the Paying Agent and the offices or agencies referred to in Section 1002;

(8) that Securities must be surrendered on or prior to the Change of Control Purchase Date to the Paying Agent at the office of the Paying Agent or to an office or agency referred to in Section 1002 to collect payment;

(9) that the Change of Control Purchase Price for any Security which has been properly tendered and not withdrawn will be paid promptly following the Change of Control Offer Purchase Date;

(10) the procedures for withdrawing a tender of Securities and Change of Control Purchase Notice;

(11) that any Security not tendered will continue to accrue interest; and

(12) that, unless the Company defaults in the payment of the Change of Control Purchase Price, any Security accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Purchase Date.

(c) Upon receipt by the Company of the proper tender of Securities, the Holder of the Security in respect of which such proper tender was made shall (unless the tender of such Security is properly withdrawn) thereafter be entitled to receive solely the Change of Control Purchase Price with respect to such Security. Upon surrender of any such Security for purchase in accordance with the foregoing provisions, such Security shall be paid by the Company at the Change of Control Purchase Price; *provided, however*, that installments of interest whose Stated Maturity is on or prior to the Change of Control Purchase Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309. If any Security tendered for purchase shall not be so paid upon surrender thereof, the principal thereof (and premium, if any, thereon) shall, until paid, bear interest from the Change of Control Purchase Date at the rate borne by such Security. Holders electing to have Securities purchased will be required to surrender such Securities to the Paying Agent at the address specified in the Change of Control Purchase Notice at least two Business Days prior to the Change of Control Purchase Date. Any Security that is to be purchased only in part shall be surrendered to a Paying Agent at the office of such Paying Agent (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Security Registrar or the Trustee, as the case may be, duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, one or more new Securities of any authorized denomination as requested by such Holder in an aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Security so surrendered that is not purchased.

(d) The Company shall (i) not later than the Change of Control Purchase Date, accept for payment Securities or portions thereof tendered pursuant to the Change of Control Offer, (ii) not later than 10:00 a.m. (New York City time) on the Change of Control Purchase Date, deposit with the Paying Agent an amount of cash sufficient to pay the aggregate Change of Control Purchase Price of all the Securities or portions thereof which are to be purchased as of the Change of Control Purchase Date and (iii) not later than the Change of Control Purchase Date, deliver to the Paying Agent an Officers' Certificate stating the Securities or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail or deliver to Holders of Securities so accepted payment in an amount equal to the Change of Control Purchase Price of the Securities purchased from each such Holder, and the Company shall execute and the Trustee shall promptly authenticate and mail or make available for delivery to such Holders a new Security equal in principal amount to any

unpurchased portion of the Security surrendered. Any Securities not so accepted shall be promptly returned by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer on the Change of Control Purchase Date. For purposes of this Section 1016, the Company shall choose a Paying Agent which shall not be the Company.

(e) A Change of Control Purchase Notice may be withdrawn before or after delivery by the Holder to the Paying Agent at the office of the Paying

Agent of the Security to which such Change of Control Purchase Notice relates, by means of a written notice of withdrawal delivered by the Holder to the Paying Agent at the office of the Paying Agent or to the office or agency referred to in Section 1002 to which the related Change of Control Purchase Notice was delivered not later than three Business Days prior to the Change of Control Purchase Date specifying, as applicable:

(1) the name of the Holder:

(2) the certificate number of the Security in respect of which such notice of withdrawal is being submitted:

(3) the principal amount of the Security (which shall be $1,000 or an integral multiple thereof) delivered for purchase by the Holder as to which such notice of withdrawal is being submitted; and

(4) the principal amount, if any, of such Security (which shall be $1,000 or an integral multiple thereof) that remains subject to the original Change of Control Purchase Notice and that has been or will be delivered for purchase by the Company.

(f) Subject to applicable escheat laws, the Trustee and the Paying Agent shall return to the Company any cash that remains unclaimed, together with interest or dividends, if any, thereon, held by them for the payment of the Change of Control Purchase Price; _provided, however_, that (x) to the extent that the aggregate amount of cash deposited by the Company pursuant to clause (ii) of paragraph (d) above exceeds the aggregate Change of Control Purchase Price of the Securities or portions thereof to be purchased, then the Trustee shall hold such excess for the Company and (y) unless otherwise directed by the Company in writing, promptly after the Business Day following the Change of Control Purchase Date the Trustee shall return any such excess to the Company together with interest, if any, thereon.

(g) The Company shall comply with the applicable tender offer rules, including Rule 14e-1 under the Exchange Act, and any other applicable securities laws or regulations in connection with a Change of Control Offer.

(h) The Company shall not, and shall not permit any Subsidiary to, create or permit to exist or become effective any restriction (other than restrictions existing under Indebtedness as in effect on the date of this Indenture) that would materially impair the ability of the Company to make a Change of Control Offer to purchase the Securities or, if such Change of Control Offer is made, to pay for the Securities tendered for purchase.

Section 1017. _Limitation on Subsidiary Equity Interests._

The Company shall not permit any Restricted Subsidiary of the Company to issue any Equity Interests, except for (a) Equity Interests issued to and held by the Company or a Wholly Owned Restricted Subsidiary, and (b) Equity Interests issued by a Person prior to the time (A) such Person becomes a Restricted Subsidiary, (B) such Person merges with or into a Restricted Subsidiary or (C) a Restricted Subsidiary merges with or into such Person;

provided, that such Equity Interests were not issued or incurred by such Person in anticipation of the type of transaction contemplated by subclause (A), (B) or (C).

Section 1018. _Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries._

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to (i) pay dividends or make any other distribution on its Equity Interests, (ii) pay any Indebtedness owed to the Company or a Restricted Subsidiary of the Company, (iii) make any Investment in the Company or a Restricted Subsidiary of the Company or (iv) transfer any of its properties or assets to the Company or any Restricted Subsidiary, except (a) any encumbrance or restriction pursuant to an agreement in effect on the date of this Indenture and listed on Schedule III hereto; (b) any encumbrance or restriction, with respect to a Restricted Subsidiary that is not a Subsidiary of the Company on the date of this Indenture, in existence at the time such Person becomes a Restricted Subsidiary of the Company and not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; (c) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (a) and (b), or in this clause (c), provided that the terms and conditions of any such encumbrances or restrictions

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are not materially less favorable to the Holders of the Securities than those under or pursuant to the agreement evidencing the Indebtedness so extended, renewed, refinanced or replaced or are not more restrictive than those set forth in this Indenture; and (d) any encumbrance or restriction created pursuant to an asset sale agreement, stock sale agreement or similar instrument pursuant to which an Asset Sale permitted under Section 1013 is to be consummated, so long as such restriction or encumbrance shall be effective only for a period from the execution and delivery of such agreement or instrument through a termination date not later than 270 days after such execution and delivery.

Section 1019. Limitation on Unrestricted Subsidiaries.

The Company shall not make, and shall not permit any of its Restricted Subsidiaries to make, any Investments in Unrestricted Subsidiaries if, at the time thereof, the aggregate amount of such Investments would exceed the amount of Restricted Payments then permitted to be made pursuant to Section 1009. Any Investments in Unrestricted Subsidiaries permitted to be made pursuant to this covenant (i) will be treated as the payment of a Restricted Payment in calculating the amount of Restricted Payments made by the Company and (ii) may be made in cash or property.

Section 1020. Provision of Financial Statements.

Whether or not the Company is subject to Section 13(a) or 15(d) of the Exchange Act, file with the Commission the annual reports, quarterly reports, information and other documents which the Company would have been required to file with the Commission pursuant to such Sections 13(a) or 15(d) if the Company were so subject, such documents to be filed with the Commission on or prior to the respective dates (the "REQUIRED FILING DATES") by which the Company would have been required so to file such documents if the Company were so subject. The Company will also in any event (x) within 15 days of each Required Filing Date (i) transmit by mail to all Holders, as their names and addresses appear in the Security Register, without cost to such Holders and (ii) file with the Trustee copies of the annual reports, quarterly reports, information and other documents which the Company would have been required to file with the Commission pursuant to Section 13(a) or 15(d) of the Exchange Act if the Company were subject to such Sections, (y) if filing such documents by the Company with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder at the Company's cost, and (z) otherwise comply with Section 314(a) of the Trust Indenture Act. In addition, if the Company has any Unrestricted Subsidiary at such time, it shall also file with the Trustee, and provide to the Holders, on the same quarterly basis, all quarterly and annual financial statements (which statements may be unaudited) as would be required by Forms 10-Q and 10-K if such Subsidiary were not an Unrestricted Subsidiaries.

Section 1021. Statement by Officers as to Default.

(a) The Company will deliver to the Trustee, on or before a date not more than 60 days after the end of each fiscal quarter and not more than 120 days after the end of each fiscal year of the Company ending after the date hereof, a written statement signed by two executive officers of the Company, one of whom shall be the principal executive officer, principal financial officer or principal accounting officer or the Company, stating whether or not, after a review of the activities of the Company during such year or such quarter and of the Company's performance under this Indenture, to the best knowledge, based on such review, of the signers thereof, the Company has fulfilled all its obligations and is in compliance with all conditions and covenants under this Indenture throughout such year or quarter, as the case may be, and, if there has been a Default specifying each Default and the nature and status thereof.

(b) When any Default or Event of Default has occurred and is continuing, or if the Trustee or any Holder or the trustee for or the holder of any other evidence of Indebtedness of the Company or any Subsidiary gives any notice or takes any other action with respect to a claimed default (other than with respect to Indebtedness in the principal amount of less than $5,000,000), the Company shall deliver to the Trustee by registered or certified mail or by telegram, overnight courier or facsimile transmission followed by hard copy an Officers' Certificate specifying such Default, Event of Default, notice or other action within five Business Days of its occurrence.

Section 1022. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any covenant or condition set forth in Sections 1006 through 1012, 1014, 1015 and 1017 through 1020, if, before or after the time for such compliance, the Holders of not less than a majority in aggregate principal

amount of the Securities at the time Outstanding shall, by Act of such Holders, waive such compliance in such instance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

Section 1023. Limitation on Asset Swaps.

The Company will not, and will not permit any Restricted Subsidiary to, engage in Asset Swaps, unless: (i) at the time of entering into such Asset Swap, and immediately after giving effect to such Asset Swap, no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof; and (ii) the Company or such Restricted Subsidiary receives consideration at the time of such Asset Swap at least equal to the Fair Market Value of the properties or assets exchanged as determined in writing by a nationally recognized investment banking or appraisal firm.

ARTICLE XI

REDEMPTION OF SECURITIES

Section 1101. Rights of Redemption.

(a) The Securities may be redeemed at the election of the Company, in whole or in part, at any time on or after October 1, 2002, subject to the conditions, and at the Redemption Price, specified in the form of Security, together with accrued and unpaid interest, if any, to the Redemption Date.

(b) At any time on or prior to October 1, 2000, the Company may redeem up to $50,000,000 of the aggregate principal amount of Securities with the net proceeds of a Public Equity Offering of the Company subject to the conditions, and at the Redemption Price, specified in the form of Security, together with accrued and unpaid interest, if any, to the Redemption Date.

Section 1102. Applicability of Article.

Redemption of Securities at the election of the Company or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article.

Section 1103. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1101 shall be evidenced by a Company Order and an Officers' Certificate. In case of any redemption at the elec tion of the Company, the Company shall, not less than 45 nor more than 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice period shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of Securities to be redeemed.

Section 1104. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities are to be redeemed, the particular Securities or portions thereof to be redeemed shall be selected not more than 60 days and not less than 30 days prior to the Redemption Date by the Trustee from the Outstanding Securities not previously called for redemption, pro rata, by lot or such other method as the Trustee shall deem fair and reasonable, and the amounts to be redeemed may be equal to $1,000 or any integral multiple thereof.

The Trustee shall promptly notify the Company and the Security Registrar in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

Section 1105. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

(a) the Redemption Date;

(b) the Redemption Price;

(c) if less than all Outstanding Securities are to be redeemed, the identification of the particular Securities to be redeemed;

(d) in the case of a Security to be redeemed in part, the principal amount of such Security to be redeemed and that after the Redemption Date upon surrender of such Security, a new Security or Securities in the aggregate principal amount equal to the unredeemed portion thereof will be issued;

(e) that Securities called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(f) that on the Redemption Date the Redemption Price will become due and payable upon each such Security or portion thereof, and that (unless the Company shall default in payment of the Redemption Price) interest thereon shall cease to accrue on and after said date;

(g) the place or places where such Securities are to be surrendered for payment of the Redemption Price; and

(h) the CUSIP number, if any, relating to such Securities.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's written request, by the Trustee in the name and at the expense of the Company.

The notice, if mailed in the manner herein provided, shall be conclusively presumed to have been given whether or not the Holder receives such notice. In any case, failure to give such notice to any Holder of any Security designated for redemption as a whole or in part, or any defect in any such notice, shall not affect the validity of the proceedings for the redemption of any other Security.

Section 1106. Deposit of Redemption Price.

On or prior to 10:00 a.m. (New York time) on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money in same day funds sufficient to pay the Redemption Price of and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities or portions thereof which are to be redeemed on that date. When the Redemption Date falls on an Interest Payment Date, payments of interest due on such date are to be paid as provided hereunder as if no such redemption were occurring.

Section 1107. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price together with accrued interest to the Redemption Date; *provided, however*, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such on the relevant Regular Record Dates according to the terms and the provisions of Section 309.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium, if any, shall, until paid, bear interest from the Redemption Date at the rate borne by such Security.

Section 1108. Securities Redeemed or Purchased in Part.

Any Security which is to be redeemed or purchased only in part shall

be surrendered to the Paying Agent at the office or agency maintained for such purpose pursuant to Section 1002 (with, if the Company, the Security Registrar or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company, the Security Registrar or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available delivery to the Holder

of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the unredeemed portion of the principal of the Security so surrendered that is not redeemed or purchased.

ARTICLE XII

SUBORDINATION OF SECURITIES

Section 1201. Securities Subordinate to Senior Indebtedness.

The Company covenants and agrees, and each Holder of a Security, by his acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the Indebtedness represented by the Securities and the payment of the principal of, premium, if any, and interest on each and all of the Securities and all other Indenture Obligations are hereby expressly made subordinate and subject in right of payment as provided in this Article to the prior payment in full, in cash or Cash Equivalents or in any other form as acceptable to the holders of Senior Indebtedness, of all Senior Indebtedness.

This Article Twelve shall constitute a continuing offer to all Persons who, in reliance upon such provisions, become holders of, or continue to hold Senior Indebtedness; and such provisions are made for the benefit of the holders of Senior Indebtedness; and such holders are made obligees hereunder and they or each of them may enforce such provisions.

Section 1202. Payment Over of Proceeds Upon Dissolution, etc..

In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or to its creditors, as such, or to its assets, or (b) any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshaling of assets or liabilities of the Company, then and in any such event:

(1) the holders of Senior Indebtedness shall be entitled to receive payment in full in cash or Cash Equivalents or in any other form as acceptable to the holders of Senior Indebtedness, of all amounts due on or in respect of all Senior Indebtedness, before the Holders of the Securities are entitled to receive any payment or distribution of any kind or character (excluding Permitted Junior Securities) on account of the principal of, premium, if any, or interest on the Securities or any other Indenture Obligations; and

(2) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities (excluding Permitted Junior Securities), by set-off or otherwise, to which the Holders or the Trustee would be entitled but for the provisions of this Article shall be paid by the liquidating trustee or agent or other Person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior

Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness held or represented by each, to the extent necessary to make payment in full in cash or Cash Equivalents or in any other form as acceptable to the Holders of Senior Indebtedness, of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness; and

(3) in the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security shall have received any

payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, in respect of principal, premium, if any, and interest on the Securities or any other Indenture Obligations before all Senior Indebtedness is paid in full, then and in such event such payment or distribution (excluding Permitted Junior Securities) shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid, to the extent necessary to pay all Senior Indebtedness in full in cash or Cash Equivalents or in any other form as acceptable to the holders of Senior Indebtedness, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

The consolidation of the Company with, or the merger of the Company with or into, another Person or the liquidation or dissolution of the Company following the sale, assignment, conveyance, transfer, lease or other disposal of all or substantially all of the Company's properties or assets to another Person upon the terms and conditions set forth in Article Eight shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshaling of assets and liabilities of the Company for the purposes of this Section if the Person formed by such consolidation or the surviving entity of such merger or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposal of all or substantially all of the Company's properties or assets, as the case may be, shall, as a part of such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal, comply with the conditions set forth in Article Eight.

Section 1203. Suspension of Payment When Senior Indebtedness in Default.

(a) Unless Section 1202 shall be applicable, upon the occurrence of a Payment Default, no payment (other than any payments previously made pursuant to the provisions described in Article Four) or distribution of any assets of the Company, of any, kind or character (excluding Permitted Junior Securities) shall be made by the Company on account of principal of, premium, if any, or interest on, the Securities or any other Indenture Obligations or on account of the purchase, redemption, defeasance (whether under Section 402 or 403) or other acquisition of or in respect of the Securities unless and until such Payment Default shall have been cured or waived or shall have ceased to exist or the Designated Senior Indebtedness with respect to which such Payment Default shall have occurred shall have been discharged or paid in full in cash or Cash Equivalents or in any other form as acceptable to the Holders of such Designated Senior Indebtedness, after which the Company shall resume making any and all required payments in respect of the Securities, including any missed payments.

(b) Unless Section 1202 shall be applicable, upon (1) the occurrence of a Non-payment Default and (2) receipt by the Trustee from the representative of the holders of Designated Senior Indebtedness (a "SENIOR REPRESENTATIVE") of written notice of such occurrence, no payment (other than any payments previously made pursuant to the provisions described in Article Four) or distribution of any assets of the Company of any kind or character (excluding Permitted Junior Securities) shall be made by the Company on account of any principal of, premium, if any, or interest on, the Securities or any other Indenture Obligations or on account of the purchase, redemption, defeasance or other acquisition of or in respect of Securities for a period ("PAYMENT BLOCKAGE PERIOD") commencing on the date of receipt by the Trustee of such notice unless and until the earliest of (subject to any blockage of payments that may then or thereafter be in effect under subsection (a) of this Section 1203) (x) 179 days having elapsed since receipt of such written notice by the Trustee (provided such Designated Senior Indebtedness as to which notice was given shall theretofore have not been accelerated), (y) the date such Non-payment Default (and all Non-payment Defaults as to which notice is also given after such period is initiated) shall have been cured or waived or shall have ceased to exist or the Designated Senior Indebtedness related thereto shall have been discharged or paid in full in cash or Cash Equivalents or in any other form as acceptable to the Holders of Designated Senior Indebtedness, or (z) the date on which such Payment Blockage Period (and all Non-payment Defaults as to which notice is given after such Payment Blockage Period is initiated) shall have been terminated by written notice to the Trustee from the Senior Representative, after which, in each such case, the Company shall resume making any and all required payments in respect of the Securities, including any missed payments. Notwithstanding any other provision of this Indenture, in no event shall a Payment Blockage Period extend beyond 179 days from the date of the receipt by the Company or the Trustee of the notice referred to in clause (2) of this paragraph (b) (the "INITIAL BLOCKAGE PERIOD"). Any number of notices of Non-payment Defaults may be given during the Initial Blockage Period; *provided that* during any 365-day consecutive period only one Payment Blockage Period during which payment of principal of, or interest on, the Securities may not be made may commence and the duration of the Payment Blockage Period may not exceed 179

days. No Non-payment Default with respect to Designated Senior Indebtedness which existed or was continuing on the date of the commencement of any Payment Blockage Period will be, or can be, made the basis for the commencement of a second Payment Blockage Period, whether or not within a period of 365 consecutive days, unless such default shall have been cured or waived for a period of not less than 90 consecutive days.

(c) In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, then and in such event such payment shall be paid over and delivered forthwith to a Senior Representative of the holders of the Designated Senior Indebtedness or as a court of competent jurisdiction shall direct.

Section 1204. Payment Permitted if No Default.

Nothing contained in this Article, elsewhere in this Indenture or in any other Securities shall prevent the Company, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Company referred to in Section 1202 or under the conditions described in Section 1203, from making payments at any time of principal of, premium, if any, or interest on the Securities.

Section 1205. Subrogation to Rights of Holders of Senior Indebtedness.

Subject to the payment in full of all Senior Indebtedness in cash or Cash Equivalents or in any other form as acceptable to the holders of Senior Indebtedness, the Holders of the Securities shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Senior Indebtedness until the principal of, premium, if any, and interest on the Securities shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the Holders or the Trustee would be entitled except for the provisions of this Article, and no payments over pursuant to the provisions of this Article to the holders of Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among the Company, its creditors other than holders of Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

Section 1206. Provisions Solely to Define Relative Rights.

The provisions of this Article are intended solely for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Senior Indebtedness on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among the Company, its creditors other than holders of Senior Indebtedness and the Holders of the Securities, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities the principal of, premium, if any, and interest on the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company of the Holders of the Securities and creditors of the Company other than the holders of Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Indebtedness (1) in any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Company referred to in Section 1202, to receive, pursuant to and in accordance with such Section, cash, property and securities otherwise payable or deliverable to the Trustee or such Holder, or (2) under the conditions specified in Section 1203, to prevent any payment prohibited by such Section or enforce their rights pursuant to Section 1203(c).

Section 1207. Trustee to Effectuate Subordination.

Each Holder of a Security by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes, including, in the event of any dissolution, winding-up, liquidation or reorganization of the Company whether in bankruptcy, insolvency, receivership proceedings, or otherwise, the timely filing of a claim for the unpaid balance of the Indebtedness of the Company owing to such Holder in the form required in Such proceedings and the causing of such claim to be approved.

Section 1208. No Waiver of Subordination Provisions.

(a) No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act by any such holder, or by any non-compliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

(b) Without limiting the generality of Subsection (a) of this Section and notwithstanding any other provision contained herein, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Senior Indebtedness, do any one or more of the following: (1) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (2) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (3) release any Person liable in any manner for the collection or payment of Senior Indebtedness; and (4) exercise or refrain from exercising any rights against the Company and any other Person, provided, however, that in no event shall any such actions limit the right of the Holders of the Securities to take any action to accelerate the maturity of the Securities in accordance with the provisions set forth in Article Five or to pursue any rights or remedies under this Indenture or under applicable laws if the taking of such action does not otherwise violate the terms of this Article.

Section 1209. Notice to Trustee.

(a) The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities or other Indenture Obligations. Notwithstanding the provisions of this Article or any provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof from the Company or a holder of Senior Indebtedness or from a Senior Representative or any trustee, fiduciary or agent therefor; and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received the notice provided for in this Section prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of, premium, if any, or interest on any Security or other Indenture Obligations), then, anything herein contained to the contrary notwithstanding but without limiting the rights and remedies of the holders of Senior Indebtedness or any trustee, fiduciary or agent thereof, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it after such date; nor shall the Trustee be charged with knowledge of the curing of any such default or the elimination of the act or condition preventing any such payment unless and until the Trustee shall have received an Officers' Certificate to such effect.

(b) The Trustee shall be entitled to rely on the delivery to it of a written notice to the Trustee and the Company by a Person representing himself to be a Senior Representative or a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor) to establish that such notice has been given by a Senior Representative or a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor); provided, however, that failure to give such notice to the Company shall not affect in any way the ability of the Trustee to rely on such notice. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

Section 1210. Reliance on Judicial Order or Certificate of Liquidating Agent.

Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee and the Holders of the Securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article, *provided* that the foregoing shall apply only if such court has been fully apprised of the provisions of this Article.

Section 1211. Rights of Trustee as a Holder of Senior Indebtedness Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 606.

Section 1212. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting under this Indenture. the term "TRUSTEE" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee; *provided, however*, that Section 1211 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 1213. No Suspension of Remedies.

Nothing contained in this Article shall limit the right of the Trustee or the Holders of Securities to take any action to accelerate the maturity of the Securities pursuant to Article Five and as set forth in this Indenture or to pursue any rights or remedies hereunder or under applicable law, subject to the rights, if any, under this Article of the holders, from time to time, of Senior Indebtedness to receive the cash, property, or securities receivable upon the exercise of such rights or remedies.

Section 1214. Trustee's Relation to Senior Indebtedness.

With respect to the holders of Senior Indebtedness. the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically, set forth in this Article, and no implied covenants or obligations with respect to the holders of Senior Indebtedness shall be read into this Article against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and the Trustee shall not be liable to any holder of Senior Indebtedness if it shall mistakenly in the absence of gross negligence or willful misconduct pay over or deliver to Holders, the Company or any other Person moneys or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

ARTICLE XIII

SATISFACTION AND DISCHARGE

Section 1301. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to

surviving rights of registration of transfer or exchange of Securities herein, rights to payment, including Penalty Amounts, and rights to replacement of stolen, lost or mutilated Securities expressly provided for) and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either:

(1) all the Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 308 or (ii) all Securities for whose payment United States dollars have theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(2) all such Securities not theretofore delivered to the Trustee for cancellation (x) have become due and payable, (y) will become due and payable at their Stated Maturity within one year, or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company or any Guarantor, in the

case of (2)(x), (y) or (z) above, has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust for that purpose an amount in United States dollars sufficient to pay and discharge the entire Indebtedness on the Securities not theretofore delivered to the Trustee for cancellation, for the principal of, premium, if any, and accrued interest at such Stated Maturity or Redemption Date;

(b) the Company or any Guarantor has paid or caused to be paid all other sums payable hereunder by the Company or any Guarantor; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that (i) all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with and (ii) such satisfaction and discharge will not result in a breach or violation of or constitute a default under, this Indenture or any other material agreement or instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound.

Opinions of Counsel required to be delivered under this Section may have qualifications customary for opinions of the type required and counsel delivering such Opinions of Counsel may rely on certificates of the Company or government or other officials customary for opinions of the type required, including certificates certifying as to matters of fact, including that various financial covenants have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 606 and, if United States dollars shall have been deposited with the Trustee pursuant to subclause (2) of Subsection (a) of this Section. the obligations of the Trustee under Section 1302 and the last paragraph of Section 1003 shall survive.

Section 1302. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all United States dollars deposited with the Trustee pursuant to Section 1301 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of, premium, if any, and interest on the Securities for whose payment such United States dollars have been deposited with the Trustee.

ARTICLE XIV

GUARANTEE

Section 1401. Guarantors' Guarantee.

For value received, each of the Guarantors, in accordance with this Article Fourteen, hereby absolutely, unconditionally and irrevocably guarantees, jointly and severally, to the Trustee and the Holders, as if the Guarantors were the principal debtor, the punctual payment and performance when due of all Indenture Obligations (which for purposes of this Guarantee shall also be deemed to

include all commissions, fees, charges, costs and other expenses (including reasonable legal fees and disbursements of one counsel in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of this Guarantee).

Section 1402. Continuing Guarantee; No Right of Set-Off; Independent Obligation.

(a) This Guarantee shall be a continuing guarantee of the payment and performance of all Indenture Obligations and shall remain in full force and effect until the payment in full of all of the Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders; and this Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders. Each Guarantor, jointly and severally, covenants and agrees to comply with all obligations, covenants, agreements and provisions applicable to it in this Indenture including those set forth in Article Eight. Without limiting the generality of the foregoing, each of the Guarantors' liability shall extend to all amounts which constitute part of the Indenture Obligations and would be owed by the Company under this Indenture and the Securities but for the fact that they are unenforceable, reduced, limited, impaired, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company.

(b) Each Guarantor, jointly and severally, hereby guarantees that the Indenture Obligations will be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise) in lawful currency of the United States of America.

(c) Each Guarantor, jointly and severally, guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the holders of the Securities.

(d) Each Guarantor's liability to pay or perform or cause the performance of the Indenture Obligations under this Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to the Guarantors in the manner prescribed in Section 106 hereof.

(e) Except as provided herein, the provisions of this Article Fourteen cover all agreements between the parties hereto relative to this Guarantee and none of the parties shall be bound by any representation, warranty or promise made by any Person relative thereto which is not embodied herein; and it is specifically acknowledged and agreed that this Guarantee has been delivered by each Guarantor free of any conditions whatsoever and that no representations, warranties or promises have been made to any Guarantor affecting its liabilities hereunder, and that the Trustee shall not be bound by any representations, warranties or promises now or at any time hereafter made by the Company to any Guarantor.

Section 1403. Guarantee Absolute.

The obligations of the Guarantors hereunder are independent of the obligations of the Company under the Securities and this Indenture and a separate action or actions may be brought and prosecuted against any Guarantor whether or not an action or proceeding is brought against the Company and whether or not the Company is joined in any such action or proceeding. The liability of the Guarantors hereunder is irrevocable, absolute and unconditional and (to the extent permitted by law) the liability and obligations of the Guarantors hereunder shall not be released, discharged, mitigated, waived, impaired or affected in whole or in part by, and each Guarantor hereby expressly waives to the fullest extent permitted by law any defense by reason of:

(a) any defect or lack of validity or enforceability in respect of any Indebtedness or other obligation of the Company or any other Person under this Indenture or the Securities, or any agreement or instrument relating to any of the foregoing;

(b) any grants of time, renewals, extensions, indulgences, releases, discharges or modifications which the Trustee or the Holders may extend to, or make with, the Company, any Guarantor or any other Person, or any change in the time, manner or place of payment of, or in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of, or any consent to or departure from,

this Indenture or the Securities, including any increase or decrease in the Indenture Obligations;

(c) the taking of security from the Company, any Guarantor or any other Person, and the release, discharge or alteration of, or other dealing with, such security;

(d) the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Indenture Obligations and the obligations of any Guarantor hereunder;

(e) the abstention from taking security from the Company, any, Guarantor or any other Person or from perfecting, continuing to keep perfected or taking advantage of any security;

(f) any loss, diminution of value or lack of enforceability of any security received from the Company, any Guarantor or any other Person, and including any other guarantees received by the Trustee:

(g) any other dealings with the Company, any Guarantor or any other Person, or with any security;

(h) the Trustee's or the Holders' acceptance of compositions from the Company or any Guarantor;

(i) the application by the Holders or the Trustee of all monies at any time and from time to time received from the Company, any Guarantor or any other Person on account of any indebtedness and liabilities owing by the Company or any Guarantor to the Trustee or the Holders, in such manner as the Trustee or the Holders deems best and the changing of such application in whole or in part and at any time or from time to time, or any manner of application of collateral, if any, or proceeds thereof, to all or any of the Indenture Obligations, or the manner of sale of any such collateral;

(j) the release or discharge of the Company or any Guarantor of the Securities or of any Person liable directly as surety or otherwise by operation of law or otherwise for the Securities, other than an express release in writing given by the Trustee, on behalf of the Holders, of the liability and obligations of any Guarantor hereunder;

(k) any change in the name, business, capital structure or governing instrument of the Company or any Guarantor or any refinancing or restructuring of any of the Indenture Obligations;

(l) the sale of the Company's or any Guarantor's business or any part thereof;

(m) subject to Section 1414, any merger or consolidation, arrangement or reorganization of the Company, any Guarantor, any Person resulting from the merger or consolidation of the Company or any Guarantor with any other Person or any other successor to such Person or merged or consolidated Person or any other change in the corporate existence, structure or ownership of the Company or any Guarantor;

(n) the insolvency, bankruptcy, liquidation, winding-up, dissolution, receivership or distribution of the assets of the Company or its assets or any resulting discharge of any obligations of the Company (whether voluntary or involuntary) or of any Guarantor or the loss of corporate existence;

(o) subject to Section 1414, any arrangement or plan of reorganization affecting the Company or any Guarantor;

(p) any other circumstance (including any statute of limitations) that might otherwise constitute a defense available to, or discharge of, the Company or any Guarantor;

(q) any modification, compromise, settlement or release by the Trustee, or by operation of law or otherwise, of the Indenture Obligations or the liability of the Company or any other obligor under the Securities, in whole or in part, and any refusal of payment by the Trustee, in whole or in part, from any other obligor or other guarantor in connection with any of the Indenture Obligations, whether or not with notice to, or further assent by, or any reservation of rights against, each of the Guarantors;

(r) the illegality, invalidity or unenforceability of all or any part of the Indenture Obligations, the Indenture or the Notes; or

(s) any law that provides that the obligation of a surety or guarantor must neither be larger in amount nor more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation.

Section 1404. Right to Demand Full Performance.

In the event of any demand for payment or performance by the Trustee from any Guarantor hereunder, the Trustee or the Holders shall have the right to demand its full claim and to receive all dividends or other payments in respect thereof until the Indenture Obligations have been paid in full, and the Guarantors shall continue to be jointly and severally liable hereunder for any balance which may be owing to the Trustee or the Holders by the Company under this Indenture and the Securities. The retention by the Trustee or the Holders of any security, prior to the realization by the Trustee or the Holders of its rights to such security upon foreclosure thereon, shall not, as between the Trustee and any Guarantor, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Indenture Obligations due to the Trustee or the Holders by the Company or any part thereof.

Section 1405. Waivers.

(a) Each Guarantor hereby expressly waives (to the extent permitted by law) notice of the acceptance of this Guarantee and notice of the existence, renewal, extension or the non-performance, non-payment, or non-observance on the part of the Company of any of the terms, covenants, conditions and provisions of this Indenture or the Securities or any other notice whatsoever to or upon the Company or such Guarantor with respect to the Indenture Obligations. Each Guarantor hereby acknowledges communication to it of the terms of this Indenture and the Securities and all of the provisions therein contained and consents to and approves the same. Each Guarantor hereby expressly waives (to the extent permitted by law) diligence, presentment, protest and demand for payment.

(b) Without prejudice to any of the rights or recourses which the Trustee or the Holders may have against the Company, each Guarantor hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:

(i) initiate or exhaust any rights, remedies or recourse against the Company, any Guarantor or any other Person;

(ii) value, realize upon, or dispose of any security of the Company or any other Person held by the Trustee or the Holders: or

(iii) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity;

before requiring or becoming entitled to demand payment from such Guarantor under this Guarantee.

Section 1406. The Guarantors Remain Obligated in Event the Company Is No Longer Obligated to Discharge Indenture Obligations.

It is the express intention of the Trustee and the Guarantors that if for any reason the Company has no legal existence, is or becomes under no legal obligation to discharge the Indenture Obligations owing to the Trustee or the Holders by the Company or if any of the Indenture Obligations owing by the Company to the Trustee or the Holders becomes irrecoverable from the Company by operation of law or for any reason whatsoever, this Guarantee and the covenants, agreements and obligations of the Guarantors contained in this Article Fourteen shall nevertheless be binding upon the Guarantors, as principal debtor, until such time as all such Indenture Obligations have been paid in full to the Trustee and all Indenture Obligations owing to the Trustee or the Holders by the Company have been discharged, or such earlier time as Section 402 shall apply to the Securities and the Guarantors shall be responsible for the payment thereof to the Trustee or the Holders upon demand.

Section 1407. Fraudulent Conveyance; Subrogation.

(a) Any term or provision of this Guarantee to the contrary notwithstanding, the aggregate amount of the Indenture Obligations guaranteed hereunder shall be reduced to the extent necessary to prevent this Guarantee from violating or becoming voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) Each Guarantor hereby waives all rights of subrogation or contribution, whether arising by contract or operation of law (including, without limitation, any such right arising under federal bankruptcy law) or otherwise by reason of any payment by it pursuant to the provisions of this Article Fourteen. The Guarantor further agrees that, to the extent that the waiver of, or agreement not to exercise, any such rights, remedies, powers or privileges is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights, remedies, powers or privileges the Guarantor may have shall be junior and subordinate to the rights, remedies, powers and privileges of the Holders against the Guarantor under this Guarantee.

Section 1408. Guarantee Is in Addition to Other Security.

This Guarantee shall be in addition to and not in substitution for any other guarantees or other security which the Trustee may now or hereafter hold in respect of the Indenture Obligations owing to the Trustee or the Holders by the Company and (except as may be required by law) the Trustee shall be under no obligation to marshal in favor of each of the Guarantors any other guarantees or other security or any moneys or other assets which the Trustee may be entitled to receive or upon which the Trustee or the Holders may have a claim.

Section 1409. Release of Security Interests.

Without limiting the generality of the foregoing and except as otherwise provided in this Indenture, each Guarantor hereby consents and agrees, to the fullest extent permitted by applicable law, that the rights of the Trustee hereunder, and the liability of the Guarantors hereunder, shall not be affected by any releases for any purpose of any collateral, if any, from the Liens and security interests

created by any collateral document and that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indenture Obligations is rescinded or must otherwise be returned by the Trustee upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

Section 1410. No Bar to Further Actions.

Except as provided by law, no action or proceeding brought or instituted under Article Fourteen and this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defense to any further action or proceeding which may be brought under Article Fourteen and this Guarantee by reason of any further default or defaults under Article Fourteen and this Guarantee or in the payment of any of the Indenture Obligations owing by the Company.

Section 1411. Failure to Exercise Rights Shall Not Operate as a Waiver; No Suspension of Remedies.

(a) No failure to exercise and no delay in exercising, on the part of the Trustee or the Holders, any right, power, privilege or remedy under this Article Fourteen and this Guarantee shall operate as a waiver thereof, nor shall any single or partial exercise of any rights, power, privilege or remedy preclude any other or further exercise thereof, or the exercise of any other rights, powers, privileges or remedies. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided in law or equity.

(b) Nothing contained in this Article Fourteen shall limit the right of the Trustee or the Holders to take any action to accelerate the maturity of the Securities pursuant to Article Five or to pursue any rights or remedies hereunder or under applicable law.

Section 1412. Trustee's Duties, Notice to Trustee.

Any provision in this Article Fourteen or elsewhere in this Indenture allowing the Trustee to request any information or to take any action authorized by, or on behalf of any Guarantor, shall be permissive and shall not be obligatory on the Trustee except as the Holders may direct in accordance with the provisions of this Indenture or the failure of the Trustee to request any such information or to take any such action arises from the Trustee's negligence or willful misconduct.

Section 1413. Successors and Assigns.

All terms, agreements and conditions of this Article Fourteen shall extend to and be binding upon each Guarantor and its successors and permitted assigns and shall enure to the benefit of and may be enforced by the Trustee and its successors and assigns, provided, however, that the Guarantors may not assign any of their rights or obligations hereunder other than in accordance with Article Eight.

Section 1414. Release of Guarantee.

Concurrently with the payment in full of all of the Indenture Obligations, the Guarantors shall be released from and relieved of their obligations under this Article Fourteen. Upon

the delivery by the Company to the Trustee of an Officer's Certificate and an Opinion of Counsel to the effect that the transaction giving rise to the release of this Guarantee was made by the Company in accordance with the provisions of this Indenture and the Securities, the Trustee shall execute any documents reasonably required in order to evidence the release of the Guarantors from their obligations under this Guarantee. If any of the Indenture Obligations are revived and reinstated after the termination of this Guarantee, then all of the obligations of the Guarantors under this Guarantee shall be revived and reinstated as if this Guarantee had not been terminated until such time as the Indenture Obligations are paid in full, and each Guarantor shall enter into an amendment to this Guarantee, reasonably satisfactory to the Trustee, evidencing such revival and reinstatement.

This Guarantee shall terminate with respect to each Guarantor and shall be automatically and unconditionally released and discharged as provided in Section 1014(c).

Section 1415. Execution of Guarantee.

To evidence the Guarantee, each Guarantor hereby agrees to execute the guarantee substantially in the form set forth in Section 206, to be endorsed on each Security authenticated and delivered by the Trustee and that this Indenture shall be executed on behalf of each Guarantor by its Chairman of the Board, its President, or one of its Vice Presidents and attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.

Section 1416. Guarantee Subordinate to Guarantor Senior Indebtedness.

Each Guarantor covenants and agrees, and each Holder of a Guarantee, by acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article, the Indebtedness represented by the Guarantees is hereby made subordinate and subject in right of payment as provided in this Article to the prior payment in full, in cash or Cash Equivalents or in any other form as acceptable to the holders of Guarantor Senior Indebtedness, of all Guarantor Senior Indebtedness; provided, however, that the Indebtedness represented by this Guarantee in all respects shall rank equally with, or prior to, all existing and future Indebtedness of such Guarantor that is expressly subordinated to such Guarantor's Guarantor Senior Indebtedness.

This Article Fourteen shall constitute a continuing offer to all Persons who, in reliance upon such provisions, become holders of, or continue to hold Guarantor Senior Indebtedness, and such provisions are made for the benefit of the holders of Guarantor Senior Indebtedness; and such holders are made obligees hereunder and they or each of them may enforce such provisions.

With respect to the relative rights of Holders and holders of Senior Indebtedness and Guarantor Senior Indebtedness and for the purpose of Section 1407(a), each Holder of a Security by his acceptance thereof acknowledges that all Senior Indebtedness and any guarantee by a Guarantor of such Senior Indebtedness shall be deemed to have been incurred prior to the incurrence by such Guarantor of its liability under its Guarantee.

Section 1417. Payment Over of Proceeds Upon Dissolution of the Guarantor, etc.

In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to any Guarantor or to its creditors, as such, or to its assets, or (b) any liquidation, dissolution or

other winding up of any Guarantor, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshaling of assets or liabilities of any Guarantor, then and in any such event;

(1) the holders of Guarantor Senior Indebtedness shall be entitled to receive payment in full in cash or Cash Equivalents or in any other form as acceptable to the holders of Guarantor Senior Indebtedness of all amounts due on or in respect of all Guarantor Senior Indebtedness, before the Holders of the Securities are entitled to receive any payment or distribution of any kind or character (excluding Permitted Guarantor Junior Securities) on account of the Guarantee of such Guarantor;

(2) any payment or distribution of assets of any Guarantor of any kind or character, whether in cash, property or securities (excluding Permitted Guarantor Junior Securities), by set-off or otherwise, to which the Holders or the Trustee would be entitled but for the provisions of this Article shall be paid by the liquidating trustee or agent or other Person making such payment or distribution. whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Guarantor Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Guarantor Senior Indebtedness may have been issued, ratably according to the segregated amounts remaining unpaid on account of the Senior Guarantor Indebtedness held or represented by each, to the extent necessary to make payment in full in cash or Cash Equivalents or in any other form as acceptable to the holders of Guarantor Senior Indebtedness of all Guarantor Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Guarantor Senior Indebtedness; and

(3) in the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security shall have received any payment or distribution of assets of any Guarantor of any kind or character, whether in cash, property or securities, in respect of the Guarantee of such Guarantor before all Guarantor Senior Indebtedness is paid in full, then and in such event such payment or distribution (excluding Permitted Guarantor Junior Securities) shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of such Guarantor for application to the payment of all Guarantor Senior Indebtedness remaining unpaid, to the extent necessary to pay all Guarantor Senior Indebtedness in full in cash or Cash Equivalents or in any other form as acceptable to the holders of Guarantor Senior Indebtedness after giving effect to any concurrent payment or distribution to or for the holders of Guarantor Senior Indebtedness.

The consolidation of any Guarantor with, or the merger of any Guarantor with or into, another Person or the liquidation or dissolution of any Guarantor following the sale, assignment, conveyance, transfer, lease or other disposal of all or substantially all of such Guarantor's properties or assets to another Person upon the terms and conditions set forth in Article Eight shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or

marshaling of assets and liabilities of such Guarantor for the purposes of this Section if the Person formed by such consolidation or the surviving entity of such merger or the Person which acquires by sale, assignment, conveyance, transfer, lease or other disposal of all or substantially all of such Guarantor's properties and assets, as the case may be, shall, as a part of such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposal comply with the conditions set forth in Article Eight.

Section 1418. Default on Guarantor Senior Indebtedness.

(a) Upon the maturity of any Guarantor Senior Indebtedness by lapse of time, acceleration or otherwise, all principal thereof and interest thereon and other amounts due in connection therewith shall first be paid in full or such payment duly provided for before any payment is made by any of the Guarantors or any Person acting on behalf of any of the Guarantors in respect of the Guarantee of such Guarantor.

(b) No payment (excluding payments in the form of Permitted Guarantor Junior Securities) shall be made by any Guarantor in respect of its Guarantee during the period in which Section 1417 shall be applicable, during any suspension of payments in effect under Section 1203(a) of this Indenture or during any Payment Blockage Period in effect under Section 1203(b) of this Indenture.

(c) In the event that, notwithstanding the foregoing, any Guarantor shall make any payment to the Trustee or the Holder of its Guarantee prohibited by the foregoing provisions of this Section, then and in such event such payment shall be paid over and delivered forthwith to the Guarantor Senior Representative or as a court of competent jurisdiction shall direct.

Section 1419. Payment Permitted by Each of the Guarantors if No Default.

Nothing contained in this Article, elsewhere in this Indenture or in any of the Securities shall prevent any Guarantor, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of such Guarantor referred to in Section 1417 or under the conditions described in Section 1418, from making payments at any time of principal of, premium, if any, or interest on the Securities.

Section 1420. Subrogation to Rights of Holders of Guarantor Senior Indebtedness.

Subject to the payment in full of all Guarantor Senior Indebtedness in cash or Cash Equivalents or in any other form acceptable to the holders of Guarantor Senior Indebtedness, the Holders of the Securities shall be subrogated to the rights of the holders of such Guarantor Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Guarantor Senior Indebtedness until the principal of, premium, if any, and interest on the Securities shall be paid in full. For purposes of such subrogation, no payments or distributions to the holders of Guarantor Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payments over pursuant to the provisions of this Article to the holders of Guarantor Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among any Guarantor, its creditors other than holders

of Guarantor Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment or distribution by such Guarantor to or on account of the Guarantor Senior Indebtedness.

Section 1421. Provisions Solely to Define Relative Rights.

The provisions of Sections 1416 through 1429 of this Indenture are intended solely, for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Guarantor Senior Indebtedness on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among any Guarantor, its creditors other than holders of Guarantor Senior Indebtedness and the Holders of the Securities, the obligation of such Guarantor, which is absolute and unconditional, to pay to the Holders of the Securities the principal of, premium, if any, and interest on the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against each of the Guarantors of the Holders of the Securities and creditors of each of the Guarantors other than the holders of Guarantor Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Guarantor Senior Indebtedness (1) in any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshaling of assets and liabilities of the Guarantors referred to in Section 1417, to receive, pursuant to and in accordance with such Section, cash, property and securities otherwise payable or deliverable to the Trustee or such Holder, or (2) under the conditions specified in Section 1418, to prevent any payment prohibited by such Section or enforce their rights pursuant to Section 1418(c).

Section 1422. Trustee to Effectuate Subordination.

Each Holder of a Security by his acceptance thereof authorizes and directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes, including, in the event of any dissolution, winding-up, liquidation or reorganization of any Guarantor whether in bankruptcy, insolvency, receivership proceedings, or otherwise, the timely filing of a claim for the unpaid balance of the Indebtedness of any Guarantor owing to such Holder in the form required in such proceedings and the causing of such claim to be approved.

Section 1423. No Waiver of Subordination Provisions.

(a) No right of any present or future holder of any Guarantor Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of

any Guarantor or by, any act or failure to act by any such holder, or by any non-compliance by any Guarantor with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

(b) Without limiting the generality of Subsection (a) of this Section and notwithstanding any other provision contained herein, the holders of Guarantor Senior Indebtedness may at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without

impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Guarantor Senior Indebtedness, do any one or more of the following: (1) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Guarantor Senior Indebtedness or any instrument evidencing the same or any agreement under which Guarantor Senior Indebtedness is outstanding; (2) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Guarantor Senior Indebtedness; (3) release any Person liable in any manner for the collection or payment of Guarantor Senior Indebtedness; and (4) exercise or refrain from exercising any rights against any of the Guarantors and any other Person; *provided*, *however*, that in no event shall any such actions limit the right of the Holders of the Securities to take any action to accelerate the maturity of the Securities in accordance with the provisions set forth in Article 5 or to pursue any rights or remedies under this Indenture or under applicable laws if the taking of such action does not otherwise violate the terms of this Article.

Section 1424. Notice to Trustee by Each of the Guarantors.

(a) Each Guarantor shall give prompt written notice to the Trustee of any fact known to such Guarantor which would prohibit the making of any payment to or by the Trustee in respect of the Guarantee. Notwithstanding the provisions of this Article or any provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof from any Guarantor or a holder of Guarantor Senior Indebtedness or from a Guarantor Senior Representative or any trustee, fiduciary or agent therefor; and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist; *provided*, *however*, that if the Trustee shall not have received the notice provided for in this Section prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of, premium, if any, or interest on any Security or any other Indenture Obligations), then, anything herein contained to the contrary notwithstanding but without limiting the rights and remedies of the holders of Guarantor Senior Indebtedness or any trustee, fiduciary or agent thereof, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it after such date; nor shall the Trustee be charged with knowledge of the curing of any such default or the elimination of the act or condition preventing any such payment unless and until the Trustee shall have received an Officers' Certificate to such effect.

(b) The Trustee shall be entitled to rely on the delivery to it of a written notice to the Trustee and each Guarantor by a Person representing himself to be a representative of one or more holders of Designated Guarantor Senior Indebtedness (a "GUARANTOR SENIOR REPRESENTATIVE") or a holder of Guarantor Senior Indebtedness (or a trustee, fiduciary or agent therefor) to establish that such notice has been given by a Guarantor Senior Representative or a holder of Guarantor Senior Indebtedness (or a trustee, fiduciary or agent therefor); *provided*, *however*, that failure to give such notice to the Company shall not affect in any way the ability of the Trustee to rely on such notice. In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Guarantor Senior Indebtedness to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Guarantor Senior Indebtedness held by such

Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

Section 1425. Reliance on Judicial Order or Certificate of Liquidating Agent.

Upon any payment or distribution of assets of any Guarantor referred to in this Article, the Trustee and the Holders of the Securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of Guarantor Senior Indebtedness and other Indebtedness of such Guarantor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article; provided that the foregoing shall apply only if such court has been fully apprised of the provisions of this Article.

Section 1426. Rights of Trustee as a Holder of Guarantor Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Guarantor Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Guarantor Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 606.

Section 1427. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting under this Indenture, the term "TRUSTEE" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or in place of the Trustee, provided, however, that Sections 1414, 1424 and 1426 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 1428. No Suspension of Remedies.

Nothing contained in this Article shall limit the right of the Trustee or the Holders of Securities to take any action to accelerate the maturity of the Securities pursuant to the provisions described under Article Five and as set forth in this Indenture or to pursue any rights or remedies hereunder or under applicable law, subject to the rights, if any, under this Article of the holders, from time to time, of Guarantor Senior Indebtedness to receive the cash, property or securities receivable upon the exercise of such rights or remedies.

Section 1429. Trustee's Relation to Guarantor Senior Indebtedness.

With respect to the holders of Guarantor Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Guarantor Senior Indebtedness shall be read into this Article against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Guarantor Senior Indebtedness and the Trustee shall not be liable to any holder of Guarantor Senior Indebtedness if it shall mistakenly in the absence of gross negligence or willful misconduct pay over or deliver to Holders, the Company or any other Person moneys or assets to which any holder of Guarantor Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

Section 1430. Limitation on Guarantee.

In any proceeding involving any state corporate law or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under its Guarantee would otherwise, be held or determined to be void, invalid or unenforceable or

if the claims of the Holders in respect of such obligations would be subordinated to the claims of any other creditors other than creditors under Senior Indebtedness on account of the Guarantor's liability under its Guarantee, then, notwithstanding any other provision of this Guarantee to the contrary, the amount of such liability shall, without any further action by the Guarantor, the Holders or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

If an officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates a Security on which a Guarantee is endorsed, such Guarantee shall be valid nevertheless.
****

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

SALEM COMMUNICATIONS CORPORATION, a California corporation, as issuer

Attest /s/ Jonathan L. Block By: /s/ Edward G. Atsinger

Jonathan L. Block — Edward G. Atsinger, III
Secretary — President and Chief Executive Officer

ATEP RADIO, INC.,
BISON MEDIA, INC.,
CARON BROADCASTING, INC.,
COMMON GROUND BROADCASTING, INC.,
GOLDEN GATE BROADCASTING COMPANY, INC.,
INLAND RADIO, INC.,
INSPIRATION MEDIA, INC.,
INSPIRATION MEDIA OF TEXAS, INC.,
NEW ENGLAND CONTINENTAL MEDIA, INC.,
NEW INSPIRATION BROADCASTING COMPANY, INC.,
OASIS RADIO, INC.,
PENNSYLVANIA MEDIA ASSOCIATES, INC.,
RADIO 1210, INC.,
SALEM COMMUNICATIONS CORPORATION, a Delaware corporation
SALEM MEDIA CORPORATION,
SALEM MEDIA OF CALIFORNIA, INC.,
SALEM MEDIA OF COLORADO, INC.,
SALEM MEDIA OF LOUISIANA, INC.,
SALEM MEDIA OF OHIO, INC.,
SALEM MEDIA OF OREGON, INC.,
SALEM MEDIA OF PENNSYLVANIA, INC.,
SALEM MEDIA OF TEXAS, INC.,
SALEM MUSIC NETWORK, INC.,
SALEM RADIO NETWORK INCORPORATED,
SALEM RADIO REPRESENTATIVES, INC.,
SOUTH TEXAS BROADCASTING, INC.,
SRN NEWS NETWORK, INC., and
VISTA BROADCASTING, INC.

as Guarantors

Attest /s/ Jonathan L. Block By: /s/ Edward G. Atsinger

Jonathan L. Block — Edward G. Atsinger, III
Secretary — President and Chief Executive Officer

BELTWAY MEDIA PARTNERS, a California corporation, as a Guarantor

By: Salem Communication Corporation, its general partner

Attest /s/ Jonathan L. Block By: /s/ Edward G. Atsinger

Jonathan L. Block — Edward G. Atsinger, III
Secretary — President and Chief Executive Officer

By: Golden Gate Broadcasting Company, Inc., its general partner

Attest /s/ Jonathan L. Block By: /s/ Edward G. Atsinger

Jonathan L. Block — Edward G. Atsinger, III

Secretary President and Chief Executive Officer

By: New Inspirations Broadcasting Company, Inc., its general partner

Attest /s/ Jonathan L. Block By: /s/ Edward G. Atsinger

Jonathan L. Block Edward G. Atsinger, III
Secretary President and Chief Executive Officer

THE BANK OF NEW YORK, as Trustee

By: /s/ MaryBeth A. Lewicki

MaryBeth A. Lewicki
Assistant Vice President

STATE OF CALIFORNIA)
COUNTY OF VENTURA) ss.:
CITY OF CAMARILLO)

On the 30th day of September, 1997, before me, V. Lynne Yeaman, Notary Public, personally came Edward G. Atsinger, III and Jonathan L. Block to me to be the person whose names are subscribed to the within instrument as President, Chief Executive Officer and Secretary, respectively; and Salem Communications Corporation, a Cali fornia corporation, ATEP Radio, Inc., Bison Media, Inc., Caron Broadcasting, Inc., Common Ground Broadcasting, Inc., Golden Gate Broadcasting Company, Inc., Inland Radio, Inc., Inspiration Media, Inc., Inspiration Media of Texas, Inc., New England Continental Media, Inc., New Inspiration Broadcasting Company, Inc., Oasis Radio, Inc., Pennsylvania Media Associates, Inc., Radio 1210, Inc., Salem Communications Corporation, a Delaware corporation, Salem Media Corporation, Salem Media of California, Inc., Salem Media of Colorado, Inc., Salem Media of Louisiana, Inc., Salem Media of Ohio, Inc., Salem Media of Oregon, Inc., Salem Media of Pennsylvania, Inc., Salem Media of Texas, Inc., Salem Music Network, Inc., Salem Radio Network Incorporated, Salem Radio Representatives, Inc., South Texas Broadcasting, Inc., SRN News Network, Inc., Vista Broadcasting, Inc., the corporations described in and which executed the foregoing instrument; and that he signed his name thereto pursuant to authority of the Boards of Directors of such corporations.

(NOTARIAL SEAL)

WITNESS my hand and official seal.
/s/ V. Lynne Yeaman

SCHEDULE I
EXISTING INDEBTEDNESS OF SALEM COMMUNICATIONS CORPORATION
AND RESTRICTED SUBSIDIARIES

(i) Promissory Note dated March 1, 1994 by the Company to New Inspiration (with respect to the amounts owed by New Inspiration in items (iv) and (vi) below);

(ii) Promissory Note dated March 1, 1994 by the Company to Golden Gate (with respect to the amounts owed by Golden Gate in items (iii) and (v) below);

(iii) Promissory Note dated August 12, 1997 by Golden Gate to Mr. Epperson in the aggregate principal amount of $1,230,000;

(iv) Promissory Note dated August 12, 1997 by New Inspiration to Mrs. Epperson in the aggregate principal amount of $2,116,000;

(v) Promissory Note dated August 12, 1997 by Golden Gate to Mr. Atsinger in the aggregate principal amount of $1,230,000; and

(vi) Promissory Note dated August 12, 1997 by New Inspiration to Mr. Atsinger in the aggregate principal amount of $2,116,000.

SCHEDULE II
EXISTING LIENS

Liens created pursuant to each of the Borrower Security Agreement and the Subsidiary Guaranty (each as defined in the Bank Credit Agreement).

SCHEDULE III
EXISTING ENCUMBRANCES AND RESTRICTIONS

Encumbrances and restrictions created pursuant to each of the Bank Credit Agreement, the Borrower Security Agreement and the Subsidiary Guaranty (each as defined in the Bank Credit Agreement).

EXHIBIT A

[Form of Restricted Securities Transfer Certificate]

RESTRICTED SECURITIES TRANSFER CERTIFICATE (GENERAL)

(For transfers pursuant to Section 307(a) of the Indenture referred to below)

The Bank of New York,
as Securities Registrar
101 Barclay Street, 21 W,
New York, New York 10286

Re: 9.5% Senior Subordinated Notes Due 2007 (the "SECURITIES")

Reference is made to the Indenture, dated as of September 25, 1997 (the "INDENTURE"), among Salem Communications Corporation, a California corporation, the guarantors party thereto and The Bank of New York, as trustee. Terms used herein and defined in the Indenture Rule, 144A or Rule 144 under the U.S. Securities Act of 1933 (the "SECURITIES ACT") are used herein as so defined.

This certificate relates to $____________ aggregate principal amount of Securities, which are evidenced by the following certificate(s) (the "SPECIFIED SECURITIES"):

CUSIP No(s).____________________________

CERTIFICATE No(s).______________________

CURRENTLY IN BOOK-ENTRY FORM: Yes __ No __ (check one)

The person in whose name this certificate is executed below (the "UNDERSIGNED") hereby certifies that either (i) such person is the sole beneficial owner of the Specified Securities or (ii) such person is acting on behalf of all the beneficial owners of the Specified Securities and is duly authorized by them to do so. Such beneficial owner or owners are referred to herein collectively as the "OWNER". If the Specified Securities are represented by a Global Security, they are held through a Depositary (except in the name of the "The Depository Trust Company") or an Agent Member in the name of the Undersigned, as or on behalf of the Owner. If the Specified Securities are not represented by a Global Security, they are registered in the name of the Undersigned, as or on behalf of the Owner.

The Owner has requested that the Specified Securities be transferred to a person (the "TRANSFEREE") who will take delivery in the form of a Restricted Security. In connection with such transfer, the Owner hereby certifies that, unless such transfer is being effected pursuant to an effective registration statement under the Securities Act, it is being effected in accordance with Rule 144A or

Rule 144 under the Securities Act and all applicable securities laws of the states of the United States. Accordingly, the Owner hereby further certifies that:

(1) <u>Rule 144A Transfers</u>. If the transfer is being effected in accordance with Rule 144A:

(A) the Specified Securities are being transferred to a person that the Owner and any person acting on its behalf reasonably believe is a "qualified institutional buyer" within the meaning of Rule 144A, acquiring for its own account or for the account of a qualified institutional buyer; and

(B) the Owner and any person acting on its behalf have taken reasonable steps to ensure that the Transferee is aware that the Owner may be relying on Rule 144A in connection with the transfer; and

(2) <u>Rule 144 Transfers</u>. If the transfer is being effected pursuant to Rule 144:

(A) the transfer is occurring after a holding period of at least two years (computed in accordance with paragraph (d) of Rule 144) has elapsed since the date the Specified Securities were acquired from the Company or from an affiliate (as such term is defined in Rule 144) of the Company, whichever is later, and is being effected in accordance with the applicable amount, manner of sale and notice requirements of paragraphs (e), (f) and (h) of Rule 144; or

(B) the transfer is occurring after a holding period by the Owner of at least two years has elapsed since the date the Specified Securities were acquired from the Company or from an affiliate (as such term is defined in Rule 144) of the Company, whichever is later, and the Owner is not, and during the preceding three months has not been, an affiliate of the Company;

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

Dated:___________________ ____

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By:____________________________________

Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

Signature Guarantee: _____________________

(Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended)

EXHIBIT B

INTERCOMPANY NOTE

_____________ __, ___

Evidences of all loans or advances ("LOANS") hereunder shall be reflected on the grid attached hereto. FOR VALUE RECEIVED, _____________, a _____________ corporation (the "MAKER"), HEREBY PROMISES TO PAY ON DEMAND to the order of _____________ (the "HOLDER") the principal sum of the aggregate unpaid principal amount of all Loans (plus accrued interest thereon) at any time and from time to time made hereunder which has not been previously paid.

All capitalized terms used herein that are defined in, or by reference in, the Indenture among Salem Communications Corporation, a California corporation (the "COMPANY"), the guarantors party thereto and The Bank of New York, as trustee, dated as of September 25, 1997 (the "INDENTURE"), have the meanings assigned to such terms therein, or by reference therein, unless otherwise defined.

ARTICLE I

TERMS OF INTERCOMPANY NOTE

Section 1.01 Note Forgiveness. Unless the Maker of the Loan hereunder is either of the Company or any Guarantor, the Holder may not forgive any amounts owing under this intercompany note.

Section 1.02 Interest, Prepayment. (a) The interest rate ("INTEREST RATE") on the Loans shall be a rate per annum equal to the interest rate on the Securities.

(b) The interest, if any, payable on each of the Loans shall accrue from the date such Loan is made and, subject to Section 2.01, shall be payable upon demand of the Holder.

(c) If the principal or accrued interest, if any, of the Loans is not paid on the date demand is made, interest on the unpaid principal and interest will accrue at a rate equal to the Interest Rate, if any, plus 100 basis points per annum from maturity until the principal and interest on such Loans are fully paid.

(d) Subject to Section 2.01, any amounts hereunder may be prepaid at any time by the Maker.

Section 1.03. Subordination. All loans made to either of the Company or any Guarantor shall be subordinated in right of payment to the payment and performance of the obligations of the Company and any Subsidiary under the Indenture, the Securities, the Guarantees or any other Indebtedness ranking senior to or pari passu with the Securities, or any Guarantees, including, without limitation, any Indebtedness incurred under the Bank Credit Agreement.

ARTICLE II

EVENTS OF DEFAULT

Section 2.01. Events of Default. If after the date of issuance of this Loan (i) an Event of Default has occurred under the Indenture, (ii) an "Event of Default" (as defined) has occurred under the Bank Credit Agreement, or any refinancing of the Bank Credit Agreement or (iii) an "event of default" (as defined) on any other Indebtedness of the Company or any Guarantor then (x) in the event of the Maker is not either one of the Company or a Guarantor, all amounts owing under the Loans hereunder shall be immediately due and payable to the Holder, and (y) in the event the Maker is either the Company or, the amounts owing under the Loans hereunder shall not be due and payable unless the Maker is a Guarantor and the Holder is the Company; provided, however, that if such Event of Default or event of default has been waived, cured or rescinded, such amounts shall no longer be due and payable in the case of clause (x), and such amounts may be payable in the case of clause (y). If the Holder is a Subsidiary, then the Holder hereby agrees that if it receives any payments or distributions on any Loan from the Company or a Guarantor which is not payable pursuant to clause (y) of the prior sentence after any Event of Default or event or default described in clauses (i), (ii) or (iii) above has occurred, is continuing and has not been waived, cured or rescinded, it will pay over and deliver forthwith to the Company or such Guarantor, as the case may be, all such payments and distributions.

ARTICLE III

MISCELLANEOUS

Section 3.01 Amendments, Etc. No amendment or waiver of any provision of this intercompany note, or consent to depart herefrom is permitted at any time for any reason, except with the consent of the holders of not less than a majority in aggregate principal amount of the Outstanding Securities.

Section 3.02 Assignment. No party to this Agreement may assign, in whole or in part, any of its rights and obligations under this intercompany note, except to its legal successor in interest.

Section 3.03 Third Party Beneficiaries. The holders of the Securities or any other Indebtedness ranking pari passu with or senior to, the Securities or any Guarantees, including without limitation, any Indebtedness incurred under the Bank Credit Agreement, shall be third party beneficiaries to this intercompany note and shall have the right to enforce this intercompany note against the Company or any of their Subsidiaries.

Section 3.04 Headings. Article and Section headings in this intercompany note are included for convenience of reference only and shall not constitute a part of this intercompany note for any other purpose.

Section 3.05 Entire Agreement. This intercompany note sets forth the entire agreement or the parties with respect to its subject matter and supersedes all previous understandings, written or oral, in respect thereof.

Section 3.06 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF).

Section 3.07 Waivers. The Maker hereby waives presentment, demand for payment, notice of protest and all other demands and notices in connection with the delivery, acceptance, performance or enforcement hereof.

By:______________________________
Name:
Title:

BORROWINGS, MATURITIES, AND PAYMENTS OF PRINCIPAL

<TABLE>
<CAPTION>

Date	Amount of Borrowing/ Principal	Maturity of Borrowing/ Principal	Amount Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made by
<S>	<C>	<C>	<C>	<C>	<C>

</TABLE>

EXHIBIT C

[Form of Restricted Securities Transfer Certificate]

RESTRICTED SECURITIES TRANSFER CERTIFICATE (NON-U.S. PERSONS)

(For transfers pursuant to Section 307(c) of the Indenture referred to below)

The Bank of New York,
as Securities Registrar
101 Barclay Street, 21 W,
New York, New York 10286

Re: 9.5% Senior Subordinated Notes Due 2007 (the "SECURITIES")

Reference is made to the Indenture, dated as of September 25, 1997 (the "INDENTURE"), among Salem Communications Corporation, a California corporation, the guarantors party thereto and The Bank of New York, as trustee. Terms used herein and defined in Regulations S under the U.S. Securities Act of 1933 (the "SECURITIES ACT") are used herein as so defined.

In connection with our proposed sale of ________ aggregate principal amount of the Notes, we confirm that such sale has been affected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "SECURITIES ACT"), and, accordingly, we represent that:

(1) the offer of the Notes was not made to a U.S. person or to a person in United States;

(2) either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) we have advised the transferee of the transfer restrictions applicable to the Notes.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

Dated:___________________ ____

(Print the name of the Undersigned, as such term is defined in the second paragraph of this certificate.)

By:____________________________________

Name:
Title:

(If the Undersigned is a corporation, partnership or fiduciary, the title of the person signing on behalf of the Undersigned must be stated.)

Signature Guarantee: _____________________

(Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended)

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<TYPE>EX-4.07
<SEQUENCE>70
<DESCRIPTION>CREDIT AGREEMENT DATED 09/25/97
<TEXT>

- --
- --

EXHIBIT 4.07

SALEM COMMUNICATIONS CORPORATION

____

CREDIT AGREEMENT

DATED AS OF SEPTEMBER 25, 1997

BY AND AMONG

SALEM COMMUNICATIONS CORPORATION,

THE BANK OF NEW YORK,
AS ADMINISTRATIVE AGENT,

BANK OF AMERICA NT&SA,
AS DOCUMENTATION AGENT,

AND

THE LENDERS PARTY HERETO

____

WITH

BNY CAPITAL MARKETS, INC.,
AS ARRANGER

- --
- --

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Exhibit H	Form of Compliance Certificate
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Schedule 8.1 List of Borrowing
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CREDIT AGREEMENT, dated as of September 25, 1997, by and among SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), THE BANK OF NEW YORK, as administrative agent for the Lenders hereunder (in such capacity, the "Administrative Agent"), BANK OF AMERICA NT&SA, as documentation agent (in such capacity, the "Documentation Agent"), and each Lender party hereto or which becomes a "Lender" pursuant to the provisions of section 11.7 (each a "Lender" and, collectively, the "Lenders").

1. DEFINITIONS

1.1 Defined Terms.

As used in this Agreement, terms defined in the preamble have the meanings therein indicated, and the following terms have the following meanings:

"ABR Loans": the Loans (or any portions thereof) at such time as they (or such portions) are made or are being maintained at a rate of interest based upon the Alternate Base Rate.

"Accountants": Ernst & Young LLP, or such other firm of certified public accountants of recognized national standing selected by the Borrower and reasonably satisfactory to the Administrative Agent.

"Adjusted Operating Cash Flow": Operating Cash Flow less Excluded Cash Flow.

"Affected Loan": as defined in section 2.15.

"Affected Principal Amount": (i) in the event that the Borrower shall fail for any reason to borrow or convert a Loan after it shall have notified the Administrative Agent of its intent to do so in which it shall have requested a Eurodollar Loan pursuant to section 2.3 or 2.8, as the case may be, an amount equal to the principal amount of such Loan; (ii) in the event that a Eurodollar Loan shall terminate for any reason prior to the last day of the Interest Period applicable thereto, an amount equal to the principal amount of such Loan; and (iii) in the event that the Borrower shall prepay or repay all or any part of the principal amount of a Eurodollar Loan prior to the last day of the Interest Period applicable thereto, an amount equal to the principal amount of such Loan so prepaid or repaid.

"Affiliate": as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (i) to vote 5% or more of the securities having ordinary voting power for the election of directors of such Person or (ii) to direct or cause direction of the management and policies of such Person whether by contract or otherwise.

"Agreement": this Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Alternate Base Rate": on any date, a rate of interest per annum equal to the higher of (i) the BNY Rate in effect on such date or (ii) 1/2 of 1% plus the Federal Funds Rate in effect on such date.

"Applicable Margin": (a) subject to paragraph (b) of this definition, at all times during the applicable periods set forth below, (i) with respect to the unpaid principal amount of the ABR Loans, the percentage set forth below under the heading "Alternate Base Rate Margin" next to the applicable period and (ii) with respect to the unpaid principal amount of the Eurodollar Loans, the percentage set forth below under the heading "Eurodollar Rate Margin" next to

the applicable period:

Period	Alternate Base Rate Margin	Eurodollar Rate Margin
when the Total Leverage Ratio is equal to or greater than 6.00:1.00	1.750%	3.000%
when the Total Leverage Ratio is equal to or greater than 5.50:1.00 but less than 6.00:1.00	1.250%	2.500%
when the Total Leverage Ratio is equal to or greater than 5.00:1.00 but less than 5.50:1.00	1.000%	2.250%
when the Total Leverage Ratio is equal to or greater than 4.50:1.00 but less than 5.00:1.00	0.500%	1.750%
when the Total Leverage Ratio is equal to or greater than 4.00:1.00 but less than 4.50:1.00	0.250%	1.500%
when the Total Leverage Ratio is equal to or greater than 3.50:1.00 but less than 4.00:1.00	0.000%	1.250%
when the Total Leverage Ratio is less than 3.50:1.00	0.000%	1.000%

(b) Changes in the Applicable Margin resulting from a change in the Total Leverage Ratio, as evidenced by a Compliance Certificate delivered to the Administrative Agent pursuant to section 7.1(d) or a Borrowing Request or Letter of Credit Request delivered to the Administrative Agent pursuant to section 5.2(c) evidencing such a change, shall become effective upon (i) in the case of the delivery of a Compliance Certificate, the first Business Day following the delivery of (x) such Compliance Certificate and (y) the applicable financial statements required to be delivered pursuant to section 7.1(a) or (c), as the case may be, and (ii) in the case of the delivery of a Borrowing Request or Letter of Credit Request, the Borrowing Date applicable thereto. If the Borrower shall fail to deliver a Compliance Certificate within 60 days after the end of any of the first three fiscal quarters, or within 120 days after the end of the last fiscal quarter, of each fiscal year (each a "certificate delivery date"), for purposes of calculating the Applicable Margin, the Total Leverage Ratio from and including such certificate delivery date to the date of delivery by the Borrower to the Administrative Agent of such Compliance Certificate shall be conclusively presumed to be greater than 6.00:1.00.

"Arranger": BNY Capital Markets, Inc.

"Assignment": as defined in section 11.7(b).

"Assignment and Assumption Agreement": an agreement substantially in the form of Exhibit K.

"Assignment Fee": as defined in section 11.7(b).

"Authorized Signatory": the chief executive officer, the chief financial officer, the chief operating officer, the president, a general partner or any other duly authorized officer (acceptable to the Administrative Agent) of a Loan Party.

"BNY": The Bank of New York.

"BNY Rate": a rate of interest per annum equal to the rate of interest publicly announced in New York City by BNY from time to time as its prime commercial lending rate, such rate to be adjusted automatically (without notice) on the effective date of any change in such publicly announced rate.

"Borrower Security Agreement": the Borrower Security Agreement, dated as of the date hereof, between the Borrower and the Administrative Agent, substantially in the form attached hereto as Exhibit I, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrowing Date": (i) any Business Day specified in a Borrowing Request as a date on which the Borrower requests the Lenders to make Loans or (ii) any Business Day specified in a Letter of Credit Request as a date on which the Borrower requests the Issuing Bank to issue a Letter of Credit.

"Borrowing Request": a Borrowing Request substantially in the form of Exhibit C.

"Broadcasting Station": all related licenses, franchises and permits issued under federal, state or local laws from time to time which authorize a Person to receive or distribute, or both, over the airwaves, audio and visual, radio or microwave signals within a geographic area for the purpose of providing commercial broadcasting radio programming, together with all Property owned or used in connection with the programming provided pursuant to, and all interest of such Person to receive revenues from any other Person which derives revenues from or pursuant to, said licenses, franchises and permits. The term "Broadcasting Station" shall also include a corporation incorporated in the United States which shall own one or more Broadcasting Stations.

"Business Day": (i) for all purposes other than as set forth in clause (ii) below, any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law or other governmental action to close and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Business Day described in clause (i) above and which is also a day on which dealings in foreign currency and exchange between banks in the interbank eurodollar market may be carried on as determined by the Administrative Agent.

"CERCLA": the Comprehensive Environmental Response, Compensation and Liability Act, as set forth at 42 U.S.C. (S)9601, et seq. as the same may be amended from time to time, and the rules and regulations issued thereunder, as from time to time in effect.

"Change of Control": any of the following: (i) the Permitted Holders fail to own at least 75% of the total outstanding Voting Stock of the Borrower, (ii) if neither Edward G. Atsinger III nor Stuart W. Epperson is serving as chief executive officer of the Borrower and, if such circumstance is caused solely as a result of death or incapacity, the continuation thereof for a period of 30 days or (iii) a "Change of Control" (under and as defined in the Subordinated Indenture) occurs.

"Code": the Internal Revenue Code of 1986, as the same may be amended from time to time, or any successor thereto, and the rules and regulations issued thereunder, as from time to time in effect.

"Collateral": collectively, the Collateral under and as defined in the Collateral Documents.

"Collateral Documents": collectively, the Borrower Security Agreement and the Subsidiary Guaranty.

"Commitment Fee" and "Commitment Fees": as defined in section 3.1(a).

"Commonly Controlled Entity": any Subsidiary or any entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 414(b) or 414(c) of the Code.

"Communications Act": the Communications Act of 1934, as the same may be amended from time to time, and the rules and regulations issued thereunder, as from time to time in effect.

"Compliance Certificate": a certificate substantially in the form of Exhibit H.

"Consolidated": the Borrower and its Subsidiaries which are consolidated for financial reporting purposes.

"Consolidated Adjusted Operating Cash Flow": Adjusted Operating Cash Flow of the Borrower and its Subsidiaries on a Consolidated basis.

"Consolidated Annual Adjusted Operating Cash Flow": at any time, Consolidated Adjusted Operating Cash Flow for the immediately preceding four fiscal quarters for which financial statements have been delivered pursuant to section 7.1(a) or (c), or, in the event that the date of determination is a fiscal quarter ending date, the fiscal quarter then ended and the immediately preceding three fiscal quarters.

"Consolidated Annual Operating Cash Flow": at any time, Consolidated Operating Cash Flow for the immediately preceding four fiscal quarters for which financial statements have been delivered pursuant to section 7.1(a) or (c), or, in the event that the date of determination is a fiscal quarter ending date, the fiscal quarter then ended and the immediately preceding three fiscal quarters.

"Consolidated Operating Cash Flow": Operating Cash Flow of the Borrower and its Subsidiaries on a Consolidated basis.

"Consolidating": the Borrower and each of its Subsidiaries taken separately.

"Contingent Obligation": as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the beneficiary of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the beneficiary of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include the indorsement of instruments for deposit or collection in the ordinary course of business. The term Contingent Obligation shall also include the liability of a general partner in respect of the Indebtedness of a partnership in which it is a general partner, excluding Indebtedness which is non-recourse to such general partner. The amount of any Contingent Obligation of a Person shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

"Control Person": as defined in section 2.14.

"Copyright Act": Title 17 of the United States Code, as amended, and the rules and regulations issued thereunder, as from time to time in effect.

"Credit Exposure" with respect to any Lender at any time, its RC Commitment or, if no RC Commitment is in effect, the sum of its outstanding RC Loans and Letter of Credit Exposure, at such time.

"Debt Service": the sum of Interest Expense and scheduled principal amortization (including scheduled mandatory reductions of revolving credit and similar commitments) of Total Debt, whether or not actually paid, for, as applicable, the immediately preceding four fiscal quarters for which financial statements have been delivered pursuant to section 7.1(a) or (c), or, in the event that the date of determination is a fiscal quarter ending date, the fiscal quarter then ended and the immediately preceding three fiscal quarters.

"Default": any of the events specified in section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Dollars" and "$": lawful currency of the United States of America.

"Effective Date": September 25, 1997.

"Environmental Laws": any and all federal, state and local laws relating to the environment, the use, storage, transporting, manufacturing, handling, discharge, disposal or recycling of hazardous substances, materials or pollutants or industrial hygiene and including, without limitation, (i) CERCLA; (ii) the Resource Conservation and Recovery Act of 1976, as amended, 42 USCA (S)6901 et seq.; (iii) the Toxic Substance Control Act, as amended, 15 USCA (S)2601 et. seq.; (iv) the Water Pollution Control Act, as amended, 33 USCA (S)1251 et. seq.; (v) the Clean Air Act, as amended, 42 USCA (S)7401 et seq.; (vi) the Hazardous Material Transportation Authorization Act of 1994, as amended, 49 USCA (S)5101 et seq. and (viii) all rules, regulations judgments, decrees, injunctions and restrictions thereunder and any analogous state law, in each case as from time to time in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations issued thereunder, as from time to time in effect.

"Eurodollar Loan": a portion of the Loans selected by the Borrower to bear interest during an Interest Period selected by the Borrower at a rate per annum based upon a Eurodollar Rate determined with reference to such Interest Period, all pursuant to and in accordance with sections 2.3 and 2.8.

"Eurodollar Rate": with respect to any Interest Period, the rate per annum, as determined by the Administrative Agent, obtained by dividing (and then rounding to the nearest 1/16 of 1%, or, if there is no nearest 1/16 of 1%, the next higher 1/16 of 1%):

(a) the rate quoted by the Administrative Agent to major banks in the interbank eurodollar market as the rate at which the Administrative Agent is offering

Dollar deposits in an amount approximately equal to BNY's pro rata share of the given portion of the Loans selected by the Borrower to bear interest during such Interest Period based upon a rate of interest determined under this definition, and having a term to maturity corresponding to such Interest Period, as quoted at approximately 10:00 A.M. two Business Days prior to the date upon which such Interest Period is to commence, by

(b) a number equal to 1.00 minus the aggregate of the then stated maximum rates during such Interest Period of all reserve requirements (including, without limitation, marginal, emergency, supplemental and special reserves), expressed as a decimal, established by the Board of Governors of the Federal Reserve System and any other banking authority to which BNY and other major United States banks or money center banks are subject, in respect of eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of the Board of Governors of the Federal Reserve System). Such reserve requirements shall include, without limitation, those imposed under such Regulation D. Eurodollar Loans shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed to be subject to such reserve

requirements without benefit of credits for proration, exceptions or offsets which may be available from time to time to any Lender under such Regulation D. The Eurodollar Rate shall be adjusted automatically on and as of the effective date of any change in any such reserve requirement.

"Event of Default": any of the events specified in section 9, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Excess Cash Flow": at any time, in respect of any period, Consolidated Operating Cash Flow for such period (before any adjustments to reflect acquisitions, sales and exchanges of Property during such period) less the sum of, without duplication, (i) Fixed Charges and (ii) voluntary principal prepayments made pursuant to section 2.5(a), provided that the RC Commitments are permanently reduced in an aggregate amount equal to such prepayments made under section 2.5(a).

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Excluded Cash Flow": at any time, for any period, Operating Cash Flow for such period allocable to all Excluded Properties at such time.

"Excluded Property": at any time, any Broadcasting Station, designated in writing by the Borrower to the Administrative Agent and the Lenders as an Excluded Property, that was acquired by the Borrower within the immediately preceding 18 month period and in respect of which the Borrower changed the format from that in effect at the time such Broadcasting Station was acquired by the Borrower.

"Existing Credit Agreement": the Third Amended and Restated Credit Agreement, dated as of January 10, 1997, by and among the Borrower, New Inspiration Broadcasting Company, Inc., Golden Gate Broadcasting Company, Inc., Beltway Media Partners, the banks party thereto, Bank of America National Trust and Savings Association, as Agent and Collateral Agent, and The Bank of New York, as Documentation Agent, as amended.

"FCC": the Federal Communications Commission, or any Governmental Authority succeeding to the functions thereof.

"Federal Funds Rate": for any day, the rate per annum (rounded to the nearest 1/16 of 1% or, if there is no nearest 1/16 of 1%, then to the next higher 1/16 of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (i) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if such rate is not so published for any day, the Federal Funds Rate for such day shall be the average rate charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

"Fixed Charges": the sum, without duplication, of (a) Debt Service, (b) cash income taxes paid and (c) capital expenditures (excluding capital expenditures made with insurance proceeds and capital expenditures associated with an acquisition made within the 12 month period immediately following such acquisition), in each case of the Borrower and its Subsidiaries on a Consolidated basis, determined in accordance with GAAP, for, as applicable, the immediately preceding four fiscal quarters for which financial statements have been delivered pursuant to section 7.1(a) or (c), or, in the event that the date of determination is a fiscal quarter ending date, the fiscal quarter then ended and the immediately preceding three fiscal quarters.

"GAAP": generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statement by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, consistently applied. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in this Agreement, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to reflect such change in GAAP (subject

to the approval of the Required Lenders), provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent, and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

"Governmental Authority": any nation or government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator.

"Hazardous Discharge": as defined in section 11.11(b).

"Highest Lawful Rate": as to any Lender, the maximum rate of interest, if any, that at any time or from time to time may be contracted for, taken, charged or received by such Lender on the Notes held thereby, or which may be owing to such Lender pursuant

to this Agreement and the other Loan Documents under the laws applicable to such Lender and this transaction.

"Indebtedness": as to any Person, at a particular time, all items which constitute, without duplication, (i) indebtedness for borrowed money or the deferred purchase price of Property (other than trade payables incurred in the ordinary course of business), (ii) indebtedness evidenced by notes, bonds, debentures or similar instruments, (iii) obligations with respect to any conditional sale agreement or title retention agreement, (iv) indebtedness arising under acceptance facilities and the amount available to be drawn under all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder to the extent such Person shall not have reimbursed the issuer in respect of the issuer's payment of such drafts, (v) all liabilities secured by any Lien on any Property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof (other than Liens permitted under sections 8.2(i) through (iv) and carriers', warehousemen's, mechanics', repairmen's or other like non-consensual Liens arising in the ordinary course of business), (vi) obligations for principal payments under leases which have been, or under GAAP are required to be, capitalized and (vii) all Contingent Obligations.

"Indemnified Party": shall have the meaning set forth in section 11.11(a).

"Interest Expense": the sum of all (i) interest (adjusted to give effect to all Interest Rate Protection Arrangements and fees and expenses paid in connection with same, all as determined in accordance with GAAP) on Total Debt and (ii) commitment, letter of credit and similar fees, in each case of the Borrower and its Subsidiaries on a Consolidated basis, determined in accordance with GAAP, for, as applicable, the immediately preceding four fiscal quarters for which financial statements have been delivered pursuant to section 7.1(a) or (c), or, in the event that the date of determination is a fiscal quarter ending date, the fiscal quarter then ended and the immediately preceding three fiscal quarters.

"Interest Payment Date": (i) as to any ABR Loan, the last day of each March, June, September and December commencing on the first of such days to occur after such ABR Loan is made, (ii) as to any Eurodollar Loan in respect of which the Borrower has selected an Interest Period of one, two or three months, the last day of such Interest Period and (iii) as to any Eurodollar Loan in respect of which the Borrower has selected an Interest Period of six months, the last day of such Interest Period and the corresponding day of the month which is three months after the date of the commencement of such Interest Period, or, if such day is not a Business Day or does not exist, on the immediately preceding Business Day.

"Interest Period": the period commencing on any Business Day selected by the Borrower in accordance with section 2.3 or 2.8 and ending one, two, three or six months thereafter, as selected by the Borrower in accordance with such section, subject to the following:

(a) if any Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall be extended to the immediately succeeding Business Day unless the result of such extension would be to carry the end of such Interest Period into another calendar month, in which event such

Interest Period shall end on the Business Day immediately preceding such day; and

(b) if any Interest Period shall begin on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), such Interest Period shall end on the last Business Day of a calendar month.

"Interest Rate Protection Arrangement": any interest rate swap, cap or collar arrangement or any other derivative product customarily offered by banks to their customers in order to manage the exposure of such customers to interest rate fluctuations.

"Investments": as defined in section 8.5.

"Issuing Bank": BNY.

"Lending Office": in respect of any Lender, initially, the office or offices of such Lender designated as such in Schedule 1.1(L) hereto; thereafter, such other office or offices of such Lender, if any, which shall be making or maintaining Loans.

"Letter of Credit": as defined in Section 2.18.

"Letter of Credit Commitment": the commitment of the Issuing Bank to issue Letters of Credit in accordance with the terms hereof in an aggregate outstanding face amount not exceeding $15,000,000 (or, if less, the RC Commitments) at any time, as the same may be reduced pursuant to Section 2.4.

"Letter of Credit Exposure": at any time, (a) in respect of all Lenders, the sum, without duplication, of (i) the maximum aggregate amount which may be drawn under all unexpired Letters of Credit at such time (whether the conditions for drawing thereunder have or may be satisfied), (ii) the aggregate amount, at such time, of all unpaid drafts (which have not been dishonored) drawn under all Letters of Credit, and (iii) the aggregate unpaid principal amount of the Reimbursement Obligations at such time, and (b) in respect of any Lender, an amount equal to such Lender's RC Commitment Percentage at such time multiplied by the amount determined under clause (a) of this definition.

"Letter of Credit Fee": as defined in Section 3.1(c).

"Letter of Credit Participation": with respect to each Lender, its obligations to the Issuing Bank under Section 2.19.

"Letter of Credit Request": a request in the form of Exhibit D.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or other security agreement or security interest of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing.

"Loans": the RC Loans.

"Loan Documents": collectively, this Agreement, the Notes, the Reimbursement Agreements and the Collateral Documents.

"Loan Party": the Borrower, each Subsidiary Guarantor and each other party (other than the Administrative Agent, the Issuing Bank and the Lenders) that is a signatory to a Loan Document.

"Margin Stock": any "margin stock", as said term is defined in Regulation U of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time.

"Material Adverse Change": a material adverse change in (i) the operations, business, prospects, Property or condition (financial or otherwise) of (a) the Borrower or (b) the Borrower and its Subsidiaries on a Consolidated basis, (ii) the ability of the Borrower or any other Loan Party to perform its obligations under the Loan Documents to which it is a party or (iii) the ability of the Administrative Agent or any of the Lenders to enforce any of the Loan Documents.

"Material Adverse Effect": a material adverse effect on (i) the operations, business, prospects, Property or condition (financial or otherwise) of (a) the Borrower or (b) the Borrower and its Subsidiaries on a Consolidated basis, (ii) the ability of the Borrower or any other Loan Party to perform its obligations under the Loan Documents to which it is a party or (iii) the ability of the Administrative Agent or any of the Lenders to enforce any of the Loan Documents.

"Maturity Date": August 31, 2004.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Equity Proceeds": as defined in section 2.4(b)(v).

"Notes": the RC Notes.

"Operating Cash Flow": at any time, with respect to any Person, for any period: (i) revenues (exclusive of reciprocal and barter revenues) of such Person, determined in accordance with GAAP, for such period, less (ii) expenses (exclusive of depreciation, amortization, interest, income tax and reciprocal and barter expenses included therein), plus (iii) non-recurring expense items and other non-cash expense items of such Person for such period, in each case mutually agreed upon between the Borrower and the Required Lenders, to the extent deducted in accordance with clause (ii) above, less (iv) the amount of any cash payments related to non-cash expense items added pursuant to clause (iii) above. Operating Cash Flow shall be adjusted on a consistent basis to reflect the acquisition, sale, exchange and disposition of Property during such period. Operating Cash Flow shall exclude all gains and losses from the sale or disposition of Property and all extraordinary gains and losses.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, or any Governmental Authority succeeding to the functions thereof.

"Permitted Holders": as of any date of determination (i) any of Stuart W. Epperson and Edward G. Atsinger III; (ii) family members or the relatives of the Persons described in clause (i); (iii) any trusts created for the benefit of the Persons described in

clauses (i), (ii) or (iv) or any trust for the benefit of such trust; or (iv) in the event of the incompetence or death of any of the Persons described in clauses (i) and (ii), such Persons's estate, executor, administrator, committee or other personal representative or beneficiaries, in each case who at any particular date shall beneficially own or have the right to acquire, directly or indirectly, Voting Stock of the Borrower.

"Permitted Liens": Liens permitted to exist pursuant to section 8.2.

"Permitted Non-Commercial Educational Station Investment": a loan made by the Borrower or a Subsidiary to a non-profit entity, the proceeds of which are used to acquire assets used in the operation of a Broadcasting Station; provided that so long as any such Investment remains outstanding (i) such loan shall be evidenced by a promissory note and shall not be subordinated to any other Indebtedness of such non-profit entity; (ii) at least 40% of the board seats (or other comparable governing body) of such non-profit entity shall be held by executive officers of the Borrower, and (iii) a technical and professional services agreement shall be in full force and effect between such non-profit entity and the Borrower pursuant to which the Borrower shall be compensated for providing engineering, accounting, legal and other assistance in connection with the operation of the station licensed to such non-profit entity (which agreement

shall contain customary terms and conditions for technical and professional services agreements in the radio broadcasting industry generally).

"Person": an individual, a partnership, a corporation, a business trust, a joint stock company, a trust, an unincorporated association, a joint venture, a limited liability company, a Governmental Authority or any other entity of whatever nature.

"Plan": any pension plan which is covered by Title IV of ERISA and which is maintained by or to which contributions are made by the Borrower or a Commonly Controlled Entity or in respect of which the Borrower or a Commonly Controlled Entity has or may have any liability.

"Pro-Forma Debt Service": the sum of Pro-Forma Interest Expense and the scheduled payments of principal (including scheduled mandatory reductions of revolving credit and similar commitments) in respect of Total Debt required to be made during the four fiscal quarters of the Borrower immediately succeeding any determination thereof. For purposes of calculating Pro-Forma Debt Service, the principal amount outstanding under any revolving or line of credit facility on the date of any calculation of Pro-Forma Debt Service shall be assumed to be outstanding during the entire applicable four fiscal quarter period, subject to any mandatory scheduled payments of principal required to be made during such period.

"Pro-Forma Interest Expense": the sum of all interest (adjusted to give effect to all Interest Rate Protection Arrangements and fees and expenses paid in connection with the same, all as determined in accordance with GAAP) in respect of Total Debt for the four fiscal quarters of the Borrower immediately succeeding any determination thereof. Where any item of interest varies or depends upon a variable rate of interest (or other rate of interest which is not fixed for such entire four fiscal quarters), such rate, for purposes of calculating Pro-Forma Interest Expense, shall be assumed to equal the interest rate in effect on the date of such calculation. Also, for purposes of calculating Pro-Forma Interest Expense, the principal amount outstanding under any revolving or line of credit facility on the date of any calculation of Pro-Forma Debt Service shall be assumed to be

outstanding during the entire applicable four fiscal quarter period, subject to any mandatory scheduled payments of principal required to be made during such period.

"Property": all types of real, personal, tangible, intangible or mixed property.

"RC Commitment": as to any Lender, the amount set forth next to the name of such Lender on Exhibit A under the heading "RC Commitment", as such RC Commitment may be reduced from time to time pursuant to section 2.4.

"RC Commitments": the RC Commitments of all Lenders.

"RC Commitment Percentage": as to any Lender, the percentage set forth opposite the name of such Lender on Exhibit A under the heading "RC Commitment Percentage".

"RC Commitment Period": the period from the Effective Date until the RC Commitment Termination Date.

"RC Commitment Termination Date": the earlier of the Business Day immediately preceding the Maturity Date or such other date upon which the RC Commitments shall have been terminated in accordance with section 2.4 or 9.1.

"RC Loan" and "RC Loans": as defined in section 2.1.

"RC Note" and "RC Notes": as defined in section 2.2.

"Reimbursement Agreement": as defined in Section 2.18(b).

"Reimbursement Obligations": all obligations and liabilities of the Borrower due and to become due (a) under the Reimbursement Agreements and (b)

hereunder in respect of Letters of Credit.

"Reinvested Proceeds": net cash proceeds from the sale, exchange or other disposition of all or substantially all of a Broadcasting Station, after giving effect to the payment of cash taxes payable in connection with the same, which cash proceeds are used to acquire one or more additional Broadcasting Stations through a merger or acquisition in accordance with section 8.3 during the Reinvestment Period.

"Reinvestment Period": the period which is 360 days from the date that proceeds from the sale, exchange or other disposition of all or substantially all of a Broadcasting Station are received by the Borrower.

"Remaining Interest Period": (i) in the event that the Borrower shall fail for any reason to borrow or convert Loans after it shall have notified the Administrative Agent of its intent to do so in which it shall have requested a Eurodollar Loan pursuant to section 2.3 or 2.8, a period equal to the Interest Period that the Borrower elected in respect of such Eurodollar Loan; (ii) in the event that a Eurodollar Loan shall terminate for any reason prior to the last day of the Interest Period applicable thereto, a period equal to the period from and including the date of such termination to but excluding the last day of such Interest Period; and (iii) in the event that the Borrower shall prepay or repay all or any part of the principal amount of a Eurodollar Loan prior to the last day of the Interest

Period applicable thereto, a period equal to the period from and including the date of such prepayment or repayment to but excluding the last day of such Interest Period.

"Reportable Event": any event described in Section 4043(b) of ERISA, other than an event (excluding an event described in Section 4043(b)(1) relating to tax disqualification) with respect to which the 30-day notice requirement has been waived.

"Required Lenders": at any date of determination, Lenders having Credit Exposures equal to or greater than 51% of the Total Credit Exposure.

"Restricted Payment": as defined in section 8.4.

"Single Employer Plan": any Plan which is not a Multiemployer Plan.

"Solvent": with respect to any Person as of any date of determination, on such date (i) the fair value of the assets of such Person (both at fair valuation and at present fair saleable value) is, as of such date of determination, greater than the total amount of liabilities, including, without limitation, contingent and unliquidated liabilities, of such Person, (ii) such Person is able to pay all of its liabilities as they mature, and (iii) such Person does not have unreasonably small capital with which to carry on its business. In computing the amount of contingent or unliquidated liabilities at any time, such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Special Counsel": Emmet, Marvin & Martin, LLP, special counsel to the Administrative Agent.

"Stock": any and all shares, interests, participations, options, warrants or other equivalents (however designated) of corporate stock, including, without limitation, phantom stock.

"Subordinated Indenture": the Indenture, dated as of September 25, 1997, between the Borrower and The Bank of New York, as trustee, as the same may be amended, supplemented or otherwise modified from time to time in accordance with section 8.19.

"Subordinated Indenture Notes": the 9.5% Senior Subordinated Notes, due 2007, in the aggregate principal amount of $150,000,000, issued pursuant to the Subordinated Indenture, as the same may be amended, supplemented or otherwise modified from time to time in accordance with section 8.19.

"Subordinated Indenture Subsidiary Guaranty": the subordinated guaranty

or guaranties executed and delivered by one or more of the Subsidiaries in connection with the Subordinated Indenture, as the same may be amended, supplemented or otherwise modified from time to time in accordance with section 8.19.

"Subsidiary": any corporation, association, partnership, joint venture or other business entity of which the Borrower and/or any Subsidiary of the Borrower, directly or indirectly, either (i) in respect of a corporation, owns or controls more than 50% of the

outstanding Stock having ordinary voting power to elect a majority of the board of directors or similar managing body, irrespective of whether or not a class or classes shall or might have voting power by reason of the happening of any contingency, or (ii) in respect of an association, partnership, joint venture or other business entity, is entitled to share in more than 50% of the profits and losses, however determined.

"Subsidiary Guarantor": each Subsidiary.

"Subsidiary Guaranty": the Subsidiary Guaranty and Security Agreement, dated as of the date hereof, made by the Subsidiaries to the Administrative Agent, substantially in the form attached hereto as Exhibit J, as the same may be amended, supplemented or otherwise modified from time to time.

"Taxes": any present or future income, stamp or other taxes, levies, imposts, duties, fees, assessments, deductions, withholding, or other charges of whatever nature, now or hereafter imposed, levied, collected, withheld, or assessed by any jurisdiction, or by any department, agency, state or other political subdivision thereof or therein.

"Total Adjusted Debt": Total Debt less, with respect to each Excluded Property, the lesser of (i) 50% of the lesser of (x) the purchase price of such Excluded Property and (y) the independent appraisal value (if required under clause (i) of the first paragraph of section 8.3(b)) of such Excluded Property and (ii) $40,000,000 prior to December 31, 1998 and $25,000,000 thereafter.

"Total Credit Exposure": at any time, the sum of the Credit Exposures of all Lenders at such time.

"Total Debt": the aggregate Indebtedness of the Borrower and its Subsidiaries on a Consolidated basis, determined in accordance with GAAP.

"Total Leverage Ratio": the ratio of (i) Total Adjusted Debt less cash and cash equivalents in excess of $5,000,000 to (ii) Consolidated Annual Adjusted Operating Cash Flow.

"Upstream Transfers": as defined in section 8.13.

"Voting Stock": Stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation (irrespective of whether or not at the time Stock of any other class or classes shall have or might have voting power by reason or the happening of any contingency).

1.2 Principles of Construction.

(a) All terms defined in this Agreement shall have the meanings given such terms herein when used in the Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto, unless otherwise defined therein.

(b) Unless otherwise specified herein, as used in the Loan Documents and in any certificate, opinion or other document made or delivered pursuant hereto or

thereto, all accounting terms used herein shall be interpreted, and all accounting determinations hereunder shall be made, in accordance with GAAP.

(c) The words "hereof", "herein", "hereto" and "hereunder" and similar words when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, paragraph, schedule and exhibit references contained herein shall refer to sections or paragraphs hereof or schedules or exhibits hereto unless otherwise expressly provided herein.

(d) The word "or" shall not be exclusive; "may not" is prohibitive and not permissive; and the singular includes the plural.

(e) Unless otherwise specifically set forth herein, all references to time shall refer to New York City time.

2. AMOUNT AND TERMS OF LOANS.

2.1 Loans.

Subject to the terms and conditions hereof, each Lender having an RC Commitment agrees to make loans (each an "RC Loan" and, collectively with the other RC Loans of such Lender and/or with the RC Loans of each other Lender, the "RC Loans") to the Borrower from time to time during the RC Commitment Period. At all times during the RC Commitment Period, the Borrower may borrow, prepay and reborrow RC Loans in accordance with the provisions hereof, provided that the aggregate unpaid principal amount of all RC Loans and the Letter of Credit Exposure of all Lenders at any one time shall not exceed the RC Commitments then in effect, and provided further that the aggregate unpaid principal amount of each Lender's RC Loans and its Letter of Credit Exposure at any one time shall not exceed such Lender's RC Commitment. The principal amount of each Lender's RC Loan made on a Borrowing Date shall be an amount equal to its RC Commitment Percentage of all RC Loans made on such date. Subject to the provisions of sections 2.3, 2.8 and 2.15, RC Loans may be (i) ABR Loans, (ii) Eurodollar Loans or (iii) any combination thereof.

2.2 Notes.

The RC Loans of each Lender shall be evidenced by a promissory note in the form of Exhibit B (each as indorsed or modified from time to time, including all replacements thereof and substitutions therefor, an "RC Note" and, collectively with the RC Note of each other Lender, the "RC Notes"), payable to the order of such Lender, in the maximum stated principal amount equal to such Lender's RC Commitment. Each RC Note shall (i) be dated the Effective Date, (ii) be stated to mature on the Maturity Date and be payable in the amounts and at the times required by section 2.5 and (iii) bear interest on the unpaid principal amount thereof at the applicable interest rate or rates per annum determined as provided in section 2.6, payable as specified in section 2.6. Each Lender is hereby irrevocably authorized by the Borrower to enter on the schedule attached to its RC Note and/or in its internal books and records the amount of each RC Loan made by it thereunder, each payment thereon, and the other information provided for on such schedule, and such schedule and books and records shall be presumptively correct absent manifest error as to the amount of such Lender's RC Loans and as to the amount of

principal and interest paid by the Borrower in respect of such RC Loans and as to the other information set forth on such schedule or books and records relating to the RC Loans, provided, however, that the failure to make any such entry (or any error therein) with respect to any RC Loan shall not limit or otherwise affect the obligations of the Borrower hereunder or under such RC Note. Each Lender may attach one or more continuations to such schedule as and when required. In all events, the principal amount owing by the Borrower to each Lender in respect of such Lender's RC Note shall be the aggregate amount of all RC Loans made by such Lender thereunder less all payments of principal thereon made by the Borrower.

2.3 Procedure for Borrowing Loans.

(a) The Borrower may borrow RC Loans on any Business Day occurring during the RC Commitment Period, provided that, with respect to any requested borrowing, the Borrower shall notify the Administrative Agent (by telephone or telecopy) no later than 1:00 P.M., three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, and no later than 1:00 P.M., one Business Day prior to the requested Borrowing Date, in the case of ABR Loans, specifying (i) the aggregate amounts to be borrowed under the RC Commitments, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be a Eurodollar Loan, an ABR Loan, or a combination thereof, and (iv) if the

borrowing is to be a Eurodollar Loan, the length of the initial Interest Period for such Eurodollar Loan. Each such notice shall be irrevocable and confirmed immediately by delivery to the Administrative Agent of a Borrowing Request. Each borrowing of RC Loans, consisting of ABR Loans shall be in an aggregate principal amount equal to $1,000,000 or such amount plus an integral multiple of $100,000 in excess thereof or, if less, the unused amount of the RC Commitments. Each borrowing of RC Loans, as the case may be, consisting of Eurodollar Loans shall be in a minimum aggregate principal amount equal to $2,000,000 or an integral multiple of $250,000 in excess thereof. Upon receipt of each notice of borrowing from the Borrower, the Administrative Agent shall promptly notify each Lender (by telephone or otherwise, such notice to be confirmed by telecopy or other writing) of the requested borrowing. Subject to its receipt of the notice referred to in the preceding sentence and to the other terms and conditions of this Agreement, each Lender will make the amount of its applicable RC Commitment Percentage, of each borrowing available to the Administrative Agent for the account of the Borrower at the office of the Administrative Agent set forth in section 11.2 not later than 12:00 Noon, on the Borrowing Date requested by the Borrower, in funds immediately available to the Administrative Agent at such office. The amounts so made available to the Administrative Agent on a Borrowing Date will then, subject to the satisfaction of the terms and conditions of this Agreement as determined by the Administrative Agent, be made available on such date to the Borrower by the Administrative Agent, in immediately available funds, at the office of the Administrative Agent specified in section 11.2 by crediting the account of the Borrower on the books of such office with the aggregate of said amounts received by the Administrative Agent.

(b) Unless the Administrative Agent shall have received prior notice from a Lender (by telephone or otherwise, such notice to be confirmed by telecopy or other writing) that such Lender will not make available to the Administrative Agent such Lender's pro rata share of the Loans requested by the Borrower, the Administrative Agent may assume that such Lender has made such share available to the Administrative Agent on such Borrowing Date in accordance with this section 2.3 provided that such Lender

received notice of the proposed borrowing from the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such Borrowing Date a corresponding amount. If and to the extent such Lender shall not have so made such pro rata share available to the Administrative Agent, such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount (to the extent not previously paid by the other), together with interest thereon for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Administrative Agent, at a rate per annum equal to, in the case of the Borrower, the applicable interest rate set forth in section 2.6, and, in the case of such Lender, the Federal Funds Rate in effect on such date (as determined by the Administrative Agent). Such payment by the Borrower, however, shall be without prejudice to its rights against such Lender. If such Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Loan as part of such Loans for purposes of this Agreement, which Loan shall be deemed to have been made by such Lender on the Borrowing Date applicable to such Loans.

2.4 Reduction of Commitments.

(a) Voluntary Reductions. The Borrower shall have the right, upon at least three Business Days' prior irrevocable written notice to the Administrative Agent, to reduce permanently the RC Commitments or the Letter of Credit Commitment, in whole at any time, or in part from time to time, without premium or penalty, to an amount not less than (i) in the case of the RC Commitments, the sum of the aggregate outstanding principal balance of the RC Loans, after giving effect to any contemporaneous prepayment thereof, and the Letter of Credit Exposure of all Lenders, provided that each partial reduction of such RC Commitments shall be in a minimum amount of $5,000,000 or an integral multiple of $1,000,000 in excess thereof or, if less, the amount of the RC Commitments then in effect, and (ii) in the case of the Letter of Credit Commitment, the Letter of Credit Exposure of all Lenders, provided that each partial reduction of the Letter of Credit Commitment shall be in a minimum amount of $1,000,000 or an integral multiple of $1,000,000 in excess thereof or, if less, the Letter of Credit Commitment then in effect.

(b) Mandatory Reductions of RC Commitments.

(i) Mandatory Scheduled Reductions of RC Commitments. On each date set forth below, the RC Commitments shall be reduced by the amount set forth below next to such date:

<TABLE>
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Dates	Reduction Amounts
March 31, 1999	$ 2,500,000
June 30, 1999	$ 2,500,000
September 30, 1999	$ 2,500,000
December 31, 1999	$ 2,500,000
March 31, 2000	$ 2,500,000
June 30, 2000	$ 2,500,000
September 30, 2000	$ 2,500,000
December 31, 2000	$ 2,500,000
March 31, 2001	$ 2,500,000

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Dates	Reduction Amounts
June 30, 2001	$ 2,500,000
September 30, 2001	$ 2,500,000
December 31, 2001	$ 2,500,000
March 31, 2002	$ 2,500,000
June 30, 2002	$ 2,500,000
September 30, 2002	$ 2,500,000
December 31, 2002	$ 2,500,000
March 31, 2003	$ 2,500,000
June 30, 2003	$ 2,500,000
September 30, 2003	$ 2,500,000
December 31, 2003	$ 2,500,000
March 31, 2004	$ 6,250,000
June 30, 2004	$ 6,250,000
August 31, 2004	$12,500,000

</TABLE>

(ii) Mandatory Reductions of RC Commitments Relating to Excess Cash Flow. On the earlier of (i) the date the annual financial statements in respect of each fiscal year (commencing with the fiscal year ending December 31, 1998), are delivered to the Administrative Agent pursuant to section 7.1(a) or (ii) the 120th day following the end of each fiscal year (commencing with the fiscal year ending December 31, 1998), the RC Commitments shall be reduced by an amount equal to 50% of Excess Cash Flow with respect to such fiscal year, provided that no such reduction in respect of such fiscal year shall be required if (x) the Total Leverage Ratio as at the end of such fiscal year is less than 3.50:1.00 and (y) no Default or Event of Default shall exist at the end of such fiscal year or on the date the RC Commitments would be required to be reduced.

(iii) Mandatory Reductions of RC Commitments Relating to Insurance and Condemnation. The RC Commitments shall be reduced in the amounts and at the times required by sections 7.5(b) and 7.5(c).

(iv) Mandatory Reductions of RC Commitments Relating to Proceeds of Broadcasting Station Sales and Other Property Sales. The RC Commitments shall be reduced by an amount equal to the difference between (a) 100% of the proceeds of the sale, exchange or other disposition of (A) all or substantially all of any Broadcasting Station of the Borrower or any of its Subsidiaries, or (B) any other Property to the extent not sold, exchanged or disposed of in the ordinary course of business (net of (1) sales and other commissions and legal and other expenses incurred, (2) cash taxes payable, and (3) Indebtedness permitted under sections 8.1(ii) and (iv) which is secured by the Broadcasting Station or other Property sold, exchanged or disposed of and required to be repaid and is repaid, in each case in connection therewith), and (b) the amount of Reinvested Proceeds in connection with such sale, exchange or other disposition of a Broadcasting Station which has been used prior to the date such reduction is required to be made to acquire one or more additional Broadcasting Stations through a merger or acquisition in accordance with section 8.3. Such reduction shall be made on the earlier of (x) the last day of the Reinvestment Period with respect to such sale, exchange or other disposition, or (y) the occurrence of a Default or Event of Default.

(v) Mandatory Reductions of RC Commitments Relating to Issuances of Equity. The RC Commitments shall be reduced immediately upon receipt by the Borrower of the aggregate proceeds of any issuance by the Borrower of Stock (net of sales and other commissions and legal and other related expenses incurred in

connection with such issuance) (the "Net Equity Proceeds") by an amount equal to:

(A) if the Total Leverage Ratio is greater than 6.00:1.00, the lesser of (x) 100% of the Net Equity Proceeds and (y) if no Default or Event of Default shall then exist, the amount of the Net Equity Proceeds which when applied to the prepayment of the Loans will result in the Total Leverage Ratio being equal to 6.00:1.00;

(B) if the Total Leverage Ratio is greater than 4.50:1.00 but less than or equal to 6.00:1.00 (whether before or after giving effect to clause (A) above), the lesser of (x) 50% of the Net Equity Proceeds (excluding the amount of Net Equity Proceeds applied to the prepayment of the Loans pursuant to clause (A) above) if no Default or Event of Default shall then exist and (y) if no Default or Event of Default shall then exist, the amount of the Net Equity Proceeds which when applied to the prepayment of the Loans will result in the Total Leverage Ratio not exceeding 4.50:1.00; and

(C) if a Default or Event of Default shall then exist, 100% of the Net Equity Proceeds.

Notwithstanding the foregoing, provided that no Default or Event of Default shall exist immediately before or after giving effect thereto, Net Equity Proceeds shall not reduce the RC Commitments to the extent the RC Commitments are equal to or less than $50,000,000.

(vi) Mandatory Reductions of RC Commitments Relating to FCC License Interruption. In the event that for any reason any Broadcasting Station shall be off the air for a period of 30 consecutive days due to action by any Governmental Authority, the RC Commitments shall be reduced by an amount equal to the Total Leverage Ratio then in effect (but not exceeding 6.00) multiplied by the Operating Cash Flow allocable to such Broadcasting Station for the immediately preceding four fiscal quarters or, if such Broadcasting Station was acquired by the Borrower within the 18 month period prior to the first day of such 30 day period, by an amount equal to the aggregate purchase price paid by the Borrower for such Broadcasting Station.

(c) Application of Reductions.

(i) Each reduction of the RC Commitments made pursuant to this section 2.4 shall effect a corresponding reduction of each Lender's applicable RC Commitment by an amount equal to such Lender's applicable RC Commitment Percentage of such reduction.

(ii) Reductions of the RC Commitments made pursuant to section 2.4(a) or 2.4(b)(ii), (iii), (iv), (v) and (vi) shall be applied in inverse order among the remaining RC Commitment reductions set forth in section 2.4(b)(i).

(iii) Simultaneously with each reduction of the RC Commitments under this section 2.4, the Borrower shall pay the applicable Commitment Fee accrued on the amount by which such RC Commitments have been reduced.

(iv) If for any reason the Letter of Credit Exposure of all Lenders shall exceed the RC Commitments, the Borrower shall immediately deposit in a cash collateral account maintained with and under the sole dominion and control of the Administrative Agent an amount equal to such excess.

2.5 Prepayments of the Loans.

(a) Voluntary Prepayments. The Borrower may, at its option, prepay the RC Loans, in whole or in part, without premium or penalty, at any time and from time to time, by notifying the Administrative Agent at least three Business Days' prior to the proposed prepayment date with respect to Eurodollar Loans, and at least one Business Day prior to the proposed prepayment date with respect to ABR Loans. Each such notice shall be in writing and shall specify the Loans to be prepaid (whether Eurodollar Loans or ABR Loans), the amount to be prepaid, and the date of prepayment. Upon receipt by the Administrative Agent of any such notice, the Administrative Agent shall promptly notify each Lender thereof. If any such notice of the Borrower is given pursuant to this section 2.5, such notice shall be irrevocable and the payment amount specified in such notice shall be due and payable on the date specified, together with accrued interest to the date of such payment on the amount prepaid. Partial prepayments of ABR Loans shall be in an aggregate principal amount of $1,000,000 or an integral multiple of $100,000 in excess thereof and partial prepayments of Eurodollar Loans shall be in an aggregate principal amount of $2,000,000 or an integral

multiple of $250,000 in excess thereof, or, if less, the outstanding principal balance of such Loans.

(b) Mandatory Prepayments of Loans. The Borrower shall immediately prepay the RC Loans (i) at any time at which the sum of the aggregate outstanding principal amount of the outstanding RC Loans and the Letter of Credit Exposure of all Lenders exceeds the aggregate RC Commitments of all Lenders in an amount equal to the amount of such excess and (ii) in the amounts and at the times required by section 7.5.

(c) In General. If any prepayment is made under this section 2.5 with respect to any Eurodollar Loans, in whole or in part, prior to the last day of the applicable Interest Period, the Borrower agrees to indemnify the Lenders in accordance with section 2.9. After giving effect to any partial prepayment with respect to Eurodollar Loans which were made (whether as the result of a borrowing or a conversion) on the same date and which had the same Interest Period, the outstanding principal amount of such Eurodollar Loans shall not be less than $2,000,000 or an integral multiple of $250,000 in excess thereof. The Borrower may designate which Loans (ABR Loans or Eurodollar Loans) are to be prepaid in connection with any prepayment made under this section 2.5.

2.6 Interest Rate and Payment Dates; Highest Lawful Rate.

(a) Prior to Maturity. Prior to maturity, the outstanding principal amount of the Loans shall bear interest on the unpaid principal amount thereof at the Alternate Base Rate or the Eurodollar Rate, as applicable, plus the Applicable Margin.

(b) Default Rate. After maturity and at all times during the continuance of any Event of Default under section 9.1(a), (b), (h) or (i) or during the continuance for more than 30 days of any other Event of Default, the outstanding principal amount of all Loans hereunder shall bear interest, notwithstanding the rate which would otherwise be applicable pursuant to section 2.6(a) above, at a rate of interest per annum equal to 2% above such otherwise applicable rate.

(c) Late Payment Rate. Any payment of interest on any Note or any Reimbursement Obligation and any payment of any Commitment Fee, Letter of Credit Fee or other fee or payment payable by the Borrower under any Loan Document and not paid on the

date when due and payable shall bear interest, to the extent permitted by law, at the Alternate Base Rate plus the Applicable Margin for ABR Loans plus 2% per annum from the due date thereof until the date such payment is made.

(d) General. Interest on ABR Loans, to the extent based on the BNY Rate, shall be calculated on the basis of a 365 or 366 day year (as the case may be), and interest on all Eurodollar Loans and ABR Loans, to the extent based on the Federal Funds Rate, shall be calculated on the basis of a 360 day year, in each case for the actual number of days elapsed. Interest shall be payable in arrears on each Interest Payment Date and upon payment (or prepayment (or required payment or prepayment) of the Loans, except that interest payable pursuant to sections 2.6(b) and 2.6(c) shall be payable on demand. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate shall become effective as of the opening of business on the day on which such change in the Alternate Base Rate shall become effective. The Administrative Agent shall, as soon as practicable, notify the Borrower and the Lenders of the effective date and the amount of each such change in the Alternate Base Rate, but failure to so notify shall not in any manner affect the obligation of the Borrower to pay interest on the Loans in the amounts and on the dates required. Each determination of the Alternate Base Rate or Eurodollar Rate by the Administrative Agent pursuant to this Agreement shall be conclusive and binding on the Borrower and the Lenders absent manifest error.

(e) Highest Lawful Rate. At no time shall the interest rate payable on the Loans of any Lender, together with the Commitment Fees, the Letter of Credit Fee and all other fees and other amounts payable hereunder, to the extent the same are construed to constitute interest, exceed the Highest Lawful Rate applicable to such Lender. If interest payable to a Lender on any date would exceed the maximum amount permitted by the Highest Lawful Rate, such interest payment shall automatically be reduced to such maximum permitted amount, and interest for any subsequent period, to the extent less than the maximum amount permitted for such period by the Highest Lawful Rate, shall be increased by the unpaid amount of such reduction. Any interest actually received for any period in excess of such maximum allowable amount for such period shall be deemed to

have been applied as a prepayment of such Lender's Loans. The Borrower acknowledges that to the extent interest payable on ABR Loans is based on the BNY Rate, such BNY Rate is only one of the bases for computing interest on loans made by the Lenders, and by basing interest payable on ABR Loans on the BNY Rate, the Lenders have not committed to charge, and the Borrower has not in any way bargained for, interest based on a lower or the lowest rate at which the Lenders may now or in the future make loans to other borrowers.

2.7 Use of Proceeds.

(a) The proceeds of all Loans shall be used first to repay in full all obligations under the Existing Credit Agreement and, thereafter, (i) to finance acquisitions of Broadcasting Stations permitted hereunder, including transaction expenses in connection therewith, (ii) to make capital expenditures permitted hereunder, (iii) for working capital purposes and (iv) for general corporate purposes.

(b) Letters of Credit shall be used to support ordinary course working capital purposes and to fulfill deposit requirements associated with proposed acquisitions of Broadcasting Stations.

(c) Notwithstanding anything to the contrary contained in any Loan Document, the Borrower agrees that no part of the proceeds of any Loan or Letter of Credit have been or will be used, directly or indirectly, for a purpose which violates any law, rule or regulation of any Governmental Authority, including without limitation the provisions of Regulations G, T, U or X of the Board of Governors of the Federal Reserve System, as amended.

2.8 Conversions; Other Matters.

(a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, specifying the amount to be so converted, provided, that any such conversion shall only be made on the last day of the Interest Period applicable thereto. In addition, the Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans or to convert Eurodollar Loans to new Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election, specifying the amount to be so converted and the initial Interest Period relating thereto, provided that any such conversion of ABR Loans to Eurodollar Loans shall only be made on a Business Day and any such conversion of Eurodollar Loans to new Eurodollar Loans shall only be made on the last day of the Interest Period applicable to the Eurodollar Loans which are to be converted to such new Eurodollar Loans. The Administrative Agent shall promptly provide the Lenders with notice of any such election. Loans may be converted pursuant to this section 2.8(a) in whole or in part, provided that conversions of ABR Loans to Eurodollar Loans, or Eurodollar Loans to new Eurodollar Loans having the same Interest Period, shall be in an aggregate principal amount of $2,000,000 or such amount plus a whole multiple of $250,000.

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence and during the continuance of a Default or Event of Default, the Borrower shall have no right to elect to convert any ABR Loan to a Eurodollar Loan or to convert any Eurodollar Loan to a new Eurodollar Loan. In such event, such ABR Loan shall be automatically continued as an ABR Loan or such Eurodollar Loan shall be automatically converted to an ABR Loan on the last day of the Interest Period applicable to such Eurodollar Loan. If a Default or an Event of Default shall have occurred and be continuing, the Administrative Agent shall, at the request of the Required Lenders, notify the Borrower (by telephone or otherwise) that all, or such lesser amount as the Administrative Agent and the Required Lenders shall designate, of the outstanding Eurodollar Loans, if any, shall be automatically converted to ABR Loans, in which event such Eurodollar Loans of each Lender, at the option of such Lender, shall be automatically converted to ABR Loans on the date such notice is given.

(c) Each such conversion shall be effected by each Lender by applying the proceeds of the new ABR Loan or Eurodollar Loan, as the case may be, to the Loan (or portion thereof) being converted (it being understood that such conversion shall not constitute a borrowing for purposes of sections 4 or 5).

(d) Notwithstanding any other provision of this Agreement:

(i) If the Borrower shall have failed to elect a Eurodollar Loan under sections 2.3 or 2.8, as the case may be, in connection with any borrowing of new Loans or expiration of an Interest Period with respect to any existing Eurodollar Loan, the amount of the Loans subject to such borrowing or such existing Eurodollar

Loan shall thereafter be an ABR Loan until such time, if any, as the Borrower

shall elect a new Eurodollar Loan pursuant to section 2.8,

(ii) The Borrower shall not be permitted to select any Eurodollar Loan the Interest Period in respect of which ends later than the Maturity Date,

(iii) When electing a Eurodollar Loan, the Borrower shall select an Interest Period such that, on each date that a mandatory principal payment is required to be made pursuant to section 2.5(b) in connection with a RC Commitment reduction pursuant to section 2.4(b), the outstanding principal amount of all Loans which are ABR Loans, when added to the aggregate principal amount of all Loans which are Eurodollar Loans the Interest Period in respect of which shall end on such date, shall equal or exceed the aggregate principal amount of the Loans required to be paid on such date, and

(iv) The Borrower shall not be permitted to have more than five Interest Periods with respect to outstanding Eurodollar Loans at any one time.

2.9 Indemnification for Loss.

Notwithstanding anything contained herein to the contrary, if the Borrower shall fail to borrow or convert a Loan after it shall have given notice to do so in which it shall have requested a Eurodollar Loan pursuant to section 2.3 or 2.8, as the case may be, or if a Eurodollar Loan shall be terminated for any reason prior to the last day of the Interest Period applicable thereto, or if any repayment or prepayment of the principal amount of a Eurodollar Loan is made for any reason on a date which is prior to the last day of the Interest Period applicable thereto, the Borrower agrees to indemnify each Lender against, and to pay on demand directly to such Lender, any loss or expense suffered by such Lender as a result of such failure to borrow or convert, or such termination, repayment or prepayment, including without limitation, an amount equal to:

$$A \times (B-C) \times \frac{D}{360}$$

in which:

"A" equals such Lender's pro rata share of the Affected Principal Amount;

"B" equals the Eurodollar Rate (expressed as a decimal) applicable to such Eurodollar Loan;

"C" equals the Eurodollar Rate (expressed as a decimal) which would be applicable to a Eurodollar Loan made on or about the date of such failure to borrow or convert, or such termination, repayment or prepayment, in an amount equal approximately to such Lender's pro rata share of the Affected Principal Amount and having an Interest Period equal approximately to the Remaining Interest Period with respect thereto; and

"D" equals the number of days during such Remaining Interest Period;

and any other out-of-pocket loss, cost or expense (including any internal processing charge customarily charged by such Lender) suffered by such Lender in liquidating or employing deposits acquired to fund or maintain the funding of the Affected Principal Amount, or redeploying funds prepaid or repaid, in amounts which correspond to such Lender's pro rata share of such proposed borrowing, conversion, terminated Eurodollar Loan, prepayment or repayment.

2.10 Reimbursement for Costs.

The Borrower hereby agrees to reimburse each Lender and the Issuing Bank on demand for its reasonable costs (excluding general administrative and overhead costs) directly attributable to its compliance with this Agreement during the term hereof with all applicable future laws, executive orders, and regulations of the governments of the United States and the United Kingdom, and of any other applicable government, and of any regulatory or administrative agency thereof (including, without limitation, the reserve requirements established by the Board of Governors of the Federal Reserve System under Regulation D), or any change in existing or future applicable laws, executive orders and regulations and in the interpretations thereof which impose, modify or deem applicable any reserve, asset, special deposit or special assessment requirements on deposits obtained in the interbank eurodollar market, or which subject any Lender or the Issuing Bank to any tax (documentary, stamp or otherwise) with respect to any Loan Document or Letter of Credit, or change the basis of taxation of payments to any Lender or the Issuing Bank, of principal, interest, fees or other amounts payable under any Loan Document or Letter of Credit (except for any tax, or changes in the rate of tax, on its income or receipts (including franchise taxes on or based upon such income or receipts) imposed by the United States or any other jurisdiction). Each such Lender and the Issuing Bank agrees to provide the Borrower with notice of any law,

executive order or regulation, or change in the interpretation thereof, which would require the Borrower to indemnify such Lender or the Issuing Bank under this section 2.10 promptly upon it obtaining actual knowledge thereof and determining that it intends to require the Borrower to reimburse it pursuant to this section 2.10 for any costs resulting therefrom. The cost to each Lender in complying with laws, executive orders or regulations which impose, modify or deem applicable any reserve, asset, special deposit or special assessment requirements on deposits obtained in the market for eurocurrency loans shall be computed by determining the amount by which such requirements effectively increase such Lender's cost of making and maintaining its Eurodollar Loans and by computing the additional amount which would have been owing to such Lender hereunder if such effective increase had been added to the Eurodollar Rate for purposes of determining the applicable Eurodollar Rate during the period or applicable portion thereof in question. Each Lender and the Issuing Bank may make multiple requests for compensation under this section 2.10.

2.11 Illegality of Funding.

Notwithstanding anything contained herein to the contrary, if any law, regulation, treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender to make or maintain any Eurodollar Loan as contemplated by this Agreement, (i) the commitment of such Lender to make Eurodollar Loans or convert ABR Loans to Eurodollar Loans, as the case may be, shall forthwith be suspended and (ii) such Lender's then outstanding Eurodollar Loans affected thereby, if any, shall be converted automatically to ABR Loans on the last day of the then

current Interest Period applicable thereto or at such earlier time as may be required. If the commitment of any Lender with respect to Eurodollar Loans is suspended pursuant to this section 2.11 and such Lender shall notify the Administrative Agent and the Borrower that it is once again legal for such Lender to make or maintain Eurodollar Loans, such Lender's commitment to make or maintain Eurodollar Loans shall be reinstated.

2.12 Option to Fund.

Each Lender has indicated that, if the Borrower requests a Eurodollar Loan, such Lender may wish to purchase one or more deposits in order to fund or maintain its funding of its pro rata share of such Loan during the Interest Period with respect thereto; it being understood that the provisions of this Agreement relating to such funding are included only for the purpose of determining the rate of interest to be paid on such Loan and any amounts owing under sections 2.9, 2.10, 2.11 and 2.15. Each Lender shall be entitled to fund and maintain its funding of all or any part of its Eurodollar Loans in any manner it sees fit, but all such determinations hereunder shall be made as if each Lender had actually funded and maintained its Eurodollar Loans during the applicable Interest Period through the purchase of deposits in an amount equal to its pro rata share of the Eurodollar Loans having a maturity corresponding to such Interest Period. Any Lender may fund its pro rata share of the Eurodollar Loans from any branch or office of such Lender as such Lender may choose from time to time, subject to section 2.17.

2.13 Taxes; Net Payments.

(a) All payments made by the Borrower under the Loan Documents shall be made free and clear of, and without reduction for or on account of, any Taxes required by law to be withheld from any amounts payable under the Loan Documents. In the event that the Borrower is prohibited by law from making such payments free of deductions or withholdings, then the Borrower shall pay such additional amounts to the Administrative Agent, for the benefit of the Issuing Bank and the Lenders, as may be necessary in order that the actual amounts received by the Issuing Bank and the Lenders in respect of interest and any other amounts payable under the Loan Documents after deduction or withholding (and after payment of any additional Taxes or other charges due as a consequence of the payment of such additional amounts) shall equal the amount that would have been received if such deduction or withholding were not required. In the event that any such deduction or withholding can be reduced or nullified as a result of the application of any relevant double taxation convention, the Lenders, the Issuing Bank and the Administrative Agent will, at the expense of the Borrower, cooperate with the Borrower in making application to the relevant taxing authorities seeking to obtain such reduction or nullification, provided that the Lenders, the Issuing Bank and the Administrative Agent shall have no obligation to (i) engage in any litigation, hearing or proceeding with respect thereto or (ii) disclose any tax return or other confidential information. If the Borrower shall make any payment under this section or shall make any deduction or withholding from amounts paid under any Loan Document, the Borrower shall forthwith forward to the Administrative Agent original or certified copies of official receipts or other evidence acceptable to the Administrative Agent establishing each such payment, deduction or withholding, as the case may be, and the Administrative Agent in turn shall distribute copies thereof to the

Issuing Bank and each Lender. In the event that the Issuing Bank or any Lender determines that it received a refund or credit for Taxes paid by the Borrower under this section, the Issuing Bank or such Lender, as the case may be, shall promptly notify the Administrative Agent and the Borrower of such fact and shall remit to

the Borrower the amount of such refund or credit applicable to the payments made by the Borrower in respect of the Issuing Bank or such Lender, as the case may be, under this section.

(b) So long as it is lawfully able to do so, each Lender not incorporated under the laws of the United States or any State thereof shall deliver to the Administrative Agent and the Borrower such certificates, documents or other evidence as the Administrative Agent or the Borrower may reasonably require from time to time as are necessary to establish that such Lender is not subject to withholding under Section 1441, 1442 or 3406 of the Code or as may be necessary to establish, under any law imposing upon the Borrower, hereafter, an obligation to withhold any portion of the payments made by the Borrower under the Loan Documents, that payments to the Administrative Agent on behalf of such Lender are not subject to withholding. Notwithstanding any provision herein to the contrary, the Borrower shall have no obligation to pay to the Issuing Bank or any Lender any amount that the Borrower is liable to withhold due to the failure of the Issuing Bank or such Lender, as the case may be, to file any statement of exemption required by the Code.

2.14 <u>Capital Adequacy.</u>

If the amount of capital required or expected to be maintained by any Lender, the Issuing Bank or any Person directly or indirectly owning or controlling such Lender or the Issuing Bank (each a "<u>Control Person</u>"), shall be affected by

(a) the introduction or phasing in of any law, rule or regulation after the date hereof,

(b) any change after the date hereof in the interpretation of any existing law, rule or regulation by any central bank or United States or foreign Governmental Authority charged with the administration thereof, or

(c) compliance by such Lender, the Issuing Bank or such Control Person with any directive, guideline or request from any central bank or United States or foreign Governmental Authority (whether or not having the force of law) promulgated or made after the date hereof,

and such Person shall have determined that such introduction, phasing in, change or compliance shall have had or will thereafter have the effect of reducing (i) the rate of return on its capital, or (ii) the asset value to such Lender, the Issuing Bank or such Control Person of the Loans made or maintained by such Lender, the Letters of Credit issued or maintained by the Issuing Bank or the Reimbursement Obligations or any participation therein owed to the Issuing Bank or any Lender to a level below that which such Lender, the Issuing Bank or such Control Person could have achieved or would thereafter be able to achieve but for such introduction, phasing in, change or compliance (after taking into account such Lender's, the Issuing Bank's or such Control Person's policies regarding capital), in either case by an amount which it deems material, then, within ten days after demand by such Lender or the Issuing Bank, the Borrower shall pay to such Lender, the Issuing Bank or such Control Person, as the case may be, such additional amount or amounts as shall be sufficient to compensate such Lender, the Issuing Bank or such Control Person, as the case may be, for such reduction on an after-tax basis.

2.15 <u>Substituted Interest Rate.</u>

In the event that (i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that by reason of circumstances affecting the interbank eurodollar market either adequate and reasonable means do not exist for ascertaining the Eurodollar Rate applicable pursuant to section 2.6 or (ii) in the event that any Lender shall have notified the Administrative Agent that it has determined (which determination shall be conclusive and binding on the Borrower) that the applicable Eurodollar Rate will not adequately and fairly reflect the cost to such Lender of maintaining or funding loans bearing interest based on such Eurodollar Rate, with respect to a proposed Loan that the Borrower has requested be made as a Eurodollar Loan, or a Eurodollar Loan that will result from the requested conversion of any Loan into a Eurodollar Loan (any such Loan being herein called an "Affected Loan"), the Administrative Agent shall promptly

notify the Borrower and the Lenders (by telephone or otherwise) of such determination, confirmed in writing, on or prior to the requested Borrowing Date for such Affected Loan or the requested conversion date of such Loan. If the Administrative Agent shall give such notice, (a) any requested Affected Loan shall be made as an ABR Loan, (b) any Loan that was to have been converted to an Affected Loan shall be converted to or continued as an ABR Loan and (c) any outstanding Affected Loan shall be converted, on the last day of the then current Interest Period with respect thereto, to an ABR Loan. Until any such notice under clause (i) of this section 2.15 has been withdrawn by the Administrative Agent (by notice to the Borrower promptly upon the Administrative Agent's having determined that such circumstances affecting the interbank eurodollar market no longer exist and that adequate and reasonable means do exist for determining the Eurodollar Rate pursuant to section 2.6) no further Eurodollar Loans shall be made by the Lenders nor shall the Borrower have the right to convert any Loans to Eurodollar Loans. Until any such notice under clause (ii) of this section 2.15 has been withdrawn by the Administrative Agent (by notice to the Borrower promptly upon the Administrative Agent's having been notified by such Lender that circumstances no longer render any Loan an Affected Loan), no further Eurodollar Loans shall be required to be made by such Lender nor shall the Borrower have the right to convert any Loan of such Lender to a Eurodollar Loan of such Lender.

2.16 Transaction Record.

The Administrative Agent's records regarding the amount of each Loan, each payment by the Borrower of principal and interest on the Loans, each Letter of Credit and other information relating to the Loans and Letters of Credit shall be presumed correct absent manifest error.

2.17 Certificates of Payment and Reimbursement; Other Provisions Regarding Yield Protection.

(a) In connection with any request by a Lender or the Issuing Bank for payment or reimbursement pursuant to section 2.9, 2.10, 2.11, 2.14 or 2.15, such Lender or the Issuing Bank, as the case may be, shall provide the Borrower with a certificate, signed by an officer, setting forth a description, in reasonable detail, of any such payment or reimbursement. Each determination by a Lender or the Issuing Bank of such amount or amounts owed by the Borrower to it under any such section shall be presumed correct absent manifest error, and shall be made without duplication as to any other amounts owing by the Borrower to it under section 2.9, 2.10, 2.11, 2.14 or 2.15.

(b) In the event that any amount is owed by the Borrower to any Lender pursuant to section 2.9, 2.10, 2.11, 2.14 or 2.15 and an assignment by such Lender of its rights and a delegation and transfer of its obligations hereunder to another office or branch of such Lender would cause such amount to cease to be owed by the Borrower, then such Lender shall make reasonable efforts (which shall not in any event require such Lender to incur a loss or otherwise suffer any disadvantage) to make an assignment of its rights and a delegation and transfer of its obligations hereunder to such other office or branch, so long as such assignment and delegation will not cause other amounts to be owed by the Borrower under section 2.9, 2.10, 2.11, 2.14 or 2.15 and so long as the Lender shall be permitted under applicable law to make and maintain Eurodollar Loans after giving effect to such assignment and delegation.

(c) The obligations of the Borrower under sections 2.9, 2.10, 2.11, 2.14 and 2.15 shall survive any termination of this Agreement, the expiration of the RC Commitments and the payment of all indebtedness of the Borrower hereunder and under the Loan Documents.

2.18 Letter of Credit Sub-Facility.

(a) Subject to the terms and conditions hereof and the payment by the Borrower to the Issuing Bank of such fees as the Borrower and the Issuing Bank shall have agreed in writing, the Issuing Bank agrees, in reliance on the agreement of the other Lenders set forth in section 2.19, to issue standby letters of credit (each a "Letter of Credit" and, collectively, the "Letters of Credit") during the RC Commitment Period for the account of the Borrower, provided that immediately after the issuance of each Letter of Credit (i) the Letter of Credit Exposure of all Lenders shall not exceed the Letter of Credit Commitment, and (ii) the sum of the aggregate outstanding RC Loans and the Letter of Credit Exposure of all Lenders shall not exceed the RC Commitments. Each Letter of Credit shall have an expiration date which shall be not later than the earlier to occur of one year from the date of issuance or last extension thereof or one Business Day prior to the RC Commitment Termination Date. No Letter of Credit shall be issued if the Administrative Agent, or any

Lender by notice to the Administrative Agent and the Issuing Bank no later than 3:00 P.M. one Business Day prior to the requested date of issuance of such Letter of Credit, shall have determined that the applicable conditions set forth in Section 5 have not been satisfied.

(b) Each Letter of Credit shall be issued for the account of the Borrower. The Borrower shall give the Administrative Agent and the Issuing Bank a Letter of Credit Request for the issuance of each Letter of Credit no later than 1:00 P.M at least three Business Days prior to the requested date of issuance. Such Letter of Credit Request shall be accompanied by the Issuing Bank's standard Application and Agreement for Standby Letter of Credit (each a "Reimbursement Agreement") executed by the Borrower, and shall specify (i) the beneficiary of such Letter of Credit and the obligations of the Borrower in respect of which such Letter of Credit is to be issued, (ii) the Borrower's proposal as to the conditions under which a drawing may be made under such Letter of Credit and the documentation to be required in respect thereof, (iii) the maximum amount to be available under such Letter of Credit and (iv) the requested date of issuance. Upon receipt of such Letter of Credit Request from the Borrower, the Administrative Agent shall promptly notify each Lender thereof. The Issuing Bank shall, on the proposed date of issuance and subject to the other terms and conditions of this Agreement, issue the requested Letter of Credit. Each Letter of Credit shall be in a minimum amount of

$1,000,000 and be in form and substance reasonably satisfactory to the Issuing Bank, with such provisions with respect to the conditions under which a drawing may be made thereunder and the documentation required in respect of such drawing as the Issuing Bank shall reasonably require. Each Letter of Credit shall be used solely for the purposes described therein.

(c) Each payment by the Issuing Bank of a draft drawn under a Letter of Credit shall give rise to the obligation of the Borrower to immediately reimburse the Issuing Bank for the amount thereof. The Issuing Bank shall promptly notify the Borrower of such payment by the Issuing Bank of a draft drawn under a Letter of Credit, but any failure to so notify shall not in any manner affect the obligation of the Borrower to make reimbursement when due. In lieu of such notice, if the Borrower has not made reimbursement prior to the end of the Business Day when due, the Borrower hereby irrevocably authorizes the Issuing Bank to deduct the amount of any such reimbursement from any account(s) of the Borrower maintained with the Issuing Bank, upon which the Issuing Bank shall apply the amount of such deduction to such reimbursement. If all or any portion of any reimbursement obligation in respect of a Letter of Credit shall not be paid when due (whether at the stated maturity thereof, by acceleration or otherwise), such overdue amount shall bear interest, payable upon demand, at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin applicable to ABR Loans plus 2% (calculated in the same manner as ABR Loans), from the date of such nonpayment until paid in full (whether before or after the entry of a judgment thereon).

2.19 Letter of Credit Participation

(a) Each Lender hereby unconditionally and irrevocably, severally (and not jointly) takes an undivided participating interest in the obligations of the Issuing Bank under and in connection with each Letter of Credit in an amount equal to such Lender's RC Commitment Percentage of the amount of such Letter of Credit. Each Lender shall be liable to the Issuing Bank for its RC Commitment Percentage of the unreimbursed amount of any draft drawn and honored under each Letter of Credit. Each Lender shall also be liable for an amount equal to the product of its RC Commitment Percentage and any amounts paid by the Borrower pursuant to Sections 2.18 and 2.20 that are subsequently rescinded or avoided, or must otherwise be restored or returned. Such liabilities shall be unconditional and without regard to the occurrence of any Default or Event of Default or the compliance by the Borrower with any of its obligations under the Loan Documents.

(b) The Issuing Bank shall promptly notify the Administrative Agent, and the Administrative Agent shall promptly notify each Lender (which notice shall be promptly confirmed in writing), of the date and the amount of each draft paid under each Letter of Credit with respect to which full reimbursement payment shall not have been made by the Borrower as provided in Section 2.18(c), and forthwith upon receipt of such notice, such Lender shall promptly make available to the Administrative Agent for the account of the Issuing Bank its RC Commitment Percentage of the amount of such unreimbursed draft at the office of the Administrative Agent specified in Section 11.2 in lawful money of the United States and in immediately available funds. The Administrative Agent shall distribute the payments made by each Lender pursuant to the immediately preceding sentence to the Issuing Bank promptly upon receipt thereof in like funds as received. Each Lender shall indemnify and hold harmless the Administrative Agent and the Issuing Bank from and against any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, costs and expenses (including, without

limitation, reasonable attorneys' fees and expenses) resulting from any failure on the part of such Lender to provide, or from any delay in providing, the Administrative Agent with such Lender's RC Commitment Percentage of the amount of any payment made by the Issuing Bank under a Letter of Credit in accordance with this subsection (b) above (except in respect of losses, liabilities or other obligations suffered by the Administrative Agent or the Issuing Bank, as the case may be, resulting from the gross negligence or willful misconduct of the Administrative Agent or the Issuing Bank, as the case may be). If a Lender does not make available to the Administrative Agent when due such Lender's RC Commitment Percentage of any unreimbursed payment made by the Issuing Bank under a Letter of Credit, such Lender shall be required to pay interest to the Administrative Agent for the account of the Issuing Bank on such Lender's RC Commitment Percentage of such payment at a rate of interest per annum equal to (i) from the date such Lender should have made such amount available until the third day therefrom, the Federal Funds Effective Rate, and (ii) thereafter, the Federal Funds Effective Rate plus 2%, in each case payable upon demand by the Issuing Bank. The Administrative Agent shall distribute such interest payments to the Issuing Bank upon receipt thereof in like funds as received.

(c) Whenever the Administrative Agent is reimbursed by the Borrower, for the account of the Issuing Bank, for any payment under a Letter of Credit and such payment relates to an amount previously paid by a Lender in respect of its RC Commitment Percentage of the amount of such payment under such Letter of Credit, the Administrative Agent (or the Issuing Bank, if such payment by a Lender was paid by the Administrative Agent to the Issuing Bank) will promptly pay over such payment to such Lender.

2.20 Absolute Obligation with respect to Letter of Credit Payments

The Borrower's obligation to reimburse the Issuing Bank for each payment under or in respect of each Letter of Credit shall be absolute and unconditional under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which the Borrower may have or have had against the beneficiary of such Letter of Credit, the Administrative Agent, the Issuing Bank, any Lender or any other Person, including, without limitation, any defense based on the failure of any drawing to conform to the terms of such Letter of Credit, any drawing document proving to be forged, fraudulent or invalid, or the legality, validity, regularity or enforceability of such Letter of Credit, provided, however, that, with respect to any Letter of Credit, the foregoing shall not relieve the Issuing Bank of any liability it may have to the Borrower for any actual damages sustained by the Borrower arising from a wrongful payment (or failure to pay) under such Letter of Credit made as a result of the Issuing Bank's gross negligence or willful misconduct.

3. FEES; PAYMENTS

3.1 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a fee (the "Commitment Fee") during the RC Commitment Period, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the first such date following the Effective Date, and on the RC Commitment Termination Date, on the average daily excess of (i) the RC

Commitment of such Lender, over (ii) the aggregate outstanding principal balance of the RC Loans of such Lender, at a rate per annum equal to (a) at all times when the Total Leverage Ratio is greater than or equal to 4.50:1.00, 0.500% and (b) at all times when the Total Leverage Ratio is less than 4.50:1.00, 0.375%. The Commitment Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(b) Solely for purposes of calculating the Commitment Fee, changes in the Total Leverage Ratio, as evidenced by a Compliance Certificate delivered to the Administrative Agent pursuant to section 7.1(d) or a Borrowing Request or Letter of Credit Request delivered to the Administrative Agent pursuant to section 5.2(c) evidencing such a change, shall become effective upon (i) in the case of the delivery of a Compliance Certificate, the first Business Day following the delivery of (x) such Compliance Certificate and (y) the applicable financial statements required to be delivered pursuant to section 7.1(a) or (c), as the case may be, and (ii) in the case of the delivery of a Borrowing Request or Letter of Credit Request, the Borrowing Date applicable thereto. Solely for purposes of calculating the Commitment Fee, if the Borrower shall fail to deliver a Compliance Certificate within 60 days after the end of each of the first three fiscal quarters, or within 120 days after the end of the last fiscal

quarter, of each fiscal year (each a "certificate delivery date"), the Total Leverage Ratio from and including such certificate delivery date to the date of delivery by the Borrower to the Administrative Agent of such Compliance Certificate shall be conclusively presumed to be greater than 4.50:1.00.

(c) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a fee (the "Letter of Credit Fee") with respect to the Letters of Credit during the period commencing on the Effective Date and ending on the RC Commitment Termination Date or, if later, the date when the Letter of Credit Exposure of all Lenders is $0, payable quarterly in arrears on the last day of each March, June, September and December of each year, commencing on the first such date following the Effective Date, on the RC Commitment Termination Date and on the last date of such period, on such Lender's RC Commitment Percentage of the average daily aggregate amount which may be drawn under the Letters of Credit during such period (whether or not the conditions for drawing thereunder have or may be satisfied) multiplied by a rate per annum equal to the Applicable Margin for Eurodollar Loans during such period. The Letter of Credit Fee shall be computed on the basis of a 360-day year for the actual number of days elapsed.

3.2 Pro Rata Treatment and Application of Payments.

All payments (including prepayments) made by the Borrower to the Administrative Agent on account of principal of or interest on the RC Loans shall be made pro rata according to the outstanding principal amount of each Lender's RC Loans. All payments by the Borrower shall be made without set-off or counterclaim and shall be made prior to 1:00 P.M. on the date such payment is due, to the Administrative Agent for the account of the Lenders, at the Administrative Agent's office specified in section 11.2, in each case in lawful money of the United States of America and in immediately available funds, and, as between the Borrower and the Lenders, any payment by the Borrower to the Administrative Agent for the account of the Lenders shall be deemed to be payment by the Borrower to the Lenders. The failure of the Borrower to make any such payment by 1:00 P.M. on such due date shall not constitute a Default or Event of Default hereunder, provided that such payment is made on such due date, but any such payment

received by the Administrative Agent on any Business Day after 1:00 P.M. shall be deemed to have been received on the immediately succeeding Business Day for the purpose of calculating any interest payable in respect thereof. The Administrative Agent agrees promptly to notify the Borrower if it shall receive any such payment after 1:00 P.M. on the due date hereof, provided that the failure of the Administrative Agent to give such prompt notice shall in no way affect the Borrower's obligation to make any payment hereunder on the date such payment is due. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. Unless otherwise set forth in the definition of "Interest Period", if any payment hereunder or on any Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate or rates during such extension.

4. REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent, the Issuing Bank and the Lenders to enter into this Agreement and to make Loans, and in order to induce the Issuing Bank to issue Letters of Credit and the Lenders to participate therein, the Borrower hereby makes the following representations and warranties to the Administrative Agent, the Issuing Bank and to each Lender:

4.1 Subsidiaries.

The Borrower has only the Subsidiaries set forth in Schedule 4.1. Except as set forth in Schedule 4.1, the shares of each corporate Subsidiary owned by the Borrower are duly authorized, validly issued, fully paid and nonassessable. The shares of each Subsidiary are owned free and clear of any Liens, except (i) Liens in favor of the Administrative Agent and the Lenders pursuant to the Collateral Documents and (ii) Permitted Liens.

4.2 Corporate Existence and Power.

The Borrower and each Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own its Property and to carry on its business as now conducted, and is in good standing and authorized to do business in each jurisdiction in which the failure to be so authorized could reasonably be expected to have a Material Adverse Effect.

4.3 Authority.

The Borrower and each other Loan Party has full power and authority to enter into, execute, deliver and carry out the terms of the Loan Documents to which it is a party, to make the borrowings contemplated hereby, to execute, deliver and carry out the terms of the Notes and to incur the obligations provided for herein and therein, all of which have been duly authorized by all proper and necessary action and are in full compliance with its certificate of incorporation and by-laws.

4.4 Governmental Authority Approvals.

No consent, authorizations or approval of, filing with, notice to, or exemption by, stockholders, any Governmental Authority or any other Person (except for those which have been obtained, made or given and those which will be obtained, made or given prior to the Effective Date) is required to authorize, or is required in connection with the execution, delivery and performance of the Loan Documents, or is required as a condition to the validity or, except as expressly set forth in the Collateral Documents with respect to the FCC, the enforceability of the Loan Documents. Except as set forth in the preceding sentence, no provision of any applicable statute, law (including, without limitation, any applicable usury or similar law), rule or regulation of any Governmental Authority will prevent the execution, delivery or performance of, or affect the validity of, the Loan Documents.

4.5 Binding Agreement.

The Loan Documents constitute the valid and legally binding obligations of the Borrower and each other Loan Party to which it is a party, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally.

4.6 Litigation.

Except as set forth in Schedule 4.6, there are no actions, suits, arbitration proceedings or claims (whether or not purportedly on behalf of the Borrower or any Subsidiary) pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse Effect. There are no proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary which call into question the validity or enforceability of any of the Loan Documents.

4.7 No Conflicting Agreements.

Except as set forth in Schedule 4.7, neither the Borrower nor any Subsidiary is in default under any mortgage, indenture, contract, agreement, judgment, decree or order to which it is a party or by which it or any of its Property is bound, which defaults, taken as a whole, could reasonably be expected to have a Material Adverse Effect. The execution, delivery or carrying out of the terms of the Loan Documents will not constitute a default under, conflict with, require any consent under (other than consents which have been obtained) or result in the creation or imposition of, or obligation to create, any Lien upon the Property of the Borrower or any Subsidiary pursuant to the terms of any such mortgage, indenture, contract, agreement, judgment, decree or order, which defaults, conflicts and consents, if not obtained, taken as a whole, could reasonably be expected to have a Material Adverse Effect.

4.8 Taxes.

Except as set forth in Schedule 4.8, the Borrower and each Subsidiary has filed or caused to be filed all tax returns required to be filed and has paid, or has made adequate provision for the payment of, all Taxes shown to be due and payable on said returns or in any assessments made against it which would be material to the Borrower or any Subsidiary, and no tax Liens (other than Permitted Liens) have been filed. Except as set forth in Schedule 4.8, the charges, accruals and reserves on the books of the Borrower and each Subsidiary with respect to all federal, state, local and other Taxes are, to the best knowledge of the Borrower, adequate, and the Borrower knows of no unpaid assessment which is due and payable against it or any Subsidiary or any claims being asserted which could reasonably be expected to have a Material Adverse

Effect, except such thereof as are being contested in good faith and by appropriate proceedings diligently conducted, and for which adequate reserves have been set aside in accordance with GAAP.

4.9 Compliance with Applicable Laws.

Neither the Borrower nor any Subsidiary is in default with respect to any judgment, order, writ, injunction, decree or decision of any Governmental Authority which default could reasonably be expected to have a Material Adverse Effect. The Borrower and each Subsidiary is complying in all material respects with all applicable statutes and regulations, including ERISA, of all Governmental Authorities, a violation of which could reasonably be expected to have a Material Adverse Effect.

4.10 Governmental Regulations.

Neither the Borrower nor any Subsidiary is subject to regulation under the Public Utility Holding Company Borrower Act of 1935, the Federal Power Act or the Investment Company Act of 1940, and neither the Borrower nor any Subsidiary is subject to any statute or regulation which prohibits or restricts the incurrence of Indebtedness under the Loan Documents, including, without limitation, statutes or regulations relative to common or contract carriers or to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

4.11 Property; Broadcasting Business.

(a) The Borrower and each Subsidiary has good and, except with respect to FCC licenses which cannot be transferred without the consent of the applicable Governmental Authority, marketable title to all of its Property, title to which is material to the Borrower and the Subsidiaries taken as a whole, subject to no Liens, except Liens in favor of the Administrative Agent and the Lenders pursuant to the Collateral Documents and Permitted Liens.

(b) Schedule 4.11(b) sets forth a summary description of all real property owned by the Borrower and its Subsidiaries, and of all real property leasehold estates held by the Borrower and its Subsidiaries, which summary is accurate and complete in all material respects. Except as set forth in Schedule 4.11(b), the leases creating such real property leasehold estates are in full force and effect and create a valid leasehold estate on the terms of each such lease, neither the Borrower nor any of its Subsidiaries is in default or breach of any thereof and, to the best knowledge of the Borrower, no other party thereto is in default or breach thereof.

(c) The Borrower and the Subsidiaries are the registered holders of all radio licenses duly issued by the FCC in respect of all Broadcasting Stations owned and operated by the Borrower and each Subsidiary. Such licenses constitute all of the authorizations by the FCC or any other Governmental Authority necessary for the operation of the business of the Borrower and each Subsidiary substantially in the manner presently being conducted by it, and such licenses are validly issued and in full force and effect, unimpaired by any act or omission by the Borrower or such Subsidiary. To the best of the Borrower's knowledge, except as set forth in Schedule 4.11(c), neither the Borrower nor any Subsidiary is a party to any investigation, notice of violation, order or complaint issued by or before the FCC. Except as set forth in Schedule 4.11(c), there are no proceedings by or before the FCC, which could in any manner materially threaten or adversely affect the validity of any of such licenses. Neither the Borrower nor any Subsidiary has knowledge of a threat of any investigation, notice of violation, order, complaint or proceeding before the FCC, and has no reason to believe that any of such licenses will not be renewed in the ordinary course.

4.12 Federal Reserve Regulations; Use of Proceeds.

Neither the Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans or Letters of Credit will be used, directly or indirectly, to purchase or carry any Margin Stock or for a purpose which violates any law, rule or regulation of any Governmental Authority, including without limitation the provisions of Regulations G, T, U or X of the Board of Governors of the Federal Reserve System, as amended.

4.13 No Misrepresentation.

No representation or warranty contained herein and no certificate or report furnished or to be furnished by the Borrower or any Subsidiary in connection with the transactions contemplated hereby, contains or will contain a

misstatement of material fact, or, to the best knowledge of the Borrower or any Subsidiary omits or will omit to state a material fact required to be stated in order to make the statements herein or therein contained not misleading in the light of the circumstances under which made.

4.14 Plans.

The Borrower and each Subsidiary have only the Plans listed in Schedule 4.14. Each Single Employer Plan and, to the best knowledge of the Borrower, each Multiemployer Plan is in compliance in all material respects with the applicable provisions of ERISA and the Code, and the Borrower and each Subsidiary have filed all reports required to be filed by them under ERISA and the Code with respect to each such Plan. The Borrower and each Subsidiary have met all material requirements imposed by ERISA and the Code with respect to the funding of all Plans, including Multiemployer Plans. Since the effective date of ERISA, there have not been, nor are there now existing, any events or conditions which would permit any Single Employer Plan or, to the best knowledge of the Borrower, Multiemployer Plan to be terminated under circumstances which would cause the Lien provided under Section 4068 of ERISA to attach to the Property of the Borrower or any Subsidiary. Since the effective date of ERISA, no Reportable Event which may constitute grounds for the termination of any Single Employer Plan or, to the

best knowledge of the Borrower, Multiemployer Plan under Title IV of ERISA has occurred and no Single Employer Plan or Multiemployer Plan has been terminated in whole or in part.

4.15 FCC Matters.

The Borrower and each Subsidiary (i) have duly and timely filed all filings which are required to be filed by the Borrower and each Subsidiary under the Communications Act and the rules and regulations of the FCC, the failure to file of which could reasonably be expected to have a Material Adverse Effect, and (ii) are in all material respects in compliance with the Communications Act, including, without limitation, the rules and regulations of the FCC relating to the transmission of radio signals.

4.16 Burdensome Obligations.

Neither the Borrower nor any Subsidiary is a party to or bound by any franchise, agreement, deed, lease or other instrument, or subject to any corporate restriction which, in the opinion of the management of the Borrower, is so unusual or burdensome, in the context of the Borrower's or such Subsidiary's business, as in the foreseeable future might materially and adversely affect or impair the revenue or Operating Cash Flow of the Borrower or any Subsidiary or the ability of the Borrower or any Subsidiary to perform its respective obligations under the Loan Documents. The Borrower does not presently anticipate that future expenditures needed to meet the provisions of federal or state statutes, orders, rules or regulations will be so burdensome as to have a Material Adverse Effect.

4.17 Financial Statements.

The Borrower has heretofore delivered to the Lenders a copy of (i) the annual audited Consolidated (and unaudited Consolidating) Balance Sheets of the Borrower and its Subsidiaries as of December 31, 1996, together with the related Consolidated and Consolidating Statements of Operations, Shareholders' Equity and Cash Flows for the period then ended, and (ii) the unaudited Consolidated and Consolidating Balance Sheets of the Borrower and its Subsidiaries as of March 31, 1997 and June 30, 1997, together with the related Consolidated and Consolidating Statements of Operations for the periods then ended. The foregoing financial statements fairly present the Consolidated and Consolidating financial condition and results in the operations of the Borrower and its Subsidiaries as of the dates and for the periods indicated therein and have been prepared in conformity with GAAP. Except as reflected in such financial statements or in the footnotes thereto, neither the Borrower nor any of its Subsidiaries has any obligation or liability of any kind (whether fixed, accrued, contingent, unmatured or otherwise) which, in accordance with GAAP, should have been shown on such financial statements and was not. Since December 31, 1996, the Borrower and its Subsidiaries have conducted their business only in the ordinary course (except with respect to the acquisitions of Broadcasting Stations permitted by the terms hereof or the Existing Credit Agreement or otherwise consented to by the Required Lenders (or the required lenders under the Existing Credit Agreement), and except as set forth in the March 31, 1997 and June 30, 1997 financial statements referred to above), and there has been no Material Adverse Change.

4.18 Environmental Matters.

Except as set forth in Schedule 4.18, neither the Borrower nor any Subsidiary (i) has received written notice or otherwise learned of any claim, demand, action, event, condition, report or investigation indicating or concerning any potential or actual liability which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect arising in connection with (a) any non-compliance with or violation of the requirements of any Environmental Law, or (b) the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment, (ii) to the best knowledge of the Borrower, has any threatened or actual liability in connection with the release or threatened release of any toxic or hazardous waste, substance or constituent, or other substance into the environment which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) has received notice of any federal or state investigation evaluating whether any remedial action is needed to respond to a release or threatened release of any toxic or hazardous waste, substance or constituent or other substance into the environment for which the Borrower or any Subsidiary is or may be liable, or (iv) has received notice that the Borrower or any Subsidiary is or may be liable to any Person under any Environmental Law. The Borrower and each Subsidiary is in compliance in all material respects with the financial responsibility requirements of all Environmental Laws to the extent applicable, including, without limitation, those contained in 40 C.F.R., parts 264 and 265, subpart H, and any analogous state law.

5. CONDITIONS OF LENDING

5.1 First Loans and Letters of Credit on the First Borrowing Date.

In addition to the requirements set forth in section 5.2, the obligation of each Lender to make one or more Loans or the Issuing Bank to issue a Letter of Credit on the first Borrowing Date is subject to the fulfillment of the following conditions precedent:

(a) Evidence of Corporate or Other Action. The Administrative Agent shall have received a certificate, dated the first Borrowing Date, of the Secretary or an Assistant Secretary of each Loan Party (i) attaching a true and complete copy of the resolutions of its Board of Directors or other authorizing documents and of all documents evidencing all necessary corporate or other action (in form and substance reasonably satisfactory to the Administrative Agent) taken by it to authorize the Loan Documents to which it is a party and the transactions contemplated thereby, (ii) attaching a true and complete copy of its certificate of incorporation and by-laws of other organizational documents, (iii) setting forth the incumbency of its officer or officers who may sign such Loan Documents, including therein a signature specimen of such officer or officers and (iv) attaching a certificate of good standing, if available, of the Secretary of State of the State of its incorporation or formation and of each other State in which it is qualified to do business.

(b) Notes. The Borrower shall have delivered to the Administrative Agent the Notes, each duly executed on behalf of the Borrower by an Authorized Signatory thereof.

(c) No Liens. The Administrative Agent shall have received a certificate of the Borrower, signed by an Authorized Signatory thereof, dated the first Borrowing Date, certifying that, upon the making of the first Loans, there exist no Liens on the Collateral other than Permitted Liens.

(d) Subsidiary Guaranty and Borrower Security Agreement. The Borrower shall have delivered to the Administrative Agent (i) the Subsidiary Guaranty, dated as of the Effective Date, duly executed on behalf of each Subsidiary by an Authorized Signatory thereof, (ii) the Borrower Security Agreement, dated as of the Effective Date, duly executed on behalf of the Borrower by an Authorized Signatory thereof, (iii) one or more share certificates, representing all of the issued and outstanding Stock of each of the Subsidiaries, together with undated stock powers, duly executed in blank on behalf of the Borrower by an Authorized Signatory thereof and bearing an appropriate signature guarantee in all respects satisfactory to the Administrative Agent, in respect of each such certificate, (iv) all documents evidencing intercompany Indebtedness owing to the Borrower or any Subsidiary, and (v) certificates of insurance in all respects satisfactory to the Administrative Agent evidencing the insurance required to be maintained pursuant to section 7.5(b).

(e) UCC Searches; Filing of Financing Statements. The Administrative

Agent shall have received such Lien and judgment searches as it shall have requested. The Borrower shall have executed and delivered to the Administrative Agent such financing statements, recordations and other documents with respect to the Collateral Documents as the Administrative Agent or Special Counsel may request for the purpose of perfecting the Liens granted thereunder. All filing fees and Taxes in connection with the filing of the Collateral Documents shall have been paid or otherwise provided for and the Administrative Agent and Special Counsel shall have received satisfactory evidence thereof.

(f) Existing Indebtedness. Prior to or simultaneously with the making of the first Loans, the Borrower shall have paid all Indebtedness under the Existing Credit Agreement, and all agreements with respect thereto shall have been cancelled or terminated, all Liens, if any, securing the same shall have been terminated, and the Administrative Agent shall have received evidence reasonably satisfactory to it thereof.

(g) Approvals. The Administrative Agent shall have received evidence reasonably satisfactory to it that all approvals and consents of all Persons required to be obtained in connection with the consummation of the transactions contemplated by the Loan Documents have been obtained and that all required notices have been given and all required waiting periods have expired.

(h) Litigation. There shall be no injunction, writ, preliminary restraining order or other order of any nature issued by any Governmental Authority in any respect affecting any Loan Document, or any transaction contemplated by the Loan Documents and no action or proceeding by or before any Governmental Authority shall have been commenced and be pending seeking to prevent or delay any of the foregoing or challenging any term or provision thereof or seeking any damages in connection therewith, and the Administrative Agent shall have received a certificate, in all respects reasonably satisfactory to the Administrative Agent, of an Authorized Signatory of the Borrower to the foregoing effect.

(i) Approval of Special Counsel. All legal matters incident to the making of the Loans on the first Borrowing Date shall be reasonably satisfactory to Special Counsel, and the Administrative Agent shall have received from Special Counsel an opinion, dated the first Borrowing Date, substantially in the form of Exhibit E.

(j) Opinion of Counsel to the Borrower and the Subsidiaries. The Administrative Agent shall have received opinions of counsel to the Borrower and its Subsidiaries, dated the first Borrowing Date, substantially in the form of Exhibit F.

(k) Opinion of FCC Counsel to the Borrower and the Subsidiaries. The Administrative Agent shall have received opinions of special FCC counsel to the Borrower and its Subsidiaries, dated the first Borrowing Date, substantially in the form of Exhibit G.

(l) Payment of Fees. The Borrower shall have paid to the Administrative Agent and the Lenders all fees and expenses which it shall have agreed to pay, to the extent such fees and expenses have become payable on or prior to the first Borrowing Date, and shall have paid the reasonable fees and disbursements of Special Counsel.

(m) Financial Statements and Financial Projections. The Borrower shall have delivered to the Administrative Agent and the Lenders the financial statements referred to in section 4.17 together with such projections and other information as the Administrative Agent and the Lenders shall reasonably require, all of which shall be in all material respects satisfactory to the Administrative Agent and the Lenders.

(n) Subordinated Indenture and Subordinated Indenture Subsidiary Guaranty. The Administrative Agent shall have received a copy of the Subordinated Indenture and Subordinated Indenture Subsidiary Guaranty duly certified by an Authorized Signatory of the Borrower as a true and complete copy thereof and the Borrower shall have received the proceeds of the Subordinated Indenture Notes.

(o) Asset Valuation. The Administrative Agent shall have received a copy of the asset valuation, dated July 31, 1997, prepared by Gary Stevens & Co.

Incorporated.

(p) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent shall reasonably require in connection with the making of the first Loans.

5.2 All Loans and Letters of Credit.

The obligation of the Lenders to make any Loan on a Borrowing Date, and the obligation of the Issuing Bank to issue a Letter of Credit on a Borrowing Date, is subject to the satisfaction of the following conditions precedent as of the date of such Loan or Letter of Credit:

(a) Compliance. On each Borrowing Date and after giving effect to the Loans or Letter of Credit to be made or issued thereon, (i) the Loan Parties shall be in compliance with all of the terms, covenants and conditions of the Loan Documents, (ii) there shall exist no Default or Event of Default, (iii) the representations and warranties contained in the Loan Documents shall be true and correct with the same effect as though such representations and warranties had been made on such Borrowing Date, except as the

context otherwise requires, except as otherwise permitted or contemplated by this Agreement, and except such matters relating thereto as are indicated in each Borrowing Request which shall be reasonably satisfactory to the Administrative Agent and the Required Lenders, and (iv) there shall have occurred no Material Adverse Change since December 31, 1996. Each borrowing by the Borrower and each issuance of a Letter of Credit shall constitute a certification by the Borrower as of the date of such borrowing or issuance that each of the foregoing matters is true and correct in all respects.

(b) Loan Closings. All documents required by the provisions of this Agreement to be executed or delivered to the Administrative Agent on or before the applicable Borrowing Date shall have been executed and shall have been delivered at the office of the Administrative Agent set forth in section 11.2 on or before such Borrowing Date.

(c) Borrowing Request or Letter of Credit Request. The Administrative Agent shall have received a Borrowing Request or a Letter of Credit Request, as applicable, duly executed by an Authorized Signatory of the Borrower.

(d) Reimbursement Agreement. In connection with any Letter of Credit Request, the Issuing Bank shall have received a Reimbursement Agreement duly executed by an Authorized Signatory of the Borrower.

(e) Approval of Counsel. All legal matters in connection with the making of each Loan or issuance of such Letter of Credit shall be reasonably satisfactory to Special Counsel.

(f) Other Documents. The Administrative Agent shall have received such other documents as the Administrative Agent shall reasonably request.

6. FINANCIAL COVENANTS

The Borrower covenants and agrees that on and after the Effective Date and until all obligations of the Borrower under the Notes and the other Loan Documents have been paid in full and all RC Commitments of the Lenders have been terminated and no obligations of the Administrative Agent, the Issuing Bank or any of the Lenders exist under any of the Loan Documents, the Borrower shall:

6.1 Total Leverage Ratio.

Maintain at all times a Total Leverage Ratio not greater than the applicable ratio set forth below opposite the applicable period set forth below:

Periods	Ratio
Effective Date through June 29, 1998	7.00:1.00
June 30, 1998 through December 30, 1998	6.25:1.00

December 31, 1998 through December 30, 1999	5.75:1.00
December 31, 1999 through December 30, 2000	5.25:1.00
December 31, 2000 through December 30, 2001	4.50:1.00
December 31, 2001 and thereafter	4.00:1.00

6.2 Consolidated Annual Operating Cash Flow to Pro-Forma Debt Service.

Maintain as at the end of each fiscal quarter a ratio of Consolidated Annual Operating Cash Flow to Pro-Forma Debt Service not less than 1.10:1.00.

6.3 Consolidated Annual Operating Cash Flow to Pro-Forma Interest Expense.

Maintain as at the end of each fiscal quarter during the applicable periods set forth below a ratio of Consolidated Annual Operating Cash Flow to Pro-Forma Interest Expense not less than the ratio set forth below opposite the applicable period set forth below:

Periods	Ratio
Effective Date through March 31, 1998	1.25:1.00
April 1, 1998 through March 31, 1999	1.50:1.00
April 1, 1999 through September 30, 2001	1.75:1.00
October 1, 2001 and thereafter	2.00:1.00

6.4 Consolidated Annual Operating Cash Flow to Fixed Charges.

Maintain as at the end of each fiscal quarter a ratio of Consolidated Annual Operating Cash Flow to Fixed Charges not less than 1.10:1.00.

7. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that on and after the Effective Date and until all obligations of the Borrower under the Notes and the other Loan Documents have been paid in full and all RC Commitments have been terminated and no obligations of the

Administrative Agent, the Issuing Bank or any of the Lenders exist under any of the Loan Documents, the Borrower shall:

7.1 Financial Statements.

Maintain, and cause each Subsidiary to maintain, a standard system of accounting in accordance with GAAP, and furnish or cause to be furnished to the Administrative Agent and each Lender:

(a) As soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the Consolidated and Consolidating Balance Sheets of the Borrower and its Subsidiaries as at the end of such fiscal year, together with the related Consolidated Statements of Shareholders' Equity and Cash Flows and Consolidated and Consolidating Statements of Operations as of and through the end of such fiscal year, setting forth in each case, in comparative form, the Consolidated and Consolidating figures for the preceding fiscal year. The Consolidated Balance Sheet and Statements of Operations, Shareholders' Equity and Cash Flows shall be certified without qualification by the Accountants, which certification (i) shall state that the examination by such Accountants in connection with such Consolidated financial statements has been made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting

records and such other auditing procedures as were considered necessary in the circumstances, (ii) shall include the opinion of such Accountants that such Consolidated financial statements have been prepared in accordance with GAAP in a manner consistent with prior fiscal periods, except as otherwise specified in such opinion.

(b) Simultaneously with the delivery of the certified Consolidated financial statements required by clause (a) above, copies of a certificate of such Accountants stating that, in making the examination necessary for their audit of such financial statements for such fiscal year, nothing came to their attention of an accounting nature that caused them to believe that the Borrower was not in compliance with the terms, covenants, provisions, or conditions of this Agreement, including, without limitation, sections 6.1, 6.2, 6.3 and 6.4, or, if so, specifying in such certificate all such instances of noncompliance and the nature and status thereof.

(c) As soon as available, but in any event not later than 60 days after the end of each of the first three quarterly accounting periods in each fiscal year of the Borrower, a copy of the Consolidated and Consolidating Balance Sheets of the Borrower and its Subsidiaries as at the end of each such quarterly period, together with the related Consolidated and Consolidating Statements of Operations, for such period and for the elapsed portion of the fiscal year through such date, setting forth in each case, in comparative form, the Consolidated and Consolidating figures for the corresponding periods of the preceding fiscal year, certified by the Chief Financial Officer of the Borrower (or such other officer acceptable to the Administrative Agent), as being complete and correct in all material respects and as presenting fairly the Consolidated and Consolidating financial condition and the results of operations of each of the Borrower and its Subsidiaries, subject to normal, non-material year-end adjustments.

(d) Within 60 days after the end of each of the first three fiscal quarters (120 days after the end of the fourth fiscal quarter) of the Borrower, a Compliance Certificate as at the end of such fiscal quarter, certified by the Chief Financial Officer of the Borrower (or such other officer as shall be acceptable to the Administrative Agent).

(e) Concurrently with the delivery of the financial statements referred to in Sections 7.1(a) and (c), a profile of each Broadcasting Station, which shall include, but not be limited to, the call letters and location of each Broadcasting Station and management's estimate of the fair market value thereof and a management's discussion and analysis of such financial statements, including a summary of all acquisitions and dispositions of Broadcasting Stations that occurred during the period covered by such financial statements, which shall include a schedule of the consideration paid in each acquisition and the cash received in each disposition.

(f) Within 30 days after the beginning of each fiscal year, an annual Consolidated and Consolidating forecast for the Borrower and its Subsidiaries for such fiscal year and the following two fiscal years, including projected Consolidated and Consolidating statements of income of the Borrower and its Subsidiaries, all in reasonable detail acceptable to the Administrative Agent; (ii) promptly upon preparation thereof, such other forecasts that the Borrower or any of its Subsidiaries may prepare and any revisions that may be made to any forecast previously delivered to the Lenders; and (iii) no later than 30 days after the end of each fiscal quarter in which there has been a material deviation from a forecast provided to the Lenders, a certificate of an Authorized Signatory explaining the deviation and the action, if any, that has been taken or is proposed to be taken with respect thereto; in each case the foregoing forecasts shall state all underlying assumptions.

7.2 Certificates; Other Information.

Furnish to the Administrative Agent and each Lender:

(a) Prompt written notice if: (i) any Indebtedness of the Borrower or any Subsidiary is declared or shall become due and payable prior to its stated maturity, or called and not paid when due, (ii) a default shall have occurred under any note (other than the Notes) or the holder of any such note, or other evidence of Indebtedness, certificate or security evidencing any such Indebtedness or any obligee with respect to any other Indebtedness of the Borrower or any Subsidiary has the right to declare any such Indebtedness due and payable prior to its stated maturity as a result of such default, or (iii) there shall occur and be continuing a Default or an Event of Default;

(b) Prompt written notice of: (i) any citation, summons, subpoena, order to show cause or other order naming the Borrower or any Subsidiary a party to any proceeding before any Governmental Authority which might have a Material Adverse Effect or which call into question the validity or enforceability of any of the Loan Documents and include with such notice a copy of such citation, summons, subpoena, order to show cause or other order, (ii) the commencement or threat of any action, suit, arbitration proceeding or claim by, on behalf of or

against the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority, which could reasonably be expected to have a Material Adverse Effect, (iii) any lapse or other termination of any material license, permit, franchise or other authorization issued to the Borrower or any Subsidiary by any Governmental Authority, (iv) any refusal by any Governmental Authority to renew or extend any such material license, permit, franchise or other authorization, and (v) any dispute between the Borrower or any Subsidiary and any Governmental Authority, which dispute might have a material adverse effect on any Broadcasting Station or a Material Adverse Effect;

(c) Promptly upon becoming available, copies of all (i) regular, periodic or special reports, schedules and other material that the Borrower or any Subsidiary may now or hereafter be required to file with or deliver to any securities exchange or the Securities and Exchange Commission, or any other Governmental Authority succeeding to the functions thereof, (ii) material reports, schedules and other material which the Borrower or any Subsidiary may now or hereafter be required to file with or deliver to the FCC and (iii) material news releases and annual reports relating to the Borrower or any of its Subsidiaries;

(d) Prompt written notice in the event that (i) the Borrower or any Commonly Controlled Entity shall receive notice from the Internal Revenue Service or the Department of Labor that the Borrower or such Commonly Controlled Entity shall have failed to meet the minimum funding requirements of Section 412 of the Code with respect to a Plan, if applicable, and include therewith a copy of such notice, or (ii) the Borrower or any Commonly Controlled Entity gives or is required to give notice to the PBGC of any Reportable Event with respect to a Plan, or knows that the plan administrator of a Plan has given or is required to give notice of any such Reportable Event;

(e) With respect to a Single Employer Plan of the Borrower or any Commonly Controlled Entity, copies of any request for a waiver of the funding standards or any extension of the amortization periods required by Sections 303 and 304 of ERISA or Section 412 of the Code promptly after any such request is submitted to the Department of Labor or the Internal Revenue Service, as the case may be;

(f) Promptly after the filing thereof, a copy of the annual report required to be filed pursuant to Section 103 of ERISA in connection with each Single Employer Plan of the Borrower and each Commonly Controlled Entity for each plan year, including (i) a statement of the assets and liabilities of such Plan as of the end of such plan year and statements of changes in fund balance and in financial position, or a statement of changes in net assets available for plan benefits, for such plan year, certified by the Accountants and (ii) an actuarial statement of such Plan applicable to such plan year, certified by an enrolled actuary of recognized standing reasonably acceptable to the Administrative Agent and the Required Lenders;

(g) Promptly upon request therefor, such other information and reports relating to the past, present or future financial condition, operations, plans and projections of the Borrower or its Subsidiaries as the Administrative Agent or any other Lender (through the Administrative Agent) may at any time and from time to time reasonably request;

(h) Promptly after the same are received by the Borrower, copies of all management letters and similar reports provided to the Borrower or any Subsidiary by its independent certified public accountants;

(i) Prompt written notice of any material change in the accounting policies or financial reporting practices of the Borrower or any of its Subsidiaries; and

(j) Prompt written notice of the occurrence of a Material Adverse Change or the occurrence of any event or facts or circumstances which are reasonably likely to result in a Material Adverse Change.

7.3 Legal Existence.

Except as otherwise permitted by section 8.3, maintain, and cause each Subsidiary to maintain, its corporate existence, and maintain its good standing in the jurisdiction of its incorporation or organization and in each other jurisdiction in which the failure so to do could reasonably be expected to have a Material Adverse Effect.

7.4 Taxes.

Pay and discharge when due, and cause each Subsidiary so to do, all Taxes, assessments and governmental charges, license fees and levies upon or with respect to the Borrower or such Subsidiary and upon the income, profits and

Property of the Borrower and the Subsidiaries taken as a whole, which if unpaid, could reasonably be expected to have a Material Adverse Effect or become a Lien on the Property of the Borrower or any Subsidiary not permitted under section 8.2, unless and to the extent only that such Taxes, assessments, charges, license fees and levies shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary and provided that the Borrower shall give the Administrative Agent prompt notice of such contest and that such reserve or other appropriate provision as shall be required by the Accountants in accordance with GAAP shall have been made therefor.

7.5 Insurance and Condemnation.

(a) Liability Insurance. Maintain, and cause each Subsidiary to maintain, insurance with financially sound insurance carriers on such of its Property, against at least such risks, and in at least such amounts, as are customarily insured against by similar businesses and which, in the case of property insurance, shall be in amounts sufficient to prevent the Borrower or any Subsidiary from becoming a co- insurer, including, without limitation, public liability (bodily injury and property damage), fidelity, bonding and workers' compensation with deductibles not exceeding $25,000 per occurrence, in each case naming the Administrative Agent as an additional insured under such policies, and file with the Administrative Agent within five days after request therefor a detailed list of such insurance then in effect, stating the names of the carriers thereof, the policy numbers, the insureds thereunder, the amounts of insurance, dates of expiration thereof, and the Property and risks covered thereby, together with a certificate of an Authorized Signatory certifying that in the opinion of such officer such insurance is adequate in nature and amount, complies with the obligations of the Borrower under this section 7.5, and is in full force and effect.

(b) Property Insurance. Maintain such property and other insurance as is customarily maintained by companies engaged in similar businesses with deductibles not exceeding $25,000 per occurrence. Promptly upon request therefor, the Borrower shall deliver or cause to be delivered to the Administrative Agent originals or duplicate originals of all such policies of insurance. All such property insurance shall name the Administrative Agent, under a standard loss payable clause, as sole loss payee in respect of each claim resulting in a payment under any such insurance policy exceeding $500,000 and shall contain such endorsements as the Administrative Agent shall require. Provided that no Default or Event of Default shall exist, the Administrative Agent agrees, promptly upon its receipt thereof, to pay over to the Borrower the proceeds of any such payment received by the Administrative Agent in its capacity as Administrative Agent hereunder. If a Default or Event of Default shall exist, the Borrower, at the request of the

Administrative Agent, shall prepay the Loans with such proceeds, in an amount equal to the total amount of such insurance payment. The RC Commitments shall be reduced by an amount equal to any such insurance proceeds not used by the Borrower or any of its Subsidiaries within 360 days to repair or replace any Property in respect of which it received property insurance proceeds.

(c) Condemnation Awards. If a Default or Event of Default shall exist, promptly upon receipt by the Borrower or any of its Subsidiaries of the proceeds of any condemnation or similar awards, the Borrower shall pay over the proceeds thereof to the Administrative Agent and, at the request of the Administrative Agent, shall prepay the Loans in an amount equal to the total amount of such proceeds. The RC Commitments shall be reduced by an amount equal to any such proceeds not used by the Borrower or any of its Subsidiaries within 360 days to repair or replace any Property in respect of which it received a condemnation or similar award.

7.6 Payment of Indebtedness and Performance of Obligations.

Pay and discharge, and cause each Subsidiary to pay and discharge, when due all lawful Indebtedness, obligations and claims for labor, materials and supplies or otherwise which, if unpaid, might (i) have a Material Adverse Effect, or (ii) become a Lien upon Property of the Borrower or any Subsidiary not permitted under section 8.2, unless and to the extent only that the validity of such Indebtedness (other than Indebtedness under the Loan Documents), obligation or claim shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and that any such contested Indebtedness, obligations or claims shall not constitute, or create, a Lien on any Property of the Borrower senior to the Lien granted to the Administrative Agent by the Collateral Documents on such Property, and further provided that the Borrower shall give the Administrative Agent and the Lenders prompt notice of any such contest and that such reserve or other appropriate provision as shall be required by the Accountants in accordance with GAAP shall

have been made therefor.

7.7 Condition of Property.

At all times, maintain, protect and keep in good repair, working order and condition (ordinary wear and tear excepted), and cause each Subsidiary so to do, all Property necessary to the operation of the Borrower's or such Subsidiary's business.

7.8 Observance of Legal Requirements; ERISA; Environmental Laws.

Observe and comply in all respects, and cause each Subsidiary so to do, with all laws (including ERISA and Environmental Laws), ordinances, orders, judgments, rules, regulations, certifications, franchises, permits, licenses, directions and requirements of all Governmental Authorities, which now or at any time hereafter may be applicable to the Borrower or such Subsidiary, a violation of which could reasonably be expected to have a Material Adverse Effect, except such thereof as shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, provided that the Borrower shall give the Administrative Agent and the Lenders prompt notice of such contest and that such reserve or other appropriate provision as shall be required by the Accountants in accordance with GAAP shall have been made therefor.

7.9 Inspection of Property; Books and Records; Discussions.

Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Administrative Agent and each Lender, or potential assignees and/or participants of the Administrative Agent or any Lender, to visit the offices of the Borrower and the Subsidiaries, to inspect any of its Property and examine and make copies or abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, prospects, licenses, Property and financial condition of the Borrower and the Subsidiaries with the officers thereof and with the Accountants.

7.10 FCC Licenses, Etc.

Maintain and cause each Subsidiary to maintain, in full force and effect, each license issued by the FCC to it for each Broadcasting Station. The Borrower shall also maintain and cause each Subsidiary to maintain, in full force and effect, all other material licenses, copyrights, patents, including all licenses, permits, applications, reports, authorizations and other rights as are necessary for the conduct of its business, except to the extent that such ownership or right to use shall terminate as a matter of law or expire as a matter of contractual right through no action or default by the Borrower or any Subsidiary.

7.11 Subsidiary Guaranty.

Promptly upon the creation or acquisition of any Subsidiary, cause such Subsidiary to execute and deliver to the Administrative Agent a supplement to the Subsidiary Guaranty in the form attached thereto, together with such other documents and opinions of counsel as the Administrative Agent shall reasonably required in connection therewith.

8. NEGATIVE COVENANTS

The Borrower covenants and agrees that on and after the Effective Date and until all obligations of the Borrower under Notes and the other Loan Documents have been paid in full and all RC Commitments have been terminated and no obligations of the Administrative Agent, the Issuing Bank or any of the Lenders exist under any of the Loan Documents, the Borrower shall not:

8.1 Borrowing.

Create, incur, assume or suffer to exist any liability for Indebtedness, or permit any Subsidiary so to do, except: (i) Indebtedness under the Loan Documents; (ii) Indebtedness (including Contingent Obligations) of the Borrower and the Subsidiaries existing on the date hereof as set forth in Schedule 8.1 and other Indebtedness of the Borrower in an aggregate outstanding principal amount for all such Indebtedness under this clause (ii) not in excess of $5,000,000; (iii) Indebtedness of the Borrower and the Subsidiaries evidenced

by the Subordinated Indenture Notes and Subordinated Indenture Subsidiary Guaranty; (iv) intercompany Indebtedness between the Borrower and its

Subsidiaries; and (v) refinancings of any Indebtedness permitted under clause (ii) above with other Indebtedness permitted under clause (i) or (ii) above.

8.2 Liens.

Create, incur, assume or suffer to exist, or enter into any agreement with any third Person agreeing not to create, incur, assume or suffer to exist, any Lien upon any of its Property, whether now owned or hereafter acquired, or permit any Subsidiary so to do, except: (i) Liens for Taxes, assessments or similar charges incurred in the ordinary course of business which are not delinquent or which are being contested in accordance with section 7.4, provided that such Liens are not senior to the Liens granted to the Administrative Agent and the Lenders by the Collateral Documents, (ii) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (but not ERISA), (iii) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of business, (iv) zoning ordinances, easements and other similar restrictions affecting real property which do not materially adversely affect the value of such real property or the financial condition of the Borrower or such Subsidiary or materially impair its use for the operation of the business of the Borrower or such Subsidiary, (v) the Liens created under the Collateral Documents, (vi) statutory Liens arising by operation of law such as mechanics' liens incurred in the ordinary course of business which are not delinquent or which are being contested in accordance with section 7.4, (vii) Liens arising out of judgments or decrees which are being contested in accordance with section 7.4, provided that such Liens are subordinate to the Liens granted to the Administrative Agent and the Lenders by the Collateral Documents and provided further that enforcement of such Liens is stayed during such contest, (viii) Liens on Property of the Borrower and the Subsidiaries existing on the date hereof as set forth in Schedule 8.2, (ix) Liens in connection with the making of deposits in accordance with section 8.5(e) and (x) Liens in connection with Indebtedness permitted under Section 8.1(ii), provided that such Liens extend only to the Property acquired with such Indebtedness.

8.3 Merger and Acquisition or Sale of Property.

Consolidate with, be acquired by, or merge into or with any Person, or acquire all or substantially all of the Stock or Property of any Person, or, except as otherwise permitted under section 8.7, sell, lease or otherwise dispose of all or substantially all of its Property, or otherwise alter or modify its structure, status or existence, or permit any Subsidiary so to do, except:

(a) any wholly-owned Subsidiary may merge with the Borrower (with the Borrower as survivor) or with another wholly-owned Subsidiary;

(b) subject to the last paragraph of this section 8.3, upon 30 days' notice to the Administrative Agent, the Borrower or any wholly- owned Subsidiary may acquire Broadcasting Station(s) through an acquisition or merger (with the Borrower or such wholly-owned Subsidiary (or a Person that becomes a wholly-owned Subsidiary) as the survivor thereof for an aggregate gross consideration (including capital expenditures anticipated for the 12 month period following such acquisition) not exceeding $10,000,000 with respect to each such acquisition of Broadcasting Station(s)), provided that (i) if the aggregate gross consideration for any such acquisition exceeds $20,000,000 and if the

Required Lenders shall have consented to such acquisition, there shall have been delivered to the Administrative Agent and each Lender an independent appraisal of each Broadcasting Station to be acquired, such appraisal to be in all respects satisfactory to the Administrative Agent and the Required Lenders, (ii) if the aggregate gross consideration for any such acquisition exceeds $10,000,000, and if the Required Lenders shall have consented to such acquisition, the Administrative Agent and each Lender shall have received such details of such transaction as the Administrative Agent or any other Lender (through the Administrative Agent) shall reasonably request, and (iii) immediately before and after giving effect to such acquisition the Total Leverage Ratio shall not exceed the lesser of (x) 6.00:1.00 and (y) the maximum Total Leverage Ratio then permitted under section 6.1; and

(c) as permitted under section 8.5(j).

Immediately before and after giving effect to any proposed acquisition or merger permitted under this section 8.3, all representations and warranties contained in the Loan Documents shall be true and correct and no Default or Event of Default shall exist and, prior to the consummation of such acquisition or

merger, the Borrower shall have delivered to the Administrative Agent a certificate of an Authorized Signatory of the Borrower certifying as to the foregoing. Immediately upon the consummation of any acquisition or merger permitted under section 8.3(b), (i) the Borrower shall have delivered to the Administrative Agent such UCC financing statements and other documents as the Administrative Agent shall reasonably require in order to grant to the Administrative Agent a first priority perfected security interest in the Stock and/or Property, as applicable, of such Broadcasting Station under and pursuant to the Collateral Documents, subject to no Liens other than Permitted Liens, (ii) if the Borrower shall have acquired a Subsidiary in connection with such acquisition, such Subsidiary shall have become a party to the Subsidiary Guaranty, (iii) the Borrower shall have received, with respect to each pending acquisition, a final order (subject to no appeal) from the FCC, and all other similar material orders from all other applicable Governmental Authorities, with regard to the acquisition or merger, and the Administrative Agent shall have received true, complete and correct copies, certified by an Authorized Signatory of the Borrower, of all such orders and (iv) the Borrower shall have delivered to the Administrative Agent such opinions and other documents as the Administrative Agent shall reasonably require in connection therewith.

8.4 Dividends; Purchase of Stock.

Declare or pay any dividends payable in cash or otherwise or apply any of its Property to the purchase, redemption or other retirement of, or set apart any sum for the payment of any dividends on, or make any other distribution by reduction of capital or otherwise in respect of, any of its Stock (each a "Restricted Payment") or permit any Subsidiary so to do, except that:

(a) any wholly-owned Subsidiary may declare and pay dividends to the Borrower from time to time.

8.5 Investments, Loans, Etc.

At any time, purchase or otherwise acquire, hold or invest in the Stock of, or any other interest in, any Person, or make any loan or advance (excluding deposits or

pledges permitted under section 8.2(iii)) to, or enter into any arrangement for the purpose of providing funds or credit to, or make any other investment, whether by way of capital contribution or otherwise, in or with any Person (all of which are sometimes referred to herein as "Investments"), or permit any Subsidiary so to do, except:

(a) Investments in short-term domestic and eurodollar certificates of deposit issued by any Lender, or any other commercial bank, trust company or national banking association incorporated under the laws of the United States or any State thereof and having undivided capital surplus and retained earnings exceeding $500,000,000;

(b) Investments in short-term direct obligations of the United States of America or agencies thereof which obligations are guaranteed by the United States of America;

(c) Investments existing on the date hereof as set forth in Schedule 8.5(c);

(d) Investments to the extent the same are acquisitions permitted pursuant to section 8.3;

(e) Investments by the Borrower in the form of deposits or options made in the ordinary course of business in connection with any proposed acquisition or acquisitions of Property permitted pursuant to the terms of this Agreement;

(f) loans and advances to employees for travel and relocation purposes; and

(g) loans and advances to employees for other valid business purposes that do not exceed $100,000 in the aggregate at any one time outstanding;

(h) intercompany Indebtedness permitted pursuant to section 8.1(iv);

(i) Permitted Non-Commercial Educational Station Investments in an aggregate amount not exceeding $5,000,000 for any one such Investment or $10,000,000 for all such Investments for the period from and after the Effective Date; and

(j) the merger or consolidation of Beltway Media Partners with or into, or the transfer or conveyance of all or substantially all of its assets

to, a wholly-owned Subsidiary.

8.6 Business Changes.

Engage in any material line of business substantially different from those lines of business carried on as of the Effective Date, or permit any Subsidiary so to do.

8.7 Sale of Property.

Sell, exchange, lease, transfer or otherwise dispose of any Property to any Person, or permit any Subsidiary so to do, except sales, exchanges, leases, transfers or other dispositions made in the ordinary course of business (which shall not include the sale

or other disposition of all or substantially all of the Stock or assets of any Broadcasting Station or involve an FCC license of the Borrower or any of its Subsidiaries), except that:

(a) the Borrower may sell or exchange any Broadcasting Station, provided that (i) the aggregate gross consideration to be received for all Broadcasting Stations that have been sold or exchanged pursuant to the provisions of this section 8.7(a) during the one year period ending on the date of the proposed sale of exchange, (including the Broadcasting Station then being contemplated to be sold or exchanged) shall not exceed $15,000,000 and (ii) the aggregate gross consideration to be received for all Broadcasting Stations that have been sold or exchanged pursuant to the provisions of this section 8.7(a) during the period commencing on the Effective Date and ending through and including the date of the proposed sale of exchange (including the Broadcasting Station then being contemplated to be sold or exchanged) shall not exceed $30,000,000.

In connection with any sale or exchange permitted under section 8.7(a), (i) if the gross consideration to be received for such sale or exchange is equal to or exceeds $10,000,000, the Administrative Agent and each Lender shall have received such information and details with respect to such sale or exchange as the Administrative Agent or any Lender (through the Administrative Agent) shall reasonably request and immediately before and after giving effect to the proposed sale or exchange (including any related change in Indebtedness), all representations and warranties contained in the Loan Documents shall be true and correct, no Default or Event of Default shall exist and the Borrower shall be in pro-forma compliance with all covenants set forth in Sections 6.1, 6.2, 6.3 and 6.4, and the Borrower shall have delivered to the Administrative Agent a certificate of an Authorized Signatory of the Borrower certifying and demonstrating as to the same, (ii) the Borrower shall have received fair value for each Broadcasting Station sold or exchanged and (iii) at least 80% of the consideration to be received in connection with any such sale shall be in cash or cash equivalents.

8.8 Subsidiaries.

Create or acquire any other Subsidiary, or permit any Subsidiary so to do, except in connection with an Acquisition permitted in section 8.3.

8.9 Compliance with ERISA.

Adopt any Plan other than those listed in Schedule 4.14 or permit any Subsidiary so to do, or engage in any "prohibited transaction", as such term is defined in Section 4975 of the Code or Section 406 of ERISA, with respect to any Plan, or incur any "accumulated funding deficiency", as such term is defined in Section 412 of the Code or Section 302 of ERISA, or terminate, or permit any Commonly Controlled Entity to terminate, any Plan that would result in any liability of the Borrower or any Commonly Controlled Entity to the PBGC, or permit the occurrence of any Reportable Event or any other event or condition that presents a risk of such a termination by the PBGC of any Plan, or withdraw or effect a partial withdrawal from a Multiemployer Plan, or permit any Commonly Controlled Entity which is an employer under such a Multiemployer Plan so to do, if any such withdrawal would result in such withdrawing employer incurring any withdrawal liability in excess of $250,000.

8.10 Certificate of Incorporation and By-laws.

Amend or otherwise modify its certificate of incorporation, by- laws or other organizational documents, or permit any Subsidiary so to do, in any way that would adversely affect the interests of the Lenders or the Issuing Bank or the obligations of any Loan Party under any of the Loan Documents.

8.11 Prepayments of Indebtedness.

Prepay or obligate itself to prepay, in whole or in part, any Indebtedness (other than the Loans) prior to the due date thereof, or permit any Subsidiary so to do, other than (i) the prepayment by any Subsidiary of Indebtedness owing by such Subsidiary to the Borrower, (ii) the prepayment of Indebtedness permitted under section 8.1(ii) with the proceeds of other Indebtedness permitted under section 8.1(i) or (ii) or with the proceeds of Stock issued by the Borrower pursuant to section 8.16, (iii) provided no Default or Event of Default shall then exist, the Borrower may prepay the Indebtedness in the aggregate principal amount of $6,692,000 payable to New Inspiration Broadcasting Company, Inc. and Golden Gate Broadcasting Company, Inc., and New Inspiration Broadcasting Company, Inc. and Golden Gate Broadcasting Company, Inc. may, in turn, prepay the Indebtedness in an equal amount payable to its former shareholders, and (iv) provided that no Default or Event of Default shall then exist, the prepayment by the Borrower of Indebtedness incurred by the Borrower in the ordinary course of its business to any Subsidiary.

8.12 Accounting Practice; Fiscal Year.

Make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change its fiscal year from a fiscal year commencing January 1st and ending December 31st, or permit any of its Subsidiaries so to do.

8.13 Limitation on Upstream Transfers.

Permit or cause any of its Subsidiaries to enter into or agree, or otherwise be or become subject, to any agreement, contract or other arrangement (other than this Agreement) with any Person pursuant to the terms of which (a) such Subsidiary is or would be prohibited from making any advances to the Borrower or declaring or paying any cash dividends on any class of its Stock owned directly or indirectly by the Borrower or any of the other Subsidiaries or from making any other distribution on account of any class of any such Stock (herein referred to as "Upstream Transfers"), or (b) the declaration or payment of Upstream Transfers on an annual or cumulative basis is or would be otherwise limited or restricted.

8.14 Transactions with Affiliates.

Become, or permit any Subsidiary to become, a party to any transaction with any Affiliate of the Borrower or any Subsidiary on a basis less favorable to the Borrower or such Subsidiary in any material respect than if such transaction were not with an Affiliate of the Borrower or such Subsidiary.

8.15 Sale and Leaseback.

Enter into any arrangement with any Person, or permit any Subsidiary so to do, providing for the leasing by the Borrower or such Subsidiary of Property which has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or rental obligations of the Borrower or such Subsidiary.

8.16 Stock Issuance.

Issue any additional shares of Stock, or permit any of its Subsidiaries so to do, except (i) the Borrower may issue shares of its common Stock and (ii) any Subsidiary may issue shares of its Stock to the Borrower or any wholly-owned Subsidiary.

8.17 Subordinated Indenture.

Enter into or agree to any amendment, modification or waiver of any term or condition of the Subordinated Indenture, the Subordinated Indenture Notes or the Subordinated Indenture Subsidiary Guaranty, or purchase, redeem or make any payment with respect to Indebtedness under the Subordinated Indenture Notes or the Subordinated Indenture Subsidiary Guaranty, or permit any of its Subsidiaries so to do, except for required payments to the extent expressly permitted pursuant to the subordination terms set forth therein, provided that all payments required to be made under this Agreement shall have been made.

8.18 Federal Reserve Regulations.

Own, or permit any of its Subsidiaries to own, Margin Stock in excess of 25% (or such greater or lesser percentage as is provided in the exclusions from the definition of "Indirectly Secured" contained in Regulation G and Regulation U in effect at the time of the making of each Loan or the issuance of each Letter of Credit) of the value of the assets of (i) the Borrower, or (ii) the Borrower and the Subsidiaries on a Consolidated basis.

8.19 Change in Name; Nature of Business.

Change its legal name or make any material change in the nature of its business, taken as a whole, as conducted on the Effective Date, or permit any of its Subsidiaries so to do.

8.20 Lease Obligations.

Create or suffer to exist any obligations for the payment of rent for any Property under lease or agreement to lease, or permit any of its Subsidiaries so to do, except for:

(a) leases in existence on the Effective Date and any renewal, extension or refinancing thereof;

(b) operating leases entered into after the Effective Date in the ordinary course of business; and

(c) capital leases other than those permitted under clauses (a) and (b) of this section, entered into after the Effective Date to finance the acquisition of equipment to the extent the Indebtedness evidenced by such capital leases is permitted under section 8.1.

9. DEFAULT

9.1 Events of Default.

The following shall each constitute an "Event of Default" hereunder:

(a) The failure of the Borrower to pay any installment of principal on any Note or any reimbursement payment in respect of a Letter of Credit on the date when due and payable; or

(b) The failure of the Borrower to pay any installment of interest or any other fees or expenses payable hereunder or under or in connection with any other Loan Documents within three Business Days of the date when due and payable; or

(c) The use by the Borrower of the proceeds of any Loan or Letter of Credit in a manner inconsistent with or in violation of section 2.7; or

(d) The failure of the Borrower to observe or perform any covenant or agreement contained in section 6, section 7.3, 7.5, 7.10 or 7.11, or section 8; or

(e) The failure of the Borrower to observe or perform any other term, covenant, or agreement contained in this Agreement and such failure shall have continued unremedied for a period of 30 days after the Borrower shall have obtained knowledge thereof; or

(f) Any representation or warranty of any Loan Party (or of any officer on its behalf) made in any Loan Document or in any certificate, report, opinion (other than an opinion of counsel) or other document delivered or to be delivered pursuant to any Loan Document, shall prove to have been incorrect or misleading (whether because of misstatement or omission) in any material respect when made; or

(g) Any obligation of the Borrower or any Subsidiary (other than its obligations under the Loan Documents), whether as principal, guarantor, surety or other obligor, for the payment or purchase of any Indebtedness or operating lease(s) (i) shall become or shall be declared to be due and payable prior to the expressed maturity thereof, or (ii) shall not be paid or purchased when due or within any grace period for the payment or purchase thereof, or (iii) the holder of any such obligation(s) in excess of $500,000 in the aggregate shall have the right to declare such obligation(s) due and payable or require the purchase thereof prior to the expressed maturity thereof; or

(h) The Borrower or any Subsidiary shall (i) suspend or discontinue its business, or (ii) make an assignment for the benefit of creditors, or (iii)

generally not be paying its debts as such debts become due, or (iv) admit in writing its inability to pay its debts as they become due, or (v) file a voluntary petition in bankruptcy, or (vi) become insolvent (however such insolvency shall be evidenced), or (vii) file any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment of debt,

liquidation or dissolution or similar relief under any present or future statute, law or regulation of any jurisdiction, or (viii) petition or apply to any tribunal for any receiver, custodian or any trustee for any substantial part of its Property, or (ix) be the subject of any such proceeding filed against it which remains undismissed for a period of 60 days, or (x) file any answer admitting or not contesting the material allegations of any such petition filed against it or of any order, judgment or decree approving such petition in any such proceeding, or (xi) seek, approve, consent to, or acquiesce in any such proceeding, or in the appointment of any trustee, receiver, custodian, liquidator, or fiscal agent for it, or any substantial part of its Property, or an order is entered appointing any such trustee, receiver, custodian, liquidator or fiscal agent and such order remains in effect for 60 days, or (xii) take any formal action for the purpose of effecting any of the foregoing or looking to the liquidation or dissolution of the Borrower or such Subsidiary; or

(i) An order for relief is entered under the United States bankruptcy laws or any other decree or order is entered by a court having jurisdiction (i) adjudging the Borrower or any Subsidiary a bankrupt or insolvent, or (ii) approving as properly filed a petition seeking reorganization, liquidation, arrangement, adjustment or composition of or in respect of the Borrower or any Subsidiary under the United States bankruptcy laws or any other applicable Federal or state law, or (iii) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or any Subsidiary or of any substantial part of the Property thereof, or (iv) ordering the winding up or liquidation of the affairs of the Borrower or any Subsidiary, and any such decree or order continues unstayed and in effect for a period of 60 days; or

(j) Any judgments or decrees against the Borrower or its Subsidiaries (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) aggregating in excess of $500,000 for all such parties shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of 30 days; or

(k) The occurrence of an Event of Default under and as defined in any Collateral Document or any Reimbursement Agreement; or

(l) Any of the Loan Documents shall cease, for any reason, to be in full force and effect, or any Loan Party shall so assert in writing or shall disavow its obligations thereunder; or

(m) The FCC or any other Governmental Authority revokes or fails to renew any material license, permit or franchise of the Borrower or any of its Subsidiaries, or the Borrower or any of its Subsidiaries for any reason loses any material license, permit or franchise, or the Borrower or any of its Subsidiaries suffers the imposition of any restraining order, escrow, suspension or impound of funds in connection with any proceeding (judicial or administrative) with respect to any material license, permit or franchise; or

(n) The occurrence of a Material Adverse Change; or

(o) A Change of Control shall occur.

Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, (a) if such event is an Event of Default specified in clauses (h) or (i)

above, the RC Commitments and the Letter of Credit Commitment shall immediately and automatically terminate and the Loans, all accrued and unpaid interest thereon and all other amounts owing under the Loan Documents shall immediately become due and payable, and the Administrative Agent may, and upon the direction of the Required Lenders shall, exercise any and all remedies and other rights provided pursuant to the Loan Documents and (b) if such event is any other Event of Default, any or all of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, and upon the direction of the Required Lenders shall, by notice to the Borrower, declare the RC Commitments and the Letter of Credit Commitment to be terminated whereupon the RC Commitments and the Letter of Credit Commitment shall immediately terminate, and (ii) with the consent of the Required Lenders, the Administrative Agent may, and upon the direction of the Required Lenders shall, by notice of default to the Borrower, declare the Loans, all accrued and unpaid interest thereon and all other amounts owing under the Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable, and the Administrative Agent may, and upon the direction of the Required Lenders shall, exercise any and all remedies and other rights provided pursuant to the

Loan Documents. Except as otherwise provided in this section 9.1, presentment, demand, protest and all other notices of any kind are hereby expressly waived to the extent permitted by applicable law. The Borrower hereby further expressly waives and covenants not to assert any appraisement, valuation, stay, extension, redemption or similar laws, to the extent permitted by applicable law, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of any of the Loan Documents. In the event that the Administrative Agent shall fail or refuse so to proceed, the Issuing Bank and each Lender shall be entitled to take such action as the Required Lenders shall deem appropriate to enforce its rights under the Loan Documents.

In the event that the RC Commitments or the Letter of Credit Commitment shall have been terminated or all of the Notes shall have been declared due and payable pursuant to the provisions of this section 9.1, (i) the Borrower shall forthwith deposit an amount equal to the Letter of Credit Exposure in a cash collateral account with and under the sole dominion and control of the Administrative Agent and (ii) the Lenders and the Issuing Bank agree, among themselves, that any funds received in respect of the Loan Documents from or on behalf of the Borrower by any of the Lenders or the Issuing Bank (except funds received by any Lender or the Issuing Bank as a result of a purchase pursuant to the provisions of section 11.9) shall be remitted to the Administrative Agent, and shall be applied by the Administrative Agent in payment of the Loans, the Reimbursement Obligations and the obligations of the Borrower under the Loan Documents in the following manner and order: (1) first, to reimburse the Administrative Agent, the Issuing Bank and the Lenders for any expenses due from the Borrower pursuant to the provisions of section 11.5; (2) second, to the payment of the Commitment Fee and Letter of Credit Fee, pro rata according to the RC Commitment Percentage of each Lender; (3) third, to the payment of any other fees, expenses or amounts (other than the principal of and interest on the Notes, the Reimbursement Obligations and any obligations to any Lender (and any Affiliate of any Lender) arising out of any Interest Rate Protection Arrangement) payable by the Borrower to the Administrative Agent, the Issuing Bank or any of the Lenders under the Loan Documents; (4) fourth, to the payment, pro rata according to the outstanding Loans of each Lender and outstanding Reimbursement Obligations including any interest by a Lender therein), of interest due thereon; (5) fifth, on a pro rata basis, to the payment of (1) the principal outstanding on the Notes, pro rata according to each Lender's outstanding Loans, (2) the principal outstandings on the Reimbursement

Obligations, pro rata according to the Issuing Bank's and each other Lender's interest therein, and (3) the obligations of the Borrower to the Lenders (and any Affiliate of any Lender) arising out of any Interest Rate Protection Arrangements; and (6) sixth, any remaining funds shall be paid to whomsoever shall be entitled thereto or as a court of competent jurisdiction shall direct.

10. THE ADMINISTRATIVE AGENT

10.1 Appointment.

Each Lender hereby irrevocably designates and appoints BNY as the Administrative Agent of such Lender under and in connection with the Loan Documents. Each such Lender hereby irrevocably authorizes BNY as the Administrative Agent for such Lender to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of the Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or any of the other Loan Documents, the Administrative Agent shall have no duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Loan Documents or otherwise exist against the Administrative Agent.

10.2 Delegation of Duties.

The Administrative Agent may execute any of its duties under the Loan Documents by or through agents or attorneys-in-fact and shall be entitled to rely upon the advice of counsel concerning all matters pertaining to such duties.

10.3 Exculpatory Provisions.

Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with the Loan Documents (except for its own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for

any recitals, statements, representations or warranties made by the Borrower or any officer thereof contained in the Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, the Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of any of the Loan Documents or for any failure of the Borrower or any other Person to perform its obligations hereunder or thereunder. The Administrative Agent shall be under no obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, the Loan Documents, or to inspect the properties, books or records of the Borrower or any Subsidiary. The Administrative Agent shall have no liability or responsibility whatsoever to the Borrower or any other Person as a consequence of any failure or delay in performance, or any breach, by the Issuing Bank or any Lender of any of its obligations under any of the Loan Documents.

10.4 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, opinion, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by it. Subject to section 11.7, the Administrative Agent may treat each Lender as the holder of all of the interests of such Lender in its RC Commitment and in its Loans and Notes. The Administrative Agent shall have no duty to examine or pass upon the validity, effectiveness or genuineness of the Loan Documents or any instrument, document or communication furnished pursuant thereto or in connection therewith, and the Administrative Agent shall be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be. The Administrative Agent shall be fully justified in failing or refusing to take any action under the Loan Documents unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under the Loan Documents in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

10.5 Notice of Default.

The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless it has received written notice thereof from the Issuing Bank, a Lender or the Borrower. In the event that the Administrative Agent receives such a notice, it shall promptly give notice thereof to the Issuer and the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders;

provided, however, that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem to be in the best interests of the Lenders.

10.6 Non-Reliance.

Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereinafter, including any review of the affairs of the Borrower or the Subsidiaries, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own evaluation of and investigation into the business, operations, Property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries and made its own decision to enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its

own credit analysis, evaluations and decisions in taking or not taking action

under this Agreement or any of the Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, Property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, Property, financial and other condition or creditworthiness of the Borrower or its Subsidiaries which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

10.7 Indemnification.

Each Lender agrees to indemnify the Administrative Agent in its capacity as such (to the extent not promptly reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower or any other Loan Party to do so), ratably according to its Credit Exposure at such time, from and against any and all liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever including, without limitation, any amounts paid to the Lenders (through the Administrative Agent) by the Borrower pursuant to the terms hereof, that are subsequently rescinded or avoided, or must otherwise be restored or returned) which may at any time (including, without limitation, at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of this Agreement, the other Loan Documents or any other documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted to be taken by the Administrative Agent under or in connection with any of the foregoing; provided, however, that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent resulting directly and primarily from the gross negligence or willful misconduct of the Administrative Agent. The agreements in this section 10.7 shall survive the payment of the Notes and all other amounts payable under the Loan Documents.

10.8 Administrative Agent in its Individual Capacity.

BNY and its Affiliates, may make loans to, accept deposits from, issue letters of credit for the account of and generally engage in any kind of business with, the Borrower and its Subsidiaries as though BNY were not the Administrative Agent. With respect to the RC Commitment made by BNY and each Note issued to BNY, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it was not the Administrative Agent or the Issuing Bank, and the terms "Lender" and "Lenders" shall in each case include BNY.

10.9 Successor.

If at any time the Administrative Agent deems it advisable, in its sole discretion, it may submit to each of the Lenders a written notification of its resignation as Administrative Agent under the Loan Documents, such resignation to be effective on the later to occur of (i) the thirtieth day after the date of such notice and (ii) the date upon which any successor Administrative Agent, in accordance with the provisions of this

section 10.9, shall have accepted in writing its appointment as such successor Administrative Agent. Upon any such resignation of the Administrative Agent, the Required Lenders shall have the right to appoint from among the Lenders a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders and accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which successor Administrative Agent shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $100,000,000. Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent's rights, powers, privileges and duties as Administrative Agent under the Loan Documents shall be terminated. The Borrower and the Lenders shall execute such documents as shall be necessary to effect such appointment. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under the Loan Documents. If at any time hereunder there shall not be a duly appointed and acting Administrative Agent, the Borrower agrees to make each

payment due under the Loan Documents directly to the Persons entitled thereto during such time.

10.10 Updating Exhibits and Schedules.

The Administrative Agent is hereby authorized and directed from time to time to (i) amend Exhibit A to reflect the RC Commitments of each Lender as of the date of each assignment pursuant to section 11.7 and, in connection therewith, the Lending Offices and address for notices of each assignee "Lender", (ii) amend Schedule 1.1(L) to reflect any change of address of which the Administrative Agent has received written notice pursuant to section 11.2, and (iii) in each such case, to send a copy thereof to each party hereto.

10.11 The Arranger.

The Arranger shall have no duties or obligations under the Loan Documents in its capacity as Arranger.

10.12 The Documentation Agent.

The Documentation Agent shall have no duties or obligations under the Loan Documents in its capacity as Documentation Agent.

11. MISCELLANEOUS

11.1 Amendments and Waivers.

With the written consent of the Required Lenders, which consent may be transmitted by telecopier, the Administrative Agent and the appropriate Loan Parties may, from time to time, enter into written amendments, supplements or modifications of the Loan Documents and, with the consent of the Required Lenders, the Administrative Agent

on behalf of the Lenders may execute and deliver to any such parties a written instrument waiving or consenting to the departure from, on such terms and conditions as the Administrative Agent may specify in such instrument, any of the requirements of the Loan Documents or any Default or Event of Default and its consequences; provided, however, that:

(a) no such amendment, supplement, modification, waiver or consent shall, without the written consent of all of the Lenders, (i) increase the RC Commitments or the Letter of Credit Commitment, (ii) extend the Maturity Date or the RC Commitment Termination Date, (iii) extend the date or decrease the amount of any mandatory reduction of the RC Commitments pursuant to section 2.4(b)(i), (iv) decrease the interest rate, extend the time, forgive or change the pro rata method of payment of interest or principal on or applicable to any Note or Reimbursement Obligation, (v) decrease the amount, extend the time, forgive or change the pro rata method of payment of the Commitment Fee or the Letter of Credit Fee, (vi) release all or any part of the Collateral or any Subsidiary Guaranty except in connection with a permitted sale or other permitted disposition of the Collateral or the applicable Subsidiary Guarantor, as the case may be, or to the extent that the Administrative Agent shall be required or permitted to do so under the terms and provisions of the Loan Documents, (vii) change the definition of Required Lenders, (viii) change the sharing provisions among the Lenders, (ix) change the several nature of the obligations of the Lenders to make Loans and participate in Letters of Credit, or (x) change the provisions of sections 2.9, 2.10, 2.11, 2.13, 2.14, 11.1, 11.7(a) or 11.11;

(b) without the written consent of the Administrative Agent, no such amendment, supplement, modification or waiver shall amend, modify or waive any provision of section 10 or otherwise change any of the rights or obligations of the Administrative Agent under the Loan Documents; and

(c) without the written consent of the Issuing Bank, no such amendment, supplement, modification or waiver shall amend, modify or waive any provision relating to the Issuing Bank, the Letter of Credit Commitment or the Letters of Credit or otherwise change any of the rights or obligations of the Issuing Bank hereunder or under the Loan Documents.

Any such amendment, supplement, modification or waiver shall apply equally to each of the Lenders and shall be binding upon the parties to the applicable agreement, the Lenders, the Administrative Agent, the Issuing Bank and all future holders of the Notes and the Reimbursement Obligations. In the case of any waiver, the parties to the applicable agreement, the Lenders, the Administrative Agent, and the Issuing Bank shall be restored to their former position and rights under the Loan Documents to the extent provided for in such waiver, and any Default or Event of Default waived shall not extend to any

subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2 Notices.

Except as otherwise expressly provided herein, all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (i) when delivered by hand, (ii) one Business Day after having been sent by

overnight courier service, (iii) five Business Days after having been deposited in the mail, first-class postage prepaid, or (iv) in the case of telecopier notice, when sent and transmission confirmed (which may include electronic confirmation), addressed as follows in the case of the Borrower, the Administrative Agent and the Issuing Bank, and as set forth in Schedule 1.1(L) hereto in the case of each of the Lenders, or to such other addresses as to which the Administrative Agent may be hereafter notified by the respective parties hereto or any future holders of the Notes:

The Borrower:

Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Attention: Dirk Gastaldo,
Vice President/
Chief Financial Officer

Telephone: (805) 384-4531
Telecopy: (805) 384-4532

with a copy to:

Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Attention: Jonathon Block, Esq.

Telephone: (805) 487-0400 (ext. 106)
Telecopy: (805) 384-4505

The Administrative Agent, the Issuing Bank and/or BNY:

The Bank of New York
Communications, Publishing & Entertainment Division
One Wall Street, 16th Floor
New York, New York 10286
Attention: Wade E. Layton,
Vice President

Telephone: (212) 635-8693
Telecopy: (212) 635-8593

with a copy to, in the case of all Borrowing Requests and Letter of Credit Requests, prepayment notices under section 2.5(a) and conversion notices under section 2.8, and to the attention of, in the case of all fundings by the Lenders:

The Bank of New York, as Administrative Agent
Agency Function Administration
One Wall Street, 18th Floor
New York, New York 10286
Attention: Genoveso Caviness

Telephone: (212) 635-4694
Telecopy: (212) 635-6365 (or 6366/6367)

except that any notice, request or demand by the Borrower to or upon the Administrative Agent, the Issuing Bank or the Lenders pursuant to section 2.3, 2.4, 2.5, 2.8 or 2.18 shall not be effective until received.

11.3 No Waiver; Cumulative Remedies.

No failure to exercise and no delay in exercising, on the part of the Administrative Agent, the Issuing Bank or any Lender, any right, remedy, power or privilege under any Loan Document shall operate as a waiver thereof; nor

shall any single or partial exercise of any right, remedy, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges under the Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement, the Notes and the other Loan Documents.

11.5 Payment of Expenses and Taxes.

The Borrower agrees, promptly upon presentation of a statement or invoice therefor, and whether or not any Loan is made or Letter of Credit is issued, (i) to pay or reimburse the Administrative Agent and the Arranger for all their out-of-pocket reasonable costs and expenses incurred in connection with the development, preparation, execution and syndication of, and any amendment, waiver, consent, supplement or modification to, the Loan Documents, any documents prepared in connection therewith and the consummation of the transactions contemplated hereby and thereby, whether such Loan Documents or any such other documents are executed and whether the transactions contemplated thereby are consummated, including, without limitation, the reasonable fees and disbursements of Special Counsel, (ii) to pay or reimburse the Administrative Agent, the Issuing Bank, the Arranger and the Lenders for all of their respective reasonable costs and expenses incurred in connection with the work-out, enforcement or preservation of any rights under the Loan Documents and any such documents, including, without limitation, reasonable fees and disbursements of counsel (including the allocated cost of internal counsel) to the Administrative Agent, the Issuing Bank, the Arranger and the Lenders

including, without limitation, reasonable expenses of the Administrative Agent, the Issuing Bank, the Arranger and the Lenders in connection with or attributable to commercial finance examiners, accountants, investment banks and environmental consultants, (iii) to pay, indemnify, and hold each Lender, the Administrative Agent, the Issuing Bank and the Arranger harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other Taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, any of the Loan Documents and any such other documents, and (iv) to pay, indemnify and hold each Lender, the Administrative Agent, the Issuing Bank and the Arranger and each of their respective officers, directors, employees and agents harmless from and against any and all other liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, reasonable counsel fees and disbursements (including the allocated cost of internal counsel)) with respect to the execution, delivery, enforcement and performance of the Loan Documents or the use of the proceeds of the Loans and Letters of Credit hereunder (all the foregoing, collectively, the "indemnified liabilities") and, if and to the extent that the foregoing indemnity may be unenforceable for any reason, the Borrower agrees to make the maximum payment permitted under applicable law; provided, however, that the Borrower shall have no obligation hereunder to pay indemnified liabilities to the Administrative Agent, the Issuing Bank, the Arranger or any Lender to the extent arising directly and primarily from the gross negligence or willful misconduct of the Administrative Agent, the Issuing Bank, the Arranger or such Lender, as the case may be. The agreements in this section 11.5 shall survive the termination of the RC Commitments and the payment of the Notes and all other amounts payable hereunder.

11.6 Lending Offices.

Subject to section 2.17(b), each Lender shall have the right at any time and from time to time to transfer any Loan to a different office of such Lender, provided that such Lender shall promptly notify the Administrative Agent and the Borrower of any such change of office. Such office shall thereupon become such Lender's Lending Office.

11.7 Successors and Assigns.

(a) This Agreement, the Notes and the other Loan Documents to which the Borrower is a party shall be binding upon and inure to the benefit of the Borrower, the Lenders, the Administrative Agent, the Issuing Bank, all future holders of the Notes and their respective successors and assigns, except that

the Borrower may not assign, delegate or transfer any of its rights or obligations under this Agreement, the Notes and the Loan Documents to which the Borrower is a party without the prior written consent of each Lender.

(b) Each Lender shall have the right at any time, upon written notice to the Administrative Agent of its intent to do so, to sell or assign (each an "Assignment") all or any part of its Loans, its RC Commitment and its Notes, on a pro rata basis to one or more of the other Lenders (or, with the written consent of the Issuing Bank, such consent not to be unreasonably withheld or delayed, to affiliates of such Lender or such other Lenders) or, with the written consent of Administrative Agent and the Issuing Bank (such

consents not to be unreasonably withheld or delayed), to any other bank, insurance company, pension fund, mutual fund or other financial institution, provided that (i) each such partial Assignment shall be in a minimum aggregate amount of $5,000,000 (unless otherwise consented to by the Borrower), (ii) the parties to each such Assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement along with a fee (the "Assignment Fee") of $3,500 with respect to the Assignment made under this Agreement and (iii) no such assignment may be made to the Borrower or to any Affiliate of the Borrower. Upon receipt of each such duly executed Assignment and Assumption Agreement together with the Assignment Fee therefor in compliance with the provisions hereof, the Administrative Agent shall (x) record the same and signify its acceptance thereof by executing two copies of such Assignment and Assumption Agreement in the appropriate place and delivering one copy to the assignor and one copy to the assignee and (y) request the Borrower to execute and deliver (1) to such assignee one or more Notes, in an aggregate principal amount equal to the Loans assigned to, and RC Commitments assumed by, such assignee and (2) to such assignor one or more Notes, in an aggregate principal amount equal to the balance of such assignor Lender's Loans and RC Commitment, if any, in each case against receipt of such assignor Lender's existing Notes. The Borrower agrees that it shall, upon each such request of the Administrative Agent, execute and deliver such new Notes at its own cost and expense. Upon such delivery, acceptance and recording by the Administrative Agent, from and after the effective date specified in such Assignment and Assumption Agreement, the assignee thereunder shall be a party hereto and shall for all purposes of this Agreement and the other Loan Documents be deemed a "Lender" and, to the extent provided in such Assignment and Assumption Agreement, the assignor Lender thereunder shall be released from its obligations under this Agreement and the other Loan Documents.

(c) Each Lender may grant participations in all or any part of its Loans, its Notes or its RC Commitment to any other bank, insurance company, pension fund, mutual fund, financial institution or other entity, provided that no such participant shall have any right to require such Lender to take or omit to take any action under any Loan Document except any action which would require the consent of all Lenders pursuant to section 11.1. The Borrower hereby acknowledges and agrees that any such participant shall for purposes of sections 2.9, 11.5, 11.9 and 11.11 be deemed to be a "Lender".

(d) No Lender shall, as between and among the Borrower, the Administrative Agent, the Issuing Bank, and such Lender, be relieved of any of its obligations under the Loan Documents as a result of any Assignment or granting of a participation in, all or any part of its Loans, its RC Commitment or its Notes, except that a Lender shall be relieved of its obligations to the extent of any Assignment of all or any part of its Loans, its RC Commitment or its Notes pursuant to subsection (b) above.

(e) Notwithstanding anything to the contrary contained in this section 11.7, any Lender may at any time assign all or any portion of its rights under the Loan Documents to a Federal Reserve Bank. No such assignment shall release such Lender from its obligations thereunder.

11.8 Counterparts.

This Agreement and each of the other Loan Documents (other than the Notes) may be executed by one or more of the parties to this Agreement or to such other Loan Document, as the case may be, on any number of separate counterparts and all of

said counterparts taken together shall be deemed to constitute one and the same agreement. It shall not be necessary in making proof of any Loan Document to produce or account for more than one counterpart signed by the party to be charged. Any of the parties to this Agreement and the other Loan Documents may rely on signatures of such parties hereto and thereto which are transmitted by telecopier or other electronic means as fully as if originally signed. A set of the copies of this Agreement and each of the other Loan Documents signed by all

the parties shall be lodged with each of the Borrower and the Administrative Agent.

11.9 Adjustments; Set-off.

(a) If any Lender (a "benefited Lender") shall at any time receive any payment of all or any part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in section 9.1 (h) or (i), or otherwise) in a greater proportion than any such payment to and collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, such benefited Lender shall notify the Administrative Agent and shall purchase for cash from the other Lenders such portion of each such other Lender's Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest, unless the benefitted Lender is required to pay interest on the amount of the excess payment to be returned, in which case the other Lenders shall pay their pro rata share of such interest. The Borrower agrees that each Lender so purchasing a portion of another Lender's Loans may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(b) In addition to any rights and remedies of the Lenders provided by law, upon the occurrence and at any time during the continuance of an Event of Default, each Lender shall have the right, without prior notice to any Loan Party, any such notice being expressly waived by each such Loan Party to the extent permitted by applicable law, to set off and apply against any indebtedness, whether matured or unmatured, of such Loan Party to such Lender, any amount owing from such Lender to such Loan Party, at, or at any time after, the happening of any of the above-mentioned events. To the extent permitted by applicable law, the aforesaid right of set-off may be exercised by such Lender against each Loan Party or against any trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of such Loan Party, or against anyone else claiming through or against such Loan Party or such trustee in bankruptcy, custodian, debtor in possession, assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by such Lender prior to the making, filing or issuance, or service upon such Lender of, or of notice of, any such petition, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena, order or warrant. Promptly after any such set-off and application made by a Lender against a Loan Party, such Lender shall notify such Loan Party and the Administrative Agent, provided

that the failure to give such notice shall not affect the validity of such set-off and application.

11.10 No Third Party Beneficiary.

This Agreement is among the Borrower, the Lenders, the Administrative Agent, the Issuing Bank and the Arranger and no other Person is intended to or shall have any rights hereunder or shall be permitted to rely hereon.

11.11 Indemnity.

(a) The Borrower agrees to indemnify and hold harmless each of the Administrative Agent, the Issuing Bank, the Arranger, each Lender and each of their respective officers, directors, employees and agents (each an "Indemnified Party") from and against any loss, cost, liability, damage or expense (including the reasonable fees and out-of-pocket expenses of counsel to each such Indemnified Party, including all local counsel hired by any such counsel) incurred by each such Indemnified Party in investigating, preparing for, defending against, or providing evidence, producing documents or taking any other action in respect of, any claim, commenced or threatened litigation, administrative proceeding or investigation under any federal securities law or any other statute of any jurisdiction, or any regulation, or at common law or otherwise, which is alleged to arise out of or is based upon (i) any untrue statement or alleged untrue statement of any material fact of the Borrower or any Subsidiary in any document or schedule executed or filed with the Securities and Exchange Commission or any other Governmental Authority by or on behalf of

the Borrower or any Subsidiary, (ii) any omission or alleged omission to state any material fact required to be stated in such document or schedule, or necessary to make the statements made therein, in light of the circumstances under which made, not misleading, (iii) any of the Loan Documents, the transactions contemplated hereby or thereby or any acts, practices or omissions or alleged acts, practices or omissions of the Borrower or any of its agents relating to the use of the proceeds of any or all Letters of Credit or Loans which are alleged to be in violation of section 2.7, or in violation of any federal securities law or of any other statute, regulation or other law of any jurisdiction applicable thereto, or (iv) any acquisition or proposed acquisition by the Borrower or any Subsidiary of all or a portion of the Stock, or all or a portion of the assets, of any Person, in each case whether or not any Indemnified Party is a party thereto.

(b) In addition to the indemnity provided under section 11.11(a), the Borrower agrees to defend, indemnify and hold harmless each Indemnified Party from and against any loss, cost, liability, fine, penalties, damage or expense (including the reasonable fees and out-of- pocket expenses of counsel to each such Indemnified Party, including all local counsel hired by any such counsel) suffered or incurred by each such Indemnified Party, pertaining to any release or threatened release of a reportable quantity of any hazardous substance or hazardous waste at any Property of the Borrower or any of its Subsidiaries (a "Hazardous Discharge"), including, but not limited to, claims of any Governmental Authority or any third Person, whether arising under or on account of any Environmental Law or tort, contract or common law, including, without limitation, the assertion of any Lien thereunder, with respect to any Hazardous Discharge, the presence of any hazardous substances or hazardous wastes affecting any Property of the Borrower or any of its Subsidiaries, whether or not the same originates or engages from such Property or any contiguous real estate, including any loss of value of such Property as a

result of the foregoing. The Borrower's obligations under this section 11.11(b) shall arise upon the discovery of any Hazardous Discharge at such Property, whether or not any Governmental Authority or any other Person has taken or threatened any action in connection with the presence of any hazardous substances or hazardous wastes.

(c) The indemnities set forth herein shall be in addition to any other obligations or liabilities of the Borrower to the Indemnified Parties hereunder or at common law or otherwise, and shall survive any termination of this Agreement, the expiration of the RC Commitments and the payment of all indebtedness of the Borrower hereunder and under the other Loan Documents, provided that the Borrower shall have no obligation under this section 11.11 to an Indemnified Party with respect to any of the foregoing to the extent arising directly and primarily out of the gross negligence or wilful misconduct of such Indemnified Party.

11.12 <u>Governing Law.</u>

This Agreement, the Notes and the other Loan Documents and the rights and obligations of the parties under this Agreement, the Notes and the other Loan Documents shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without regard to principles of conflict of laws.

11.13 <u>Headings.</u>

Section headings have been inserted herein and in the other Loan Documents for convenience only and shall not be construed to be a part hereof or thereof.

11.14 <u>Severability.</u>

Every provision of this Agreement and the other Loan Documents is intended to be severable, and if any term or provision hereof or thereof shall be invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions hereof or thereof shall not be affected or impaired thereby, and any invalidity, illegality or unenforceability in any jurisdiction shall not affect the validity, legality or enforceability of any such term or provision in any other jurisdiction.

11.15 <u>Integration.</u>

All exhibits and schedules to this Agreement shall be deemed to be a part of this Agreement or the applicable Loan Document, as the case may be. Except for agreements between the Borrower and the Administrative Agent, the Issuing Bank and the Arranger with respect to certain fees, this Agreement and the other Loan Documents embody the entire agreement and understanding among the

Borrower, the Administrative Agent, the Issuing Bank, the Arranger and the Lenders with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings among the Borrower, the Administrative Agent, the Issuing Bank, the Arranger and the Lenders with respect to the subject matter hereof and thereof.

11.16 Limitation of Liability.

No claim may be made by the Borrower, any of its Subsidiaries, any other Loan Party, any Lender or other Person against the Administrative Agent, the Issuing

Bank, any Lender, the Arranger, or any directors, officers, employees, or agents of any of them, for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by any Loan Document, or any act, omission or event occurring in connection therewith, and each of the Borrower, its Subsidiaries, such other Loan Party, any such Lender or other Person hereby waives, releases and agrees not to sue upon any claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

11.17 Consent to Jurisdiction.

The Borrower hereby irrevocably submits to the jurisdiction of any New York State or Federal Court sitting in the City of New York over any suit, action or proceeding arising out of or relating to the Loan Documents. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Borrower hereby agrees that a final judgment in any such suit, action or proceeding brought in such a court, after all appropriate appeals, shall be conclusive and binding upon it.

11.18 Service of Process.

The Borrower hereby agrees that process may be served in any suit, action, counterclaim or proceeding of the nature referred to in section 11.17 by mailing copies thereof by registered or certified mail, postage prepaid, return receipt requested, to the address of the Borrower set forth in section 11.2 or to any other address of which the Borrower shall have given written notice to the Administrative Agent. The Borrower hereby agrees that such service, to the extent permitted by applicable law (i) shall be deemed in every respect effective service of process upon it in any such suit, action, counterclaim or proceeding, and (ii) shall to the fullest extent enforceable by law, be taken and held to be valid personal service upon and personal delivery to it.

11.19 No Limitation on Service or Suit.

Nothing in the Loan Documents or any modification, waiver, or amendment thereto shall affect the right of the Administrative Agent, the Issuing Bank or any Lender to serve process in any manner permitted by law or limit the right of the Administrative Agent, the Issuing Bank or any Lender to bring proceedings against the Borrower in the courts of any jurisdiction or jurisdictions.

11.20 WAIVER OF TRIAL BY JURY.

THE ADMINISTRATIVE AGENT, THE ISSUING BANK, THE LENDERS AND THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREIN. FURTHER, THE BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ADMINISTRATIVE AGENT,

THE ISSUING BANK OR THE LENDERS, OR COUNSEL TO THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR THE LENDERS, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE ADMINISTRATIVE AGENT, THE ISSUING BANK OR THE LENDERS WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. THE BORROWER ACKNOWLEDGES THAT THE ADMINISTRATIVE AGENT, THE ISSUING BANK AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THE LOAN DOCUMENTS BY, INTER ALIA, THE PROVISIONS OF THIS SECTION.

11.21 Confidentiality.

The Administrative Agent, the Issuing Bank and the Lenders each agree that, without the prior written consent of the Borrower, it will not disclose the terms of this Agreement or any material confidential information with respect to the Borrower, or any of its Subsidiaries which is furnished pursuant to this Agreement to any Person except (i) its accountants, attorneys and other advisors who have a need to know such information or its Affiliates, and in each case who agree to be bound by the provisions of this section 11.21, (ii) to the extent such information is requested to be disclosed to any regulatory or administrative body or commission to whose jurisdiction the Administrative Agent, the Issuing Bank or such Lender is subject, (iii) to the extent such information is requested or required to be disclosed by subpoena or similar process of applicable law or regulation, (iv) to the extent the Borrower has previously disclosed such information publicly or such information is otherwise in the public domain (except by virtue of a breach by the Administrative Agent, the Issuing Bank or such Lender of its obligations under this section 11.21) at the time of disclosure, (v) such information which is disclosed in connection with any litigation or dispute between the Administrative Agent, the Issuing Bank or such Lender and any Loan Party concerning this Agreement, any other Loan Document, or any instrument or document executed or delivered in connection herewith or therewith, (vi) such information which was in the possession of such Person or such Person's Affiliates without the obligation of confidentiality prior to the Administrative Agent, the Issuing Bank or such Lender furnishing it to such Person, and (vii) in connection with a prospective assignment, grant of a participation interest or other transfer by a Lender of any of its interest in this Agreement or the Notes, provided that the Person to whom such information is disclosed shall agree to be bound by the provisions of this section 11.21.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Executive Vice President

THE BANK OF NEW YORK,
Individually and as Administrative Agent and
Issuing Bank

By: /s/ Stephen M. Nettler
Name: Stephen M. Nettler
Title: V.P.

BANK OF AMERICA NT & SA,
Individually and as Documentation Agent

By: /s/ Matthew J. Koenig
Name: Matthew J. Koenig
Title: V.P.

CREDIT AGREEMENT

BANKBOSTON, N.A.

By: /s/ Jennifer R. Buras

Name: Jennifer R. Buras

Title: Director

SALEM COMMUNICATIONS CORPORATION
CREDIT AGREEMENT

FLEET BANK, N.A.

By: /s/ Garret Komjathy

Name: Garret Komjathy

Title: Vice President

SALEM COMMUNICATIONS CORPORATION
CREDIT AGREEMENT

UNION BANK OF CALIFORNIA, N.A.

By: /s/ Kristina M. Mouzakis

Name: Kristina M. Mouzakis

Title: Assistant Vice President

SALEM EXHIBIT A

LIST OF RC COMMITMENTS

Bank	RC Commitment	RC Commitment Percentage
The Bank of New York	$20,000,000	20/75
Bank of America NT&SA	$17,500,000	17.5/75
BankBoston, N.A.	$12,500,000	12.5/75
Fleet Bank, N.A.	$12,500,000	12.5/75
Union Bank of California, N.A.	$12,500,000	12.5/75
TOTAL	$75,000,000.00	100%

SALEM EXHIBIT B

FORM OF RC NOTE

$--------------

____________,1997
New York, New York

FOR VALUE RECEIVED, on the Maturity Date, SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), hereby promises to pay to the order of ________________________(the "Lender"), at the office of The Bank of New York, as Administrative Agent (the "Administrative Agent"), located at One Wall Street, New York, New York, 10286 or at such other place as the Administrative Agent may specify from time to time, in lawful money of the United States of America, the principal sum of $_________, or such lesser unpaid

principal balance as shall be outstanding hereunder, payable in the amounts and at the times set forth in the Agreement (as hereinafter defined).

This RC Note shall bear interest from the date hereof on the unpaid balance hereof payable on the dates and at the rate or rates provided for in the Credit Agreement, dated as of September 25, 1997, by and among the Borrower, the Lenders party thereto, Bank of America NT&SA, as Documentation Agent, and the Administrative Agent (as the same may be amended, modified or supplemented from time to time, the "Agreement"). Capitalized terms used herein which are defined in the Agreement shall have the meanings therein defined. In no event shall the interest rate payable in respect hereof exceed the Highest Lawful Rate.

This RC Note is one of the RC Notes referred to in the Agreement is subject to the terms, set forth in the Agreement and is entitled to the benefits set forth in the Loan Documents. The principal of this RC Note is prepayable in the amounts and under the circumstances, and its maturity is subject to acceleration upon the terms, set forth in the Agreement. Except as otherwise expressly provided in the Agreement, if any payment on this RC Note becomes due and payable on a day which is not a Business Day the maturity thereof shall be extended to the next Business Day, and interest shall be payable at the applicable rate or rates specified in the Agreement during such extension period.

Presentment for payment, demand, notice of dishonor, protest, notice of protest and all other demands and notices in connection with the delivery, performance and enforcement of this RC Note are hereby waived, except as specifically otherwise provided in the Agreement.

This RC Note is being delivered in, is intended to be performed in, shall be construed and interpreted in accordance with, and be governed by the internal laws of, the State of New York without regard to principles of conflict of laws.

This RC Note may be amended only by an instrument in writing executed pursuant to the provisions of Section 11.1 of the Agreement.

SALEM COMMUNICATIONS CORPORATION

By: ---------------------------------

Name: -------------------------------

Title: ------------------------------

SCHEDULE TO RC NOTE

<TABLE>
<CAPTION>

Notation Date	Type of RC Loan (ABR or Eurodollar Loan)	Borrowing or Conversion	Amount of RC Loan	Principal paid or prepaid	Interest Rate (if Eurodollar Loan)	Interest Period (if Euro-dollar Loan)	Unpaid Principal Amount	Made By

</TABLE>

SALEM EXHIBIT C

FORM OF BORROWING REQUEST

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street - 16th Floor
New York, New York 10286
Attention: Wade E. Layton,
Vice President

and

The Bank of New York, as Administrative Agent
One Wall Street - 18th Floor
New York, New York 10286
Attention: Genoveso Caviness,
Agency Function Administration

Re: Credit Agreement, dated as of September 25, 1997, by and among Salem Communications Corporation, the Lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be amended, modified or supplemented from time to time, the "Agreement")

Capitalized terms used herein which are defined in the Agreement shall have the meanings therein defined.

Pursuant to section 2.3 of the Agreement, the Borrower hereby gives notice of its intention to borrow RC Loans in an aggregate principal amount of $______, on __________________, which borrowing shall consist of the following RC Loan(s):

	Type of RC Loan (Eurodollar or ABR)	Amount	Interest Period (for Eurodollar Loan)
(1)			
(2)			

Immediately after giving effect to the RC Loans and Letters of Credit to be made and issued on the Borrowing Date set forth above, the Total Leverage Ratio will be ______:1.00, as shown on Exhibit I attached hereto.

The Borrower hereby certifies that on the date hereof and on the Borrowing Date set forth above, and after giving effect to the RC Loan(s) requested hereby:

(a) The Borrower is and shall be in compliance with all of the terms, covenants and conditions of the Agreement and the other Loan Documents.

(b) There exists and there shall exist no Default or Event of Default under the Agreement.

(c) The proceeds of such RC Loans will be used in accordance with section 2.7 of the Agreement.

(d) Each of the representations and warranties contained in the Loan Documents which is required to be made on such Borrowing Date is and shall be true and correct.

IN WITNESS WHEREOF, the Borrower has caused this certificate to be executed by its duly authorized officer as of the date and year first written above.

SALEM COMMUNICATIONS CORPORATION

By:________________________
Name:______________________
Title:_____________________

EXHIBIT I

Calculation of Total Leverage Ratio

SALEM EXHIBIT D

FORM OF LETTER OF CREDIT REQUEST

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street - 16th Floor
New York, New York 10286
Attention: Wade E. Layton,
Vice President

and

The Bank of New York, as Administrative Agent
One Wall Street - 18th Floor
New York, New York 10286
Attention: Genoveso Caviness
Agency Function Administration

Re: Credit Agreement, dated as of September 25, 1997, by and among Salem Communications Corporation, the Lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be amended, modified or supplemented from time to time, the "Agreement")

Capitalized terms used herein which are defined in the Agreement shall have the meanings therein defined.

Pursuant to section 2.18 of the Agreement, the Borrower hereby requests the Issuing Bank to issue Letter(s) of Credit in an aggregate principal amount of $_____, on ________________, in accordance with the information annexed hereto.

Immediately after giving effect to the RC Loans and Letters of Credit to be made and issued on the Borrowing Date set forth above, the Total Leverage Ratio will be _______:1.00, as shown on Exhibit I attached hereto.

The Borrower hereby certifies that on the date hereof and on the Borrowing Date set forth above, and after giving effect to the Letters of Credit requested hereby:

(a) The Borrower is and shall be in compliance with all of the terms, covenants and conditions of the Agreement and the other Loan Documents.

(b) There exists and there shall exist no Default or Event of Default under the Agreement.

(c) The proceeds of such Letters of Credit will be used in accordance with section 2.7 of the Agreement:

(d) Each of the representations and warranties contained in the Loan Documents which is required to be made on such Borrowing Date is and shall be true and correct.

IN WITNESS WHEREOF, the Borrower has caused this certificate to be executed by its duly authorized officer as of the date and year first written above.

SALEM COMMUNICATIONS CORPORATION

By:________________________
Name:______________________
Title:_____________________

LETTER OF CREDIT INFORMATION

1. Name of Beneficiary:___________________________.

2. Address of Beneficiary to which Letter of Credit will be sent:
____.

3. Conditions under which a drawing may be made (specify any required documentation):
____.

4. Maximum amount to be available under such Letter of Credit: $ _______.

5. Requested date of issuance:____________________.

6. Requested date of expiration:___________________.

EXHIBIT I

Calculation of Total Leverage Ratio

SALEM EXHIBIT E

FORM OF OPINION OF SPECIAL COUNSEL

____________, 1997

To the Administrative Agent,
the Issuing Bank and the Lenders
under the Agreement
as defined below

Re: Credit Agreement, dated as of September 25, 1997, by and among Salem Communications Corporation, the Lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as

documentation Agent (the "Agreement")

We have acted as Special Counsel to the Administrative Agent in connection with the Agreement. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Agreement.

We have examined originals or copies certified to our satisfaction of the documents required to be delivered pursuant to the provisions of Section 5 of the Agreement. In conducting such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to originals of all documents submitted to us as copies.

Based upon the foregoing examination, and assuming the accuracy of (a) the opinion of Eric H. Halvorson, general counsel for the Borrower and its Subsidiaries, (b) the opinion of Fletcher, Heald & Hildreth, P.C., special FCC counsel to the Borrower and its Subsidiaries, (c) the representations and warranties of the Loan Parties contained in the Loan Documents, and (d) certain representations of the Administrative Agent, and subject to all assumptions, qualifications and other limitations contained in such opinions, all of which are expressly incorporated herein by reference, we are of the opinion that all legal preconditions to the making of the first Loans on the first Borrowing Date under the Agreement have been satisfactorily met.

This opinion is rendered solely for your benefit in connection with the transactions referred to herein and may not be relied upon by any other Person.

We express no opinion as to laws other than the laws of the State of New York and the federal laws of the United States of America.

Very truly yours,

SALEM EXHIBIT F

OUTLINE OF LEGAL OPINIONS - COUNSEL TO THE BORROWER

In connection with the Credit Agreement (the "Agreement"), to be entered, by and among SALEM COMMUNICATIONS CORPORATION (the "Borrower"), the Lenders party thereto, THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and BANK OF AMERICA NT&SA, as Documentation Agent, set forth below is an outline of opinions (the "Opinions") to be included in, or covered by, the legal opinion to be delivered to the Administrative Agent, pursuant to Section 5.1(j) of the Agreement by counsel to the Borrower and its Subsidiaries. The Opinions, including all assumptions contained therein, shall be in all respects satisfactory to the Administrative Agent.

DEFINITIONS:

(a) Capitalized terms used in the Opinions and which are not otherwise defined therein shall have the respective meanings ascribed thereto in the Agreement.

(b) When used in the Opinions, "NYUCC" shall mean Articles 1, 8 and 9 of the Uniform Commercial Code as in effect in the State of New York on the date on which the Opinions are rendered.

(c) When used in the Opinions, the following capitalized terms shall have the respective meanings ascribed thereto in the NYUCC (as defined above): "Certificated Security", "Chattel Paper", "Instrument", "Issuer", "Security", "Security Interest" and "Uncertificated Security".

OPINIONS:

1. The Borrower has only the Subsidiaries set forth on Schedule 4.1 to the Agreement. The shares of each corporate Subsidiary owned by the Borrower are duly authorized, validly issued, fully paid and nonassessable. The shares of each Subsidiary are owned free and clear of any Liens, except (i) Liens in favor

of the Administrative Agent and the Lenders pursuant to the Collateral Documents and (ii) Permitted Liens.

2. The Borrower and each Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own its Property and to carry on its business as now conducted, and is in good standing and authorized to do business in each jurisdiction in which the failure to be so authorized could reasonably be expected to have a Material Adverse Effect.

3. The Borrower and each other Loan Party has full power and authority to enter into, execute, deliver and carry out the terms of the Loan Documents to which it is a party, to make the borrowings contemplated thereby, to execute, deliver and carry out the terms of the Notes and to incur the obligations provided for therein, all of

which have been duly authorized by all proper and necessary action and are in full compliance with its certificate of incorporation and by-laws.

4. The Loan Documents constitute the valid and legally binding obligations of the Borrower and each other Loan Party to which it is a party, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, whether considered in a proceeding at law or in equity.

5. To the best of my knowledge, except as set forth in Schedule 4.6, there are no actions, suits, arbitration proceedings or claims (whether or not purportedly on behalf of the Borrower or any Subsidiary) pending or threatened against the Borrower or any Subsidiary, or maintained by the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse Effect. To the best of my knowledge, there are no proceedings pending or threatened against the Borrower or any Subsidiary which call into question the validity or enforceability of any of the Loan Documents.

6. To the best of my knowledge, except as set forth in Schedule 4.7, neither the Borrower nor any Subsidiary is in default under any mortgage, indenture, contract, agreement, judgment, decree or order to which it is a party or by which it or any of its Property is bound, which defaults, taken as a whole, could reasonably be expected to have a Material Adverse Effect. To the best of my knowledge, the execution, delivery or carrying out of the terms of the Loan Documents will not constitute a default under, conflict with, require any consent under (other than consents which have been obtained) or result in the creation or imposition of, or obligation to create, any Lien upon the Property of the Borrower or any Subsidiary pursuant to the terms of any such mortgage, indenture, contract, agreement, judgment, decree or order, which defaults, conflicts and consents, if not obtained, taken as a whole, could reasonably be expected to have a Material Adverse Effect.

7. To the best of my knowledge, neither the Borrower nor any Subsidiary is in default with respect to any judgment, order, writ, injunction, decree or decision of any Governmental Authority which default could reasonably be expected to have a Material Adverse Effect.

8. Neither the Borrower nor any Subsidiary is subject to regulation under the Public Utility Holding Company Borrower Act of 1935, the Federal Power Act or the Investment Company Act of 1940, and neither the Borrower nor any Subsidiary is subject to any statute or regulation which prohibits or restricts the incurrence of Indebtedness under the Loan Documents, including, without limitation, statutes or regulations relative to common or contract carriers or to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

9. Neither the Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. If used solely for the purposes set forth in Section 2.6 of the Agreement, no part of the proceeds of the Loans or Letters of Credit will be used, directly or indirectly, to purchase or carry any Margin Stock or for a

purpose which violates any law, rule or regulation of any Governmental Authority, including without limitation the provisions of Regulations G, T, U or X of the Board of Governors of the Federal Reserve System, as amended.

10. The fees, interest and other charges payable under the Loan Documents do not violate any usury or similar laws of the State of California.

11. The Borrower Security Agreement, together with the delivery to the Administrative Agent of the Certificated Securities constituting Collateral (as defined in the Borrower Security Agreement) and the continuous possession

thereof by the Administrative Agent in the State of New York, creates a continuing "enforceable" Security Interest in the Collateral (as defined in the Borrower Security Agreement) in favor of the Administrative Agent. Upon (a) the presentation for filing of the Financing Statements (as defined in the Borrower Security Agreement) at the respective offices listed thereon together with the appropriate filing fee therefor, (b) the delivery to the Administrative Agent of the Instruments constituting the Collateral (as defined in the Borrower Security Agreement), and (c) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted by the Borrower Security Agreement on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral (as defined in the Borrower Security Agreement), (i) such Security Interest shall be perfected, and (ii) assuming that the Administrative Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Administrative Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect to Collateral (as defined in the Borrower Security Agreement) consisting of Securities.

12. The Subsidiary Guaranty, together with the delivery to the Administrative Agent of the Certificated Securities constituting Collateral (as defined in the Subsidiary Guaranty) and the continuous possession thereof by the Administrative Agent in the State of New York, creates a continuing "enforceable" Security Interest in the Collateral (as defined in the Subsidiary Guaranty) in favor of the Administrative Agent. Upon (a) the presentation for filing of the Financing Statements (as defined in the Subsidiary Guaranty) of each Guarantor (as defined in the Subsidiary Guaranty) at the respective offices listed thereon together with the appropriate filing fee therefor, (b) the delivery to the Administrative Agent of the Instruments constituting the Collateral (as defined in the Subsidiary Guaranty), and (c) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted by the Subsidiary Guaranty on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral (as defined in the Subsidiary Guaranty), (i) such Security Interest shall be perfected, and (ii) assuming that the Administrative Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Administrative Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect the Collateral (as defined in the Subsidiary Guaranty) consisting of Securities.

13. Neither the Administrative Agent nor any Lender is required to comply with the requirements of any foreign lender statute in the State of California in order to avail itself of the remedies provided thereby.

Exhibit G

[LETTERHEAD OF FLETCHER, HEALD & HILDRETH, P.L.C.]

SEPTEMBER 25, 1997

The Bank of New York, as Administrative Agent
One Wall Street
New York, NY 10286

and each Lender from
time to time party
to the Credit Agreement
defined below

Re: Salem Communications Corporation

Dear Sirs:

We have represented Salem Communications Corporation (the "Borrower") and the Subsidiaries as special counsel before the Federal Communications Commission ("FCC") with respect to matters related to the Communications Act of 1934, as amended, and the rules, regulations, interpretations, policies, and published opinions of the FCC (collectively, the "Communications Laws") in connection with the FCC licenses held by the Subsidiaries for the Broadcasting Stations owned by the Borrower and its Subsidiaries and regulation by the FCC under the Communications Laws of the operations of such Stations as well as in connection with the regulation by the FCC of the Borrower's or a Subsidiary's operation of broadcast stations not licensed to the Borrower or a Subsidiary. Capitalized terms used herein and not otherwise defined have the respective meanings given those terms in the Credit Agreement, dated as of September 25, 1997 ("Agreement"), by and among the Borrower, the lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as Documentation Agent.

This opinion is being furnished to you at the request of the Borrower and the Subsidiaries pursuant to Section 5.1(k) of the Agreement.

FLETCHER, HEALD & HILDRETH, P.L.C.

As to questions of fact relevant to this opinion, we have relied solely upon (a) a review of the pertinent public files of the FCC and inquiries of appropriate staff members of the FCC, (b) an examination of appropriate files of this firm and an inquiry of this firm's lawyers who have had substantial responsibility for the Borrower's legal matters handled by this firm, and (c) representations made by the Borrower in the Agreement and by it to the FCC in documents and filings which are available in the public files of the FCC. We have assumed the correctness and completeness of FCC public files and of records and certificates issued by the FCC. We have not performed any on-site investigations of facilities owned or operated by the Borrower and the Subsidiaries, and in any event do not express any opinion regarding the actual operations of the Broadcasting Stations. You should be aware that records of the FCC that are public as a matter of law (e.g., pursuant to the Federal Freedom of Information Act) may not, in fact, be contained in the public files of the FCC which we examined in connection with this opinion. Furthermore, there may be records of matters pending at the FCC that are not available for inspection by the public as a matter of law.

We have also examined such provisions of the Communications Laws as we have deemed necessary for purposes of this opinion. This opinion is limited to matters arising under the Communications Laws, and we express no opinion as to any other laws.

Based upon and subject to the foregoing, and to the further qualifications, assumptions, and limitations set forth herein, we are of the opinion that:

1. The Borrower and the Subsidiaries are the registered holders of all radio licenses duly issued by the FCC in respect of all Broadcasting Stations owned by the Borrower and the Subsidiaries, as listed in Schedule A to this opinion. Such licenses constitute all of the authorizations of the FCC necessary for the operation of the Broadcasting Stations owned by the Borrower and the Subsidiaries, and such licenses are validly held by the Borrower and the Subsidiaries and in full force and effect. To the best of our knowledge, neither the Borrower nor any Subsidiary is a party to any investigation, notice of violation, order or complaint issued by or before the FCC. To the best of our knowledge, there are no proceedings by or before the FCC, other than rulemaking proceedings or similar proceedings of general applicability to entities such as the Borrower or Subsidiaries or to facilities such as the Broadcasting Stations, which could reasonably be expected to materially threaten or adversely affect the validity of any such licenses.

2. To the best of our knowledge, the Borrower and each Subsidiary have duly and timely filed all filings which are required to be filed by the Borrower and each Subsidiary

under the Communications Act, the failure to file of which could reasonably be expected to have a Material Adverse Effect.

3. No order, approval or consent by the FCC is required for the execution, delivery and performance of the Loan Documents, except that any exercise of rights or remedies under the Loan Documents constituting an exercise of control over, or transfer of control of, any of the Broadcasting Station licenses issued by the FCC will be subject to compliance with the Communications Act, including the obtaining of any required prior approval of the FCC.

This opinion is furnished to you by this firm as special communications counsel to the Borrower. This opinion is solely for your benefit under the Agreement and the Loan Documents and may not be relied upon by any other person or by you in any other context.

Very truly yours,

FLETCHER, HEALD & HILDRETH, P.L.C.

By:/s/JAMES P. RILEY

James P. Riley

SCHEDULE A

Call Sign	Community of License
KBIQ (FM)	Manitou Springs, CO
KGFT (FM)	Pueblo, CO
KPRZ (FM)	Fountain, CO
KTSL (FM)	Medical Lake, WA
WHLO (AM)	Akron, OH
WHK (FM)	Canton, OH
WITH (AM)	Baltimore, MD
WTSJ (AM)	Cincinnati, OH
KPXQ (AM)	Phoenix, AZ
KKMS (AM)	Richfield, MN
WHK (AM)	Cleveland, OH
KFAX (AM)	San Francisco, CA
KKLA (AM)	San Bernardino, CA
KWRD (FM)	Arlington, TX
KGNW (AM)	Seattle-Burien, WA
KLFE (AM)	Seattle, WA
WEZE (AM)	Boston, MA
WPZE (AM)	Boston, MA
KKLA (FM)	Los Angeles, CA
KAVC (FM)	Rosamond, CA

Call Sign	Community of License
WFIL (AM)	Philadelphia, PA
WZZD (AM)	Philadelphia, PA
KPRZ (AM)	San Marcos-Poway, CA
WMCA (AM)	New York, NY
WYLL (FM)	Des Plaines, IL
WWDJ (AM)	Hackensack, NJ
KLTX (AM)	Long Beach, CA
KRKS (FM)	Boulder, CO
KRKS (AM)	Denver, CO
KNUS (AM)	Denver, CO
WRFD (AM)	Columbus-Worthington, OH
KPDQ (AM)	Portland, OR
KPDQ (FM)	Portland, OR
WORD (FM)	Pittsburgh, PA
WPIT (AM)	Pittsburgh, PA

KSLR (AM)	San Antonio, TX
KKHT (FM)	Conroe, TX
KENR (AM)	Houston, TX
KFIA (AM)	Carmichael, CA
KTKZ (AM)	Sacramento, CA
KDAR (FM)	Oxnard, CA
WAVA (FM)	Arlington, VA

SALEM EXHIBIT H

FORM OF COMPLIANCE CERTIFICATE

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: Wade E. Layton,
Vice President

Reference is made to the Credit Agreement, dated as of September 25, 1997, by and among Salem Communications Corporation, the Lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be amended, modified or supplemented from time to time, the "Agreement"). Capitalized terms used herein which are defined in the Agreement shall have the meanings therein defined.

There exists no violation of any of the terms or provisions of the Loan Documents, or the occurrence of any condition or event which would constitute a Default or Event of Default, except ____________.

The Total Leverage Ratio as of ______________ for the four fiscal quarter period ended ______________ is __._:1.00, as determined on Exhibit I attached hereto.

The ratio of Consolidated Annual Operating Cash Flow to Pro/Forma Debt Service as of _____________ is __._:1.00, as determined on Exhibit I attached hereto.

The ratio of Consolidated Annual Operating Cash Flow to Pro/Forma Interest Expense as of ___________________ is __._:1.00, as determined on Exhibit I attached hereto.

The ratio of Consolidated Annual Operating Cash Flow to Fixed Charges as of _______________ is __._:1.00, as determined on Exhibit I attached hereto.

SALEM COMMUNICATIONS CORPORATION

By:________________________
Name:______________________
Title:_____________________

EXHIBIT I

Calculation of Total Leverage Ratio

Calculation of Ratio of Consolidated Annual Operating Cash Flow to Pro-Forma Debt Service

Calculation of Ratio of Consolidated Annual Operating Cash Flow

to Pro-Forma Interest Expense

Calculation of Ratio of
Consolidated Annual Operating Cash Flow
to Fixed Charges

SALEM EXHIBIT I

FORM OF BORROWER SECURITY AGREEMENT

BORROWER SECURITY AGREEMENT (as the same may be amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of September 25, 1997, by and between SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), and THE BANK OF NEW YORK (the "Administrative Agent"), in its capacity as Administrative Agent for the Lenders under the Credit Agreement referred to below and the Rate Protection Lenders as defined therein.

RECITALS

I. Reference is made to the Credit Agreement, dated as of the date hereof, by and among the Borrower, the Lenders party thereto, the Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

II. It is a condition precedent to the making of all loans and all other extensions of credit under the Credit Agreement that the Borrower shall have executed and delivered this Agreement.

Therefore, in consideration of the Recitals, the terms and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Administrative Agent hereby agree as follows:

1. Defined Terms

(a) Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

(b) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto as follows:

"Collateral": as defined in section 2.

"Equity Interest": (i) with respect to a corporation, the capital stock thereof, (ii) with respect to a partnership, a partnership interest therein, all rights of a partner in such partnership, whether arising under the partnership agreement of such partnership or otherwise; (iii) with respect to a limited liability company, a membership interest therein, all rights of a member of such limited liability company, whether arising under the limited liability company agreement of such limited liability company or otherwise; (iv) with respect to any other firm, association, trust, business enterprise or other entity, any equity interest therein, any interest therein which entitles the holder thereof to share in the revenue, income, earnings or losses thereof or to vote or otherwise participate in any election of one or more members of the Managing Person thereof, and (v) all

warrants and options in respect of any of the foregoing and all other securities which are convertible or exchangeable therefor.

"Event of Default": as defined in section 6.

"Financing Statements": the UCC financing statements executed by the Borrower and delivered pursuant to the Credit Agreement.

"Grants of Security Interests": collectively, the Grant of Security Interest (Patents) and the Grant of Security Interest (Trademarks), in the form of Annexes B-1 and B-2 hereto, respectively, in each case appropriately completed and signed by the Borrower.

"NYUCC": the UCC as in effect in the State of New York on the date hereof.

"Obligations": all of the obligations and liabilities of the Borrower under the Loan Documents and under each Interest Rate Protection Arrangement entered into by the Borrower with a Rate Protection Lender, in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired, as such obligations and liabilities may be amended, increased, modified, renewed, refinanced by the Administrative Agent and the Lenders, refunded or extended from time to time.

"Office Location": as defined in section 3(a).

"Patents": all patents issued under the laws of the United States of America and all patent applications filed with the United States Patent and Trademark Office, and all of the rights associated with each of the foregoing.

"Proceeds": as defined in the NYUCC, together with (i) all dividends, distributions and income on and in respect of all of the Securities and Instruments and all other rights and benefits in respect thereof, and (ii) with respect to the Patents and Trademarks, all renewals thereof, all proceeds of infringement suits, all rights to sue for infringement, all license royalties, all reissues, divisions, continuations, extensions and continuations-in-part thereof.

"Rate Protection Lenders": collectively, the Lenders and any affiliates of the Lenders which from time to time enter or have entered into Interest Rate Protection Arrangements with the Borrower.

"Registrations": (i) patents issued under the laws of the United States of America, (ii) patent applications filed with the United States Patent and Trademark Office, and (iii) all registered trademarks.

"Trademarks": (i) all rights under the laws of the United States of America, and each State thereof, to trademarks, together with all registrations thereof, applications therefor and all of the rights associated therewith, and (ii) the goodwill of the Borrower's business symbolized by registered trademarks.

"Transaction Statement": a transaction statement in the form of Annex A hereto.

"UCC": with respect to any jurisdiction, Articles 1, 8 and 9 of the Uniform Commercial Code as from time to time in effect in such jurisdiction.

(c) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto in the NYUCC: "Account", "Certificated Security", "Chattel Paper", "Document", "Equipment", "Fixture", "General Intangible", "Instrument", "Inventory", "Issuer", "Secured Party", "Security", "Security Interest" and "Uncertificated Security".

2. Grant of Security Interest

To secure the prompt and complete payment, observance and performance of the Obligations, the Borrower hereby grants to the Administrative Agent, for its benefit and the ratable benefit of the Lenders, the Issuing Bank and the Rate Protection Lenders, a Security Interest in and to all of the Borrower's right, title and interest in and to all: Accounts, Chattel Paper, Documents, Equipment, Fixtures, General Intangibles, Instruments, including, without limitation, Instruments evidencing intercompany Indebtedness, Inventory, Patents, Trademarks, Equity Interests in each Person which now is or may hereafter become a Subsidiary of the Borrower, whether or not evidenced by a

Security, and all Proceeds of all of the foregoing, in each case whether now owned or existing or hereafter arising or acquired, and including, without limitation, all licenses, approvals, permits and other authorizations issued by the FCC, including the Proceeds of any sale or other disposition thereof, in each case to the extent that a security interest therein is not prohibited by law, provided that to the extent that a security interest therein is now so prohibited and to the extent that such security interest at any time hereafter shall no longer be so prohibited, then such security interest shall automatically and without any further action attach and become fully effective at that time (giving effect to any retroactive effect to any change in applicable law or regulation) (collectively, the "Collateral").

3. Representations and Warranties

The Borrower hereby represents and warrants to the Administrative Agent as follows:

(a) Chief Executive Office. As of the date hereof, the Borrower's place of business or, if the Borrower has more than one place of business, its chief executive office, is, and has been continuously for the immediately preceding 5 month period, located at the address set forth for notices to the Borrower contained in the Credit Agreement (the "Office Location"). The Borrower has not changed its legal name during the six year period immediately preceding the date hereof.

(b) Information. As of the date hereof, all of the information set forth on each of the Schedules hereto is true, complete and correct.

(c) Security Interest. This Agreement, together with the delivery to the Administrative Agent of the Certificated Securities constituting Collateral and the

continuous possession thereof by the Administrative Agent in the State of New York, creates a continuing "enforceable" Security Interest in the Collateral in favor of the Administrative Agent. Upon (i) the presentation for filing of the Financing Statements at the respective offices listed thereon together with the appropriate filing fee therefor, (ii) the delivery to the Administrative Agent of the Instruments constituting the Collateral, and (iii) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted hereby on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral, and (iv) the filing of the Grants of Security Interests in the United States Patent and Trademark Office with respect to Patents, Registrations, and Trademarks, (A) such Security Interest shall be perfected, and (B) assuming that the Administrative Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Administrative Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect to the Collateral consisting of Securities.

(d) Absence of Liens. There are no Liens upon the Collateral other than Permitted Liens, if any.

(e) Equity Interests. The Equity Interests listed on Schedule 3(e) hereto constitute, as of the date hereof, all of the Equity Interests in each Subsidiary in which the Borrower has any right, title or interest, and each such Equity Interest issued by a corporate Issuer has been duly authorized, validly issued and fully paid for, and is non-assessable. As of the Effective Date, except as set forth on Schedule 3(e), (i) no Subsidiary of the Borrower has issued any securities convertible into, or options or warrants for, any common or preferred equity securities thereof and (ii) there are no agreements, voting trusts or understandings binding upon the Borrower or any of its Subsidiaries with respect to the voting securities of any of such Subsidiary or affecting in any manner the sale, pledge, assignment or other disposition thereof, including any right of first refusal, option, redemption, call or other right with respect thereto, whether similar or dissimilar to any of the foregoing.

(f) Chattel Paper, Documents and Instruments. The Chattel Paper, Documents and Instruments listed on Schedule 3(f) hereto constitute, as of the date hereof, all of the Chattel Paper, Documents and Instruments which constitute the Collateral, and, to the best of the Borrower's knowledge, all such Chattel Paper, Documents and Instruments have been duly authorized, issued and delivered, and constitute the legal, valid, binding and enforceable obligations of the respective makers thereof.

(g) Accounts. As of the date hereof, all records concerning any Account

constituting the Collateral are located at its Office Location, and no such Account is evidenced by a promissory note or other instrument.

(h) Equipment and Inventory. Except for Equipment and Inventory in transit with common carriers, the Borrower has exclusive possession and control of all Equipment and Inventory constituting the Collateral, all of which is as of the date hereof and has been continuously for the 5 month period immediately preceding the date hereof, located at one or more of the places listed on Schedule 3(h) hereto.

(i) Patents and Trademarks. The Borrower has no Registrations relating to Patents other than those listed on Schedule 3(i) hereto, and each such Registration is subsisting and is not invalid or unenforceable, in whole or in part, except to the extent that the unenforceability thereof could not reasonably be expected to have a material adverse effect on the value of the Patents taken as a whole. The Borrower has no Registrations relating to Trademarks other than those listed on Schedule 3(i) hereto, and each such Registration is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, except to the extent that the unenforceability thereof could not reasonably be expected to have a material adverse effect on the value of the Trademarks taken as a whole. To the best of the Borrower's knowledge, each Patent and Trademark constituting Collateral is valid and enforceable. Except for Permitted Liens, the Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents and Trademarks constituting Collateral, free and clear of all Liens. To the best of the Borrower's knowledge, no claim has been made that the use of any Patent or Trademark violates the rights of any third person. The Borrower has used consistent standards of quality in its manufacture of products sold under the Patents and Trademarks.

4. Covenants of the Borrower

The Borrower hereby covenants with the Administrative Agent as follows:

(a) Chief Executive Office. The Borrower shall maintain its place of business, or if the Borrower has more than one place of business, its chief executive office, at the Office Location or at such other location in respect of which (A) the Borrower shall have provided the Administrative Agent with prior written notice thereof, and (B) UCC financing statements (or amendments thereto), in form and substance reasonably satisfactory to the Administrative Agent, shall have been filed within two months of such change.

(b) Further Assurances. The Borrower shall, at its own expense, promptly execute and deliver all certificates, documents, instruments, financing and continuation statements and amendments thereto, notices and other agreements, and take all further action, that the Administrative Agent may reasonably request from time to time, in order to perfect and protect the Security Interest granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral. The Borrower hereby irrevocably appoints the Administrative Agent as the Borrower's true and lawful attorney-in-fact, in the name, place and stead of the Borrower, to perform on behalf of the Borrower any and all obligations of the Borrower under this Agreement, and the Borrower agrees that the power of attorney herein granted constitutes a power coupled with an interest, provided, however, that the Administrative Agent shall have no obligation to perform any such obligation and such performance shall be at the sole cost and expense of the Borrower. If the Borrower fails to comply with any of its obligations hereunder, the Administrative Agent may do so in the Borrower's name or in the Administrative Agent's name, but at the Borrower's expense, and the Borrower hereby agrees to reimburse the Administrative Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Administrative Agent in connection therewith.

(c) Information. The Borrower at its own expense shall furnish to the Administrative Agent such information, reports, statements and schedules with respect to the Collateral as the Administrative Agent may reasonably request from time to time.

(d) Defense of Collateral. The Borrower at its own expense shall defend the Collateral against all claims of any kind or nature (other than Permitted Liens, if any) of all Persons at any time claiming the same or any interest therein adverse to the interests of the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender, and the Borrower shall not cause, permit or

suffer to exist any Lien upon the Collateral other than Permitted Liens, if any.

(e) Uncertificated Securities. The Borrower shall cause each Person which is an Issuer of an Uncertificated Security constituting Collateral (i) to register the Security Interest granted hereby upon the books of such Person in accordance with Article 8 of the NYUCC, and (ii) to issue to the Administrative Agent an initial Transaction Statement and issue to the Administrative Agent subsequent Transaction Statements in accordance with Section 8-408 of the UCC in effect in the State of New York.

(f) Delivery of Pledged Collateral. Each Certificated Security representing an Equity Interest in a Person which is or shall become a Subsidiary of the Borrower shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent. The Borrower agrees that until so delivered, each such Certificated Security shall be held by the Borrower in trust for the benefit of the Administrative Agent and be segregated from the other Property of the Borrower.

(g) Chattel Paper, Documents and Instruments. All of the Instruments, Documents and Chattel Paper now or hereafter owned by or in the possession of the Borrower which constitute Collateral (other than checks received in the ordinary course of collection) shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent. The Borrower agrees that, with respect to all items of the Collateral which it is or shall hereafter be obligated to deliver to the Administrative Agent, until so delivered such items shall be held by the Borrower in trust for the benefit of the Administrative Agent and be segregated from the other Property of the Borrower.

(h) Accounts. Except as otherwise provided in this section 4(h), the Borrower shall continue to collect in accordance with its customary practice, at its own expense, all amounts due or to become due to the Borrower in respect of the Borrower's Accounts and, prior to the occurrence of an Event of Default, the Borrower shall have the right to adjust, settle or compromise the amount or payment of any such Account, all in accordance with its customary practices. In connection with such collections, the Borrower may take and, at the direction of the Administrative Agent at any time that an Event of Default shall have occurred and be continuing shall take, such action as the Borrower

or the Administrative Agent may reasonably deem necessary or advisable to enforce collection of such Accounts.

(i) Equipment and Inventory. The Borrower shall keep the Equipment and Inventory constituting Collateral at the places listed on Schedule 3(h) hereto, and at such other places located within the United States in respect of which (i) the Borrower shall have provided the Administrative Agent with prior written notice, and (ii) UCC financing statements (or amendments thereto), in form and substance satisfactory to the Administrative Agent, shall have been filed within two months of such change. The Borrower shall promptly furnish to the Administrative Agent a statement respecting any material loss or damage to any of the Equipment or Inventory constituting Collateral except to the extent that such loss or damage shall be insured pursuant to policies required to be maintained pursuant to the Credit Agreement.

(j) Patent and Trademarks. The Borrower will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents and Trademarks constituting Collateral. The Borrower shall give to the Administrative Agent prompt written notice thereof in the event that the Borrower shall obtain any right to any new Patent or Trademark or to any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or Trademark. The Borrower shall prosecute diligently any applications of the Patents and Trademarks constituting Collateral pending as of the date of this Agreement or thereafter, and preserve and maintain all rights in applications of Patents and Trademarks constituting Collateral consistent with past practice, including the payment of all maintenance fees, except to the extent the failure so to preserve or maintain such rights could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. The Borrower shall not abandon any right to file an application or any pending application for any Patent or Trademark unless the failure so to do could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. The Borrower agrees that it will

not enter into any agreement, including a license agreement, with respect to any Patent or Trademark which is inconsistent with the Borrower's past practices of licensing Patents or Trademarks as the case may be. The Borrower hereby grants to the Administrative Agent the right to visit the Borrower's plants and facilities which manufacture, inspect or store products sold under any of the Patents and Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours upon reasonable prior notice.

5. Other Agreements of the Borrower

(a) No Duty to Preserve. Except as otherwise required by law, the Borrower agrees that, with respect to the Collateral, neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender has any obligation to preserve rights against prior or third parties.

(b) Administrative Agent's Duty With Respect to Collateral. The Administrative Agent's only duty with respect to the Collateral delivered to it shall be to use reasonable care in the custody and preservation of the Collateral, and the Borrower agrees that if the Administrative Agent accords the Collateral substantially the same kind

of care as it accords its own Property, such care shall conclusively be deemed reasonable. In the event that all or any part of the Certificated Securities or Instruments constituting the Collateral are lost, destroyed or wrongfully taken while such Certificated Securities or Instruments are in the possession of the Administrative Agent, the Borrower agrees that it will use its best efforts to cause the delivery of new Certificated Securities or Instruments in place of the lost, destroyed or wrongfully taken Certificated Securities or Instruments upon request therefor by the Administrative Agent, without the necessity of any indemnity bond or other security, other than the Administrative Agent's agreement of indemnity upon usual and customary terms therefor. Anything herein to the contrary notwithstanding, the Administrative Agent shall not be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

(c) Liability of Borrower under Contracts and Agreements Included in the Collateral. Anything herein to the contrary notwithstanding, (i) the Borrower shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender of any of its rights hereunder shall not release the Borrower from any of its duties or obligations under any such contract or agreement, (iii) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall have any obligation or liability, including indemnification obligations, under any such contract or agreement by reason of this Agreement, nor shall the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender be obligated to perform any of the obligations or duties of the Borrower thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Borrower or the sufficiency of any performance by any party under any such contract or agreement or to take any action to collect or enforce any claim for payment assigned hereunder, and (iv) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

6. Events of Default

Each of the following shall constitute an "Event of Default":

(a) If the Borrower shall fail to observe or perform any term, covenant or agreement contained in this Agreement; or

(b) The occurrence and continuance of an Event of Default under, and as such term is defined in, the Credit Agreement.

7. Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, the Administrative Agent may:

(i) exercise any and all rights and remedies (A) granted to a Secured Party by the UCC in effect in the State of New York or otherwise allowed at law, and (B) otherwise provided by this Agreement, and

(ii) dispose of the Collateral as it may choose, so long as every aspect of the disposition including the method, manner, time, place and terms are commercially reasonable, and the Borrower agrees that, without limitation, the following are each commercially reasonable: (A) the Administrative Agent shall not in any event be required to give more than 10 days' prior notice to the Borrower of any such disposition, (B) any place within the City of New York or the Counties of Nassau, Suffolk, and Westchester may be designated by the Administrative Agent for disposition, and (C) the Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) The Borrower acknowledges and agrees that the Administrative Agent may elect, with respect to the offer or sale of any or all of the Equity Interests constituting the Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of such Equity Interests or the offer and sale thereof under any Federal or state securities laws and that the Administrative Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Administrative Agent is reasonably necessary in order to avoid any violation of applicable law, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Equity Interests, or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority. The Borrower further acknowledges and agrees that any such transaction may be at prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Administrative Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be reasonably necessary in order to avoid any such registration or qualification, at its sole discretion or with the consent or direction of the Required Lenders, and that any such offer and sale so conducted shall be deemed to have been made in a commercially reasonable manner.

(c) To the extent permitted by law, the Borrower hereby expressly waives and covenants not to assert any appraisement, valuation, stay, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement, any other Loan Document or in any other agreement, instrument or document executed by the Borrower and delivered to the Administrative Agent, the Issuing Bank or any Lender, neither the Administrative Agent, the Issuing Bank nor any Lender will take any action pursuant to this Agreement, any other Loan Document or any other document referred to above which would constitute or result in any assignment of any license, approval, permit, certificate or other authorization issued by the FCC or any change of control of the Borrower or any Subsidiary if such assignment or change of control would require, under then existing law, the prior approval of the FCC without first obtaining such prior approval of the FCC. Upon the occurrence of an Event of Default or at any time during the continuance thereof, the Borrower waives, to the extent permitted by law, any right it may have to oppose, and agrees to take any action that the Administrative Agent may reasonably request in order to obtain from the FCC, such approval as may be necessary to enable the Administrative Agent, the Issuing Bank and the Lenders to exercise and enjoy the full rights and benefits granted to the Administrative Agent, the Issuing Bank and the Lenders by this Agreement, the other Loan Documents and the other documents referred to above, including specifically, at the cost and expense of the Borrower, the use of commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is or shall be required by law, and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of (a) any sale or other disposition of the Collateral by or on behalf of the Administrative Agent, or (b) any assumption by the Administrative Agent of voting rights in the Collateral effected in accordance with the terms of this Agreement. It is understood and agreed that all foreclosure and related actions will be made in accordance with the Communications Act and applicable regulations and published policies and decisions of the FCC pertaining to such foreclosure and related actions.

8. Voting

Notwithstanding anything to the contrary contained in this Agreement, the Borrower shall have the right to vote all Securities and General Intangibles constituting the Collateral and receive and retain all dividends and distributions thereon until such time, if any, as an Event of Default shall have occurred and be continuing and the Administrative Agent shall have notified the Borrower that the Administrative Agent shall have elected to terminate the rights of the Borrower under this section, at which time the Administrative Agent shall then be vested with the right to vote all Securities constituting the Collateral and receive and retain all dividends and distributions thereon, until such time as such Event of Default is cured or waived.

9. Notices

All notices and other communications provided for or otherwise required hereunder or in connection herewith shall be given in the manner and to the addresses set forth in section 11.2 of the Credit Agreement.

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10. Termination

On any date upon which (i) the Lenders shall no longer have any obligation to make Loans, (ii) the Issuing Bank shall no longer have (A) any obligation to issue Letters of Credit and (B) any obligations under the Letters of Credit theretofor issued, and (iii) the Obligations shall have been paid in full in cash, the outstanding principal balance of the Loans together with all accrued interest thereon, all of the Reimbursement Obligations and all other sums then due and owing under the Loan Documents, the Liens granted hereby shall cease and the Administrative Agent shall, at the Borrower's expense (A) execute and deliver all UCC Termination Statements and other documents necessary to terminate the Liens granted hereby that the Borrower shall have reasonably requested, and (B) return to the Borrower all Collateral that shall remain in the possession of the Administrative Agent at such time.

11. Relationship to Credit Agreement

This Agreement is the "Borrower Security Agreement" under, and as such term is defined in, the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof. Each of the Administrative Agent and the Borrower acknowledges that certain provisions of the Credit Agreement, including, without limitation, sections 1.2 (Principles of Construction), 11.1 (Amendments and Waivers), 11.3 (No Waiver; Cumulative Remedies), 11.4 (Survival of Representations and Warranties), 11.7 (Successors and Assigns), 11.8 (Counterparts), 11.9 (Adjustments; Set-off), 11.12 (Governing Law), 11.13 (Headings), 11.14 (Severability), 11.15 (Integration), 11.16 (Limitation of Liability), 11.17 (Consent to Jurisdiction), 11.18 (Service of Process), 11.19 (No Limitation on Service or Suit) and 11.20 (WAIVER OF TRIAL BY JURY) thereof, are made applicable to this Agreement and all such provisions are incorporated by reference herein as if fully set forth herein.

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IN EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this Borrower Security Agreement to be duly executed on its behalf.

SALEM COMMUNICATIONS CORPORATION

By:________________________________
Name:______________________________
Title:_____________________________

THE BANK OF NEW YORK, as Administrative Agent

By:________________________________
Name:______________________________
Title:_____________________________

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Schedule 3(e) to the Borrower Security Agreement
Dated as of September 25, 1997

LIST OF EQUITY INTERESTS

Number of	Cert.	Percentage of Outstanding

Issuer	Class	Shares	Number	Shares

Schedule 3(f) to the Borrower Security Agreement
Dated as of September 25, 1997

LIST OF CHATTEL PAPER, DOCUMENTS AND INSTRUMENTS

Schedule 3(h) to the Borrower Security Agreement
Dated as of September 25, 1997

ADDRESSES FOR EQUIPMENT AND INVENTORY LOCATIONS

Schedule 3(i) to the Borrower Security Agreement
Dated as of September 25, 1997

LIST OF REGISTRATIONS

A. Patents

B. Trademarks

ANNEX A TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

FORM OF TRANSACTION STATEMENT

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT, OF ITSELF, CONFERS NO RIGHT ON THE RECIPIENT. THIS STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

The undersigned,_________________ (the "Issuer"), hereby acknowledges receipt of the Borrower Security Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), dated as of September 25, 1997, by and between SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent"), and (i) consents to the terms thereof and (ii) confirms that a pledge of the right, title and interest in the security referred to below has been registered in the books and records of the Issuer in the name of the Administrative Agent, as set forth below. This Transaction Statement is issued under Section 8-408 of the New York State Uniform Commercial Code.

1. Description of the Security:_________________________________

2. Number of Shares or Units Pledged:___________________________

3. Registered Owner:

SALEM COMMUNICATIONS CORPORATION
4880 Santa Rosa Road Suite 300
Camarillo, California 93012

Attention: Vice President/
Chief Financial Officer

Taxpayer ID# ______________________.

4. REGISTERED PLEDGEE AND TAXPAYER INDENTIFICATION NUMBER (IF ANY):

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: ______________________________
____

Taxpayer ID# 13-5160382

5. DATE OF REGISTRATION OF THE PLEDGE: The pledge described herein was registered on _____________, on the books and records of the Issuer.

6. NOTATION OF LIENS: There are no liens, restrictions or adverse claims as to which the Issuer has a duty under Section 8-403(4) of the Uniform Commercial Code (the "UCC") to which such security is or may be subject, other than those set forth in the Loan Documents (as defined in that certain Credit Agreement, dated as of ________________, 1997, by and among the Borrower, the Lenders party thereto and The Bank of New York, as Administrative Agent and Bank of America NT & SA, as Documentation Agent, as amended, supplemented or otherwise modified from time to time) or [list applicable organizational documents].

The Issuer hereby agrees, at the request of the Administrative Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Agreement and promptly to furnish to the Administrative Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

[NAME OF ISSUER]

By:_________________________
Name:_______________________
Title:______________________

ANNEX B-1 TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

FORM OF GRANT OF SECURITY INTEREST (PATENTS)

SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and has entered into a Borrower Security Agreement dated the date hereof (the "Agreement") with the Administrative Agent.

Pursuant to the Agreement, the Borrower granted to the Administrative Agent a security interest in all of the right, title and interest of the Borrower in and to the letters patent or applications for letters patent, of the United States, more particularly described on Schedule 1 (the "Patents") together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Borrower does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Obligations (as such term is defined in the Agreement), the Administrative Agent will take whatever

actions are necessary at the Borrower's expense to release or reconvey to Borrower all right, title and interest of the Borrower in and to the Patents.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

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IN WITNESS WHEREOF, the Borrower has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of_____,________.

SALEM COMMUNICATIONS CORPORATION

By:___________________________
Name:_________________________
Title:________________________

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of __, __, before me personally came _________________, to me known, who, being by me duly sworn, did depose and say that he resides at _________________; that he is the ________ of SALEM COMMUNICATIONS CORPORATION, the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____
Notary Public
[Notary's Stamp]

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Schedule 1
to
Grant of Security Interest (Patents)
Dated as of_____________________

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Annex B-2 to the Borrower Security Agreement
Dated as of September 25, 1997

FORM OF GRANT OF SECURITY INTEREST (TRADEMARKS)

SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and has entered into a Borrower Security Agreement dated the date hereof (the "Agreement") with the Administrative Agent.

Pursuant to the Agreement, the Borrower granted to the Administrative Agent a security interest in all of the right, title and interest of the Borrower in and to the trademarks listed on Schedule 1, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks"), together with the goodwill of the business symbolized by the Trademarks and the applications and registrations therefor, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Borrower does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Obligations (as such term is defined in the Agreement), the Administrative Agent will take whatever actions are necessary at the Borrower's expense to release or reconvey to the

Borrower all right, title and interest of the Borrower in and to the Trademarks.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Borrower has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of _______,_______.

SALEM COMMUNICATIONS CORPORATION

By:___________________________________
Name:_________________________________
Title:________________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this _____ day of ________, _________, before me personally came __________________ , to me known, who, being by me duly sworn, did depose and say that he resides at ______________ ; that he is the ________________ of SALEM COMMUNICATIONS CORPORATION, the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

Notary Public
[Notary's Stamp]

Schedule 1
to
Grant of Security Interest Trademarks)
Dated as of _____________

SALEM EXHIBIT J

FORM OF SUBSIDIARY GUARANTY AND SECURITY AGREEMENT

SUBSIDIARY GUARANTY AND SECURITY AGREEMENT (as the same may be amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of September 25, 1997, by and among the Persons party hereto (the "Current Guarantors"), such other Persons which from time to time may become party hereto (the "Additional Guarantors", and collectively with the Current Guarantors, the "Guarantors"), SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), and THE BANK OF NEW YORK (the "Administrative Agent"), in its capacity as Administrative Agent for the Lenders under the Credit Agreement referred to below and the Rate Protection Lenders as hereinafter defined.

RECITALS

I. Reference is made to the Credit Agreement, dated as of the date hereof, by and among the Borrower, the Lenders party thereto, the Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

II. In the past, as now, the Borrower has provided financing for the Guarantors and the Guarantors have relied upon the Borrower to provide such financing. In addition, it is anticipated that, if the Guarantors execute and deliver this Agreement, the Borrower will continue to provide such financing to the Guarantors, and that the proceeds of the Loans to be made and Letters of Credit to be issued will be used, in part, for the general corporate and working capital purposes of the Guarantors. Pursuant to the Credit Agreement, the Lenders will not make Loans and the Issuing Bank will not issue Letters of Credit unless and until the Guarantors shall have executed and delivered this Agreement and, therefore, in light of all of the foregoing, each Guarantor expects to derive substantial benefit from the Credit Agreement and the

transactions contemplated thereby and, in furtherance thereof, has agreed to execute and deliver this Agreement.

Therefore, in consideration of the Recitals, the terms and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors, the Borrower and the Administrative Agent hereby agree as follows:

1. Defined Terms

(a) Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

(b) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto as follows:

"Borrower Obligations": all of the obligations and liabilities of the Borrower under the Loan Documents and under each Interest Rate Protection Arrangement entered into by the Borrower with a Rate Protection Lender, in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired, and whether before or after the occurrence of any Insolvency Event, and including (i) any obligation or liability in respect of any breach of any representation or warranty and (ii) all post-petition interest and funding losses, whether or not allowed as a claim in any proceeding arising in connection with an Insolvency Event.

"Collateral": as defined in section 4.

"Equity Interest": (i) with respect to a corporation, the capital stock thereof, (ii) with respect to a partnership, a partnership interest therein, all rights of a partner in such partnership, whether arising under the partnership agreement of such partnership or otherwise; (iii) with respect to a limited liability company, a membership interest therein, all rights of a member of such limited liability company, whether arising under the limited liability company agreement of such limited liability company or otherwise; (iv) with respect to any other firm, association, trust, business enterprise or other entity, any equity interest therein, any interest therein which entitles the holder thereof to share in the revenue, income, earnings or losses thereof or to vote or otherwise participate in any election of one or more members of the Managing Person thereof, and (v) all warrants and options in respect of any of the foregoing and all other securities which are convertible or exchangeable therefor.

"Financing Statements": the UCC financing statements executed by the Guarantor and delivered pursuant to the Credit Agreement.

"Grants of Security Interests": collectively, the Grant of Security Interest (Patents) and the Grant of Security Interest (Trademarks), in the form of Annexes C-1 and C-2 hereto, respectively, in each case appropriately completed and signed by the Guarantor.

"Guarantor Obligations": with respect to each Guarantor, all of the obligations and liabilities of such Guarantor hereunder, whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired.

"Insolvency Event": any Event of Default under section 9.1(h) or (i) of the Credit Agreement.

"NYUCC": the UCC as in effect in the State of New York on the date hereof.

"Office Location": as defined in section 5(c).

"Patents": all patents issued under the laws of the United States of America and all patent applications filed with the United States Patent and Trademark Office, and all of the rights associated with each of the foregoing.

"Proceeds": as defined in the NYUCC, together with (i) all dividends, distributions and income on and in respect of all of the Securities and

Instruments and all other rights and benefits in respect thereof, and (ii) with respect to the Patents and Trademarks, all renewals thereof, all proceeds of infringement suits, all rights to sue for infringement, all license royalties, all reissues, divisions, continuations, extensions and continuations-in-part thereof.

"Registrations": (i) patents issued under the laws of the United States of America, (ii) patent applications filed with the United States Patent and Trademark Office, and (iii) all registered trademarks.

"Rate Protection Lenders": collectively, the Lenders and any affiliates of the Lenders which from time to time enter or have entered into Interest Rate Protection Arrangements with the Borrower.

"Supplement": a Supplement to this Agreement, duly completed, in the form of Annex A hereto.

"Trademarks": as to any Guarantor (i) all rights under the laws of the United States of America, and each State thereof, to trademarks, together with all registrations thereof, applications therefor and all of the rights associated therewith, and (ii) the goodwill of such Guarantor's business symbolized by registered trademarks.

"Transaction Statement": a transaction statement in the form of Annex B hereto.

"UCC": with respect to any jurisdiction, Articles 1, 8 and 9 of the Uniform Commercial Code as from time to time in effect in such jurisdiction.

(c) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto in the NYUCC: "Account", "Certificated Security", "Chattel Paper", "Document", "Equipment", "Fixture", "General Intangible", "Instrument", "Inventory", "Issuer", "Secured Party", "Security", "Security Interest" and "Uncertificated Security".

2. Guaranty

(a) Subject to section 2(b) hereof, each Guarantor hereby absolutely, irrevocably and unconditionally guarantees the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the Borrower Obligations. This Agreement constitutes a guaranty of payment and neither the Administrative Agent, the Issuing Bank nor any Lender shall have any obligation to enforce any Loan Document or any Interest Rate Protection Arrangement or exercise any right or remedy with respect to any collateral security thereunder by any action, including making or perfecting any claim against any Person or any collateral security for any of the Borrower Obligations, prior to being entitled to the benefits of this Agreement. The Administrative Agent may, at its option, proceed against the Guarantors, or any one or more of them, in the first instance, to enforce the Guarantor Obligations without first proceeding against the Borrower or any other Person, and without first resorting to any other rights or remedies, as the Administrative Agent may deem advisable. In furtherance hereof, if the Administrative

Agent, the Issuing Bank or any Lender is prevented by law from collecting or otherwise hindered from collecting or otherwise enforcing any Borrower Obligation in accordance with its terms, the Administrative Agent, the Issuing Bank or such Lender, as the case may be, shall be entitled to receive hereunder from the Guarantors after demand therefor, the sums which would have been otherwise due had such collection or enforcement not been prevented or hindered.

(b) Anything contained in this Agreement to the contrary notwithstanding, the obligations of each Guarantor hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such Guarantor's obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any provisions of applicable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Guarantor (a) in respect of intercompany indebtedness to the Borrower or Affiliates of the Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder and

(b) under any guarantee of senior unsecured indebtedness or Indebtedness subordinated in right of payment to the Obligations which guarantee contains an assumption that indebtedness incurred under the Credit Agreement shall be deemed to have been incurred prior to any indebtedness incurred under any such guarantee or contains a limitation as to maximum amount similar to that set forth in this subsection, pursuant to which the liability of such Guarantor hereunder is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such Guarantor pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Guarantor and other Affiliates of the Borrower of obligations arising under guarantees by such parties.

(c) Each Guarantor agrees that the Guarantor Obligations may at any time and from time to time exceed the maximum liability of such Guarantor hereunder without impairing this Agreement or affecting the rights and remedies of the Administrative Agent, the Issuing Bank or any Lender hereunder.

3. Absolute Obligation

No Guarantor shall be released from liability hereunder unless and until the Maturity Date shall have occurred and either (a) the Issuing Bank shall not have any obligation under the Letters of Credit and the Borrower shall have paid in full in cash the outstanding principal balance of the Loans, together with all accrued interest thereon, all of the Reimbursement Obligations, and all other sums then due and owing under the Loan Documents, or (b) the Guarantor Obligations of such Guarantor shall have been paid in full in cash. Each Guarantor acknowledges and agrees that (i) neither the Administrative Agent, the Issuing Bank nor any Lender has made any representation or warranty to such Guarantor with respect to the Borrower, its Subsidiaries, any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, or any other matter whatsoever, and (ii) such Guarantor shall be liable hereunder, and such liability shall not be affected or impaired, irrespective

of (A) the validity or enforceability of any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, or the collectability of any of the Borrower Obligations, (B) the preference or priority ranking with respect to any of the Borrower Obligations, (C) the existence, validity, enforceability or perfection of any security interest or collateral security under any Loan Document, or any Interest Rate Protection Arrangement, or the release, exchange, substitution or loss or impairment of any such security interest or collateral security, (D) any failure, delay, neglect or omission by the Administrative Agent, the Issuing Bank or any Lender to realize upon, enforce or protect any direct or indirect collateral security, indebtedness, liability or obligation, any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, or any of the Borrower Obligations, (E) the existence or exercise of any right of set-off by the Administrative Agent, the Issuing Bank or any Lender, (F) the existence, validity or enforceability of any other guaranty with respect to any of the Borrower Obligations, the liability of any other Person in respect of any of the Borrower Obligations, or the release of any such Person or any other guarantor of any of the Borrower Obligations, (G) any act or omission of the Administrative Agent, the Issuing Bank or any Lender in connection with the administration of any Loan Document, any Interest Rate Protection Arrangement, or any of the Borrower Obligations, (H) the bankruptcy, insolvency, reorganization or receivership of, or any other proceeding for the relief of debtors commenced by or against, any Person, (I) the disaffirmance or rejection, or the purported disaffirmance or purported rejection, of any of the Borrower Obligations, any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, in any bankruptcy, insolvency, reorganization or receivership, or any other proceeding for the relief of debtor, relating to any Person, (J) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith or any of the Borrower Obligations, or which might cause or permit to be invoked any alteration in the time, amount, manner or payment or performance of any of the Borrower's obligations and liabilities (including the Borrower Obligations), (K) the merger or consolidation of the Borrower into or with any Person, (L) the sale by the Borrower of all or any part of its assets, (M) the fact that at any time and from time to time none of the Borrower Obligations may be outstanding or owing to the Administrative Agent, the Issuing Bank or any Lender, (N) any amendment or modification of, or supplement to, any Loan Document or any Interest Rate Protection Arrangement or (O) any other reason or circumstance which might otherwise constitute a defense available to or a discharge of the Borrower in respect of its obligations or liabilities (including the Borrower Obligations) or of such Guarantor in respect of any of the Guarantor Obligations (other than by the performance in full

thereof).

4. Grant of Security Interest

To secure the prompt and complete payment, observance and performance of the Guarantor Obligations, each Guarantor hereby grants to the Administrative Agent, for its benefit and the ratable benefit of the Issuing Bank, the Lenders and the Rate Protection Lenders, a Security Interest in and to all of such Guarantor's right, title and interest in and to all: Accounts, Chattel Paper, Documents, Equipment, Fixtures, General Intangibles, Instruments, including, without limitation, Instruments evidencing intercompany Indebtedness, Inventory, Patents, Trademarks, Equity Interests in each Person which

now is or may hereafter become a Subsidiary of such Guarantor or of the Borrower, whether or not evidenced by a Security, and all Proceeds of all of the foregoing, and including, without limitation, all licenses, approvals, permits and other authorizations issued by the FCC, including the Proceeds of any sale or other disposition thereof, in each case to the extent that a security interest therein is not prohibited by law, provided that to the extent that a security interest therein is now so prohibited and to the extent that such security interest at any time hereafter shall no longer be so prohibited, then such security interest shall automatically and without any further action attach and become fully effective at that time (giving effect to any retroactive effect to any change in applicable law or regulation), in each case whether now owned or existing or hereafter arising or acquired, (collectively, the "Collateral").

5. Representations and Warranties

Each Guarantor hereby represents and warrants to the Administrative Agent as follows:

(a) Binding Obligation. This Agreement constitutes the valid and binding obligation of such Guarantor, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws related to or affecting the enforcement of creditors' rights generally.

(b) Solvency. Such Guarantor (if a Current Guarantor, both immediately before and after giving effect to this Agreement and to all Indebtedness incurred by the Borrower in connection with the Loan Documents or, if an Additional Guarantor, immediately before and after giving effect to this Agreement) (i) is not insolvent, (ii) is not engaged, and is not about to engage, in any business or transaction, for which it has unreasonably small capital, and (iii) does not intend to incur, and does not believe that it would incur, debts that would be beyond its ability to pay such debts as they mature, in each case referred to above within the meaning of both Title XI of the United States Code and Article 10 of New York Debtor Credit Law, each as in effect on the date hereof.

(c) Chief Executive Office. As of the date hereof, such Guarantor's place of business or, if such Guarantor has more than one place of business, its chief executive office, is, and has been continuously for the immediately preceding 5 month period, located (the "Office Location") at, (i) if such Guarantor is a Current Guarantor, the address therefor referred to in Schedule 5(c) hereto, or (ii) if such Guarantor is an Additional Guarantor, the address therefor set forth on Schedule 5(c) to the Supplement delivered by such Additional Guarantor. Such Guarantor, (i) in the case of a Current Guarantor, has not changed its legal name during the 6 year period immediately preceding the date hereof, and (ii) in the case of an Additional Guarantor, has not changed its legal name during the 6 year period immediately preceding the date it became a Guarantor hereunder, except as otherwise disclosed on the Supplement delivered by such Additional Guarantor.

(d) Information. If such Guarantor is a Current Guarantor, all of the information with respect to such Guarantor, or any of its Property, set forth on each of the Schedules hereto is true, complete and correct as of the date hereof. If such Guarantor is an Additional Guarantor, all of the information with respect to such Guarantor, or any

of its Property, set forth on each of the Schedules to the Supplement delivered by such Additional Guarantor is true, complete and correct as of the date of such Supplement. All of such Guarantor's books, records and documents relating to its Guarantor Collateral are in all material respects what they purport to be.

(e) Security Interest. This Agreement, together with the delivery to the Administrative Agent of the Certificated Securities constituting Collateral and the continuous possession thereof by the Administrative Agent in the State of New York, creates a continuing "enforceable" Security Interest in the Collateral in favor of the Administrative Agent. Upon (i) the presentation for filing of the Financing Statements at the respective offices listed thereon together with the appropriate filing fee therefor, (ii) the delivery to the Administrative Agent of the Instruments constituting the Collateral, (iii) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted hereby on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral, and (iv) the filing of the Grants of Security Interests in the United States Patent and Trademark Office with respect to Patents, Registrations, and Trademarks, (A) such Security Interest shall be perfected, and (B) assuming that the Administrative Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Administrative Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect to the Collateral consisting of Securities.

(f) Absence of Liens. There are no Liens upon the Collateral other than Permitted Liens, if any.

(g) Equity Interests. As of the Effective Date with respect to each Current Guarantor, as of the date of the Supplement executed by an Additional Guarantor with respect to such Additional Guarantor, (i) the Equity Interests listed on Schedule 5(g) or Schedule 5(g) to the Supplement, as the case may be, constitute all of the Equity Interests in each Subsidiary in which such Guarantor has any right, title or interest, and each such Equity Interest issued by a corporate Issuer has been duly authorized, validly issued and fully paid for, and is non-assessable and (ii) except as set forth in such Schedule 5(g) or Schedule 5(g) to such Supplement, (A) no Subsidiary of such Guarantor has issued any securities convertible into, or options or warrants for, any common or preferred equity securities thereof, (B) there are no agreements, voting trusts or understandings binding upon such Guarantor or any of its Subsidiaries with respect to the voting securities of any of such Subsidiary or affecting in any manner the sale, pledge, assignment or other disposition thereof, including any right of first refusal, option, redemption, call or other right with respect thereto, whether similar or dissimilar to any of the foregoing and (C) no such Equity Interest is represented by an Uncertificated Security.

(h) Chattel Paper, Documents and Instruments. With respect to each Current Guarantor, the Chattel Paper, Documents and Instruments listed on Schedule 5(h) hereto constitute, as of the date hereof, and with respect to each Additional Guarantor, the Chattel Paper, Documents and Instruments listed on Schedule 5(h) to the Supplement delivered by such Additional Guarantor constitute, as of the date of such Supplement, all of the Chattel Paper, Documents and Instruments which constitute the Collateral, and, to the best of such Guarantor's knowledge, all such Chattel Paper, Documents and Instruments have been duly authorized, issued and delivered, and constitute the legal, valid, binding and enforceable obligations of the respective makers thereof.

(b) Further Assurances. Such Guarantor shall, at its own expense, promptly execute and deliver all certificates, documents, instruments, financing and continuation statements and amendments thereto, notices and other agreements, and take all further action, that the Administrative Agent may reasonably request from time to time, in order to perfect and protect the Security Interest granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral. Such Guarantor hereby irrevocably appoints the Administrative Agent as such Guarantor's true and lawful attorney-in-fact, in the name, place and stead of such Guarantor, to perform on behalf of such Guarantor any and all obligations of such Guarantor under this Agreement, and such Guarantor agrees that the power of attorney herein granted constitutes a power coupled with an interest, provided, however, that the Administrative Agent shall have no obligation to perform any such obligation and such performance shall be at the sole cost and expense of such Guarantor. If such Guarantor fails to comply with any of its obligations hereunder, the Administrative Agent may do so in such Guarantor's name or in the Administrative Agent's name, but at such Guarantor's expense, and such Guarantor hereby agrees to reimburse the Administrative Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Administrative Agent in connection therewith.

(c) Information. Such Guarantor shall, at its own expense, furnish to the Administrative Agent such information, reports, statements and schedules with respect to the Collateral as the Administrative Agent may reasonably request from time to time.

(d) Defense of Collateral. Such Guarantor shall, at its own expense, defend the Collateral against all claims of any kind or nature (other than Permitted Liens, if any) of all Persons at any time claiming the same or any interest therein adverse to the interests of the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender, and such Guarantor shall not cause, permit or suffer to exist any Lien upon the Collateral other than Permitted Liens, if any.

(e) Uncertificated Securities. Such Guarantor shall cause each Person which is an Issuer of an Uncertificated Security constituting the Collateral (i) to register the Security Interest granted hereby upon the books of such Person in accordance with Article 8 of the NYUCC, and (ii) to issue to the Administrative Agent an initial Transaction Statement and issue to the Administrative Agent subsequent Transaction Statements in accordance with Section 8-408 of the UCC in effect in the State of New York.

(f) Delivery of Pledged Collateral. Each Certificated Security representing an Equity Interest in a Person which is or shall become a Subsidiary of the Borrower shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent. Such Guarantor agrees that until so delivered, each such Certificated Security shall be held by such Guarantor in trust for the benefit of the Administrative Agent and be segregated from the other Property of such Guarantor.

(g) Chattel Paper, Documents and Instruments. All of the Instruments, Documents and Chattel Paper now or hereafter owned by or in the possession of such Guarantor which constitute Collateral (other than checks received in the ordinary course of collection) shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent. Such Guarantor agrees that, with respect to all items of the Collateral which it is or shall hereafter be obligated to deliver to the Administrative Agent, until so delivered such items shall be held by such Guarantor in trust for the benefit of the Administrative Agent and be segregated from the other Property of such Guarantor.

(h) Accounts. Except as otherwise provided in this subsection, such Guarantor shall continue to collect in accordance with its customary practice, at its own expense, all amounts due or to become due to such Guarantor in respect of such Guarantor's Accounts and, prior to the occurrence of an Event of Default, such Guarantor shall have the right to adjust, settle or compromise the amount or payment of any such Account, all in accordance with its customary practices. In connection with such collections, such Guarantor may take and, at the direction of the Administrative Agent at any time that an Event of Default shall have occurred and be continuing shall take, such action as such Guarantor or the Administrative Agent may reasonably deem necessary or advisable to enforce collection of such Accounts.

(i) Equipment and Inventory. Such Guarantor shall keep the Equipment and Inventory constituting Collateral at the places listed on (i) if such Guarantor is a Current Guarantor, Schedule 5(1) hereto, and (ii) if such Guarantor is an Additional Guarantor, Schedule 5(1) to the Supplement delivered by such Guarantor, and at such other places located within the United States in respect of which (A) such Guarantor shall have provided the Administrative Agent with prior written notice, and (B) UCC financing statements (or amendments thereto), in form and substance satisfactory to the Administrative Agent, shall have been filed within two months of such change. Such Guarantor shall promptly furnish to the Administrative Agent a statement respecting any material loss or damage to any of the Equipment or Inventory constituting Collateral except to the extent that such loss or damage shall be insured pursuant to policies required to be maintained pursuant to the Credit Agreement.

(j) Patents and Trademarks. Such Guarantor will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents and Trademarks constituting Collateral. Such Guarantor shall give to the Administrative Agent prompt written notice thereof in the event that such Guarantor shall obtain any right to any new Patent or Trademark or to any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or Trademark. Such Guarantor shall prosecute diligently any applications of the Patents and Trademarks constituting Collateral pending as of the date of this Agreement or thereafter, and preserve

and maintain all rights in applications of Patents and Trademarks constituting Collateral consistent with past practice, including the payment of all maintenance fees, except to the extent the failure so to preserve or maintain such rights could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. Such Guarantor shall not abandon any right to file an application or any pending application for any Patent or

Trademark unless the failure so to do could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. Such Guarantor agrees that it will not enter into any agreement, including a license agreement, with respect to any Patent or Trademark which is inconsistent with such Guarantor's past practices of licensing Patents or Trademarks as the case may be. Such Guarantor hereby grants to the Administrative Agent the right to visit such Guarantor's plants and facilities which manufacture, inspect or store products sold under any of the Patents and Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours upon reasonable prior notice.

7. Other Agreements of the Guarantors

(a) No Duty to Preserve. Except as otherwise required by law, each Guarantor agrees that, with respect to the Collateral, neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender has any obligation to preserve rights against prior or third parties.

(b) Administrative Agent's Duty With Respect to Collateral. Each Guarantor agrees that the Administrative Agent's only duty with respect to the Collateral delivered to the Administrative Agent shall be to use reasonable care in the custody and preservation of the Collateral, and each Guarantor agrees that if the Administrative Agent accords the Collateral substantially the same kind of care as the Administrative Agent accords its own Property, such care shall conclusively be deemed reasonable. In the event that all or any part of the Certificated Securities or Instruments constituting the Collateral are lost, destroyed or wrongfully taken while such Certificated Securities or Instruments are in the possession of the Administrative Agent, each Guarantor agrees that it will use its best efforts to cause the delivery of new Certificated Securities or Instruments in place of the lost, destroyed or wrongfully taken Certificated Securities or Instruments upon request therefor by the Administrative Agent, without the necessity of any indemnity bond or other security, other than the Administrative Agent's agreement of indemnity upon usual and customary terms therefor. Anything herein to the contrary notwithstanding, the Administrative Agent shall not be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

(c) Liability of Guarantors under Contracts and Agreements Included in the Collateral. Anything herein to the contrary notwithstanding, (i) each Guarantor shall remain liable under the contracts and agreements to which it is a party and which is included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender of any of its rights hereunder shall not release any Guarantor from any of its duties or obligations under any such contract or agreement, (iii) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall have any obligation or liability, including indemnification obligations, under any such contract or agreement by reason of this Agreement, nor shall the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender be obligated to perform any of the obligations or duties of any Guarantor thereunder, to make any payment, to make any

inquiry as to the nature or sufficiency of any payment received by any Guarantor or the sufficiency of any performance by any party under any such contract or agreement or to take any action to collect or enforce any claim for payment assigned hereunder, and (iv) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

8. Events of Default

Each of the following shall constitute an "Event of Default":

(a) The failure of any Guarantor to observe or perform any term, covenant or agreement contained in this Agreement; or

(b) The occurrence and continuance of an Event of Default under, and as such term is defined in, the Credit Agreement.

9. Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, the Administrative Agent may:

(i) exercise any and all rights and remedies (A) granted to a Secured Party by the UCC in effect in the State of New York or otherwise allowed at law, and (B) otherwise provided by this Agreement, and

(ii) dispose of the Collateral as it may choose, so long as every aspect of the disposition including the method, manner, time, place and terms are commercially reasonable, and each Guarantor agrees that, without limitation, the following are each commercially reasonable: (A) the Administrative Agent shall not in any event be required to give more than 10 days' prior notice to the Guarantors of any such disposition, (B) any place within the City of New York or the Counties of Nassau, Suffolk, and Westchester may be designated by the Administrative Agent for disposition, and (C) the Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Each Guarantor acknowledges and agrees that the Administrative Agent may elect, with respect to the offer or sale of any or all of the Equity Interests constituting the Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of such Equity Interests or the offer and sale thereof under any Federal or state securities laws and that the Administrative Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Administrative Agent is reasonably necessary in order to avoid any violation of applicable law, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons

who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Equity Interests, or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority. Each Guarantor further acknowledges and agrees that any such transaction may be at prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Administrative Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be reasonably necessary in order to avoid any such registration or qualification, at its sole discretion or with the consent or direction of the Required Lenders, and that any such offer and sale so conducted shall be deemed to have been made in a commercially reasonable manner.

(c) To the extent permitted by law, each Guarantor hereby expressly waives and covenants not to assert any appraisement, valuation, stay, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement, any other Loan Document or in any other agreement, instrument or document executed by any Guarantor and delivered to the Administrative Agent, the Issuing Bank or any Lender, neither the Administrative Agent, the Issuing Bank nor any Lender will take any action pursuant to this Agreement, any other Loan Document or any other document referred to above which would constitute or result in any assignment of any license, approval, permit, certificate or other authorization issued by the FCC or any change of control of the Borrower or any Subsidiary if such assignment or change of control would require, under then existing law, the prior approval of the FCC without first obtaining such prior approval of the FCC. Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, each Guarantor waives, to the extent permitted by law, any right it may have to oppose, and agrees to take any action that the Administrative Agent may reasonably request in order to obtain from the FCC, such approval as may be necessary to enable the Administrative Agent, the Issuing Bank and the Lenders to exercise and enjoy the full rights and benefits granted to the Administrative Agent, the Issuing Bank and the Lenders by this Agreement, the other Loan Documents and the other documents referred to above,

including specifically, at the cost and expense of the Borrower, the use of commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is or shall be required by law, and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license, approval, permit, certificate or other authorization or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of (i) any sale or other disposition of the Collateral by or on behalf of the Administrative Agent, or (ii) any assumption by the Administrative Agent of voting rights in the Collateral effected in accordance with the terms of this Agreement. It is understood and agreed that all foreclosure and related actions will be made in accordance with the Communications Act and applicable regulations and published policies and decisions of the FCC pertaining to such foreclosure and related actions.

10. Voting

Notwithstanding anything to the contrary contained in this Agreement, each Guarantor shall have the right to vote all Securities constituting its Collateral and receive and retain all dividends and distributions thereon until such time, if any, as an Event of Default shall have occurred and be continuing and the Administrative Agent shall have notified such Guarantor that the Administrative Agent shall have elected to terminate the rights of such Guarantor under this section, at which time the Administrative Agent shall then be vested with the right to vote all Securities constituting the Collateral and receive and retain all dividends and distributions thereon, until such time as such Event of Default is cured or waived.

11. Termination

On any date upon which (i) the Lenders shall no longer have any obligation to make Loans, (ii) the Issuing Bank shall no longer have (A) any obligation to issue Letters of Credit and (B) any obligations under the Letters of Credit theretofor issued, and (iii) the Obligations shall have been paid in full in cash, the outstanding principal balance of the Loans together with all accrued interest thereon, all of the Reimbursement Obligations and all other sums then due and owing under the Loan Documents, the Liens granted hereby shall cease and the Administrative Agent shall, at the Guarantors' expense (A) execute and deliver all UCC Termination Statements and other documents necessary to terminate the Liens granted hereby that the Guarantors shall have reasonably requested, and (B) return to the Guarantors all their respective Collateral that shall remain in the possession of the Administrative Agent at such time.

12. Notices

Except as otherwise specifically provided herein, all notices, requests, consents, demands, waivers and other communications hereunder shall be in writing (including facsimile) and shall be electronically transmitted or mailed by registered or certified mail or delivered in person, and all statements, reports, documents, certificates and papers to be delivered hereunder shall be mailed by first class mail or delivered in person, in each case to the respective parties to this Agreement as follows: in the case of the Administrative Agent or the Borrower, as set forth in section 11.2 of the Credit Agreement, in the case of each Current Guarantor, as set forth adjacent to the name of such Current Guarantor on the signature page(s) hereof, and, in the case of each Additional Guarantor, as set forth adjacent to the name of such Additional Guarantor on the signature page(s) of the Supplement delivered by such Additional Guarantor, or to such other addresses as to which the Administrative Agent may be hereafter notified by the respective parties hereto. Any notice, request, consent, demand, waiver or communication given in accordance with the provisions of this section shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered to such party at its address specified above or, if sent by registered or certified mail, on the delivery date noted on the receipt therefor, provided that a notice of change of address shall be deemed to be effective only when actually received. Any party hereto may rely on signatures of the other parties hereto which are transmitted by facsimile or other electronic means as fully as if originally signed.

13. Expenses

Each Guarantor agrees that it shall, upon demand, pay to the Administrative Agent any and all reasonable out-of-pocket sums, costs and expenses, which the Administrative Agent, the Issuing Bank or any Lender may pay or incur defending, protecting or enforcing this Agreement (whether suit is instituted or not), reasonable attorneys' fees and disbursements. All sums,

costs and expenses which are due and payable pursuant to this section shall bear interest, payable on demand, at the highest rate then payable on the Borrower Obligations.

14. Repayment in Bankruptcy, etc.

If, at any time or times subsequent to the payment of all or any part of the Borrower Obligations or the Guarantor Obligations, the Administrative Agent, the Issuing Bank or any Lender shall be required to repay any amounts previously paid by or on behalf of the Borrower or any Guarantor in reduction thereof by virtue of an order of any court having jurisdiction in the premises, as a result of an adjudication that such amounts constituted preferential payments or fraudulent conveyances, the Guarantors unconditionally agree to pay to the Administrative Agent within 10 days after demand a sum in cash equal to the amount of such repayment, together with interest on such amount from the date of such repayment by the Administrative Agent, the Issuing Bank or such Lender, as the case may be, to the date of payment to the Administrative Agent at the applicable after-maturity rate set forth in the Credit Agreement.

15. Additional Guarantors

Upon the execution and delivery to the Administrative Agent of a Supplement by any Person, appropriately acknowledged, such Person shall be a Guarantor.

16. Agreement to Pay; Subordination

In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent, the Issuing Bank, any Lender or any Rate Protection Lender has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Borrower Obligations when and as the same shall become due, whether at maturity, be acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent in cash the amount of such unpaid Obligations. Upon payment by any Guarantor of any sums to the Administrative Agent as provided above, all rights of such Guarantor against the Borrower arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all the Borrower Obligations. In addition, any indebtedness of the Borrower now or hereafter held by any Guarantor is hereby subordinated in right of payment to the prior payment in full in cash of the Borrower Obligations. If any amount shall erroneously be paid to any Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Borrower, such amount shall be held in trust for the benefit of the Administrative Agent, the Issuing Bank, the Lenders and the Rate Protection Lenders and shall forthwith be paid to the Administrative

Agent to be credited against the payment of the Borrower Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

17. Miscellaneous

(a) Except as otherwise expressly provided in this Agreement, each Guarantor hereby waives presentment, demand for payment, notice of default, nonperformance and dishonor, protest and notice of protest of or in respect of this Agreement, the other Loan Documents, each Interest Protection Arrangement, and the Borrower Obligations, notice of acceptance of this Agreement and reliance hereupon by the Administrative Agent, the Issuing Bank and each Lender, and the incurrence of any of the Borrower Obligations, notice of any sale of collateral security or any default of any sort.

(b) No Guarantor is relying upon the Administrative Agent, the Issuing Bank or any Lender to provide to such Guarantor any information concerning the Borrower or any of its Subsidiaries, and each Guarantor has made arrangements satisfactory to such Guarantor to obtain from the Borrower on a continuing basis such information concerning the Borrower and its Subsidiaries as such Guarantor may desire.

(c) Each Guarantor agrees that any statement of account with respect to the Borrower Obligations from the Administrative Agent, the Issuing Bank or any Lender to the Borrower which binds the Borrower shall also be binding upon such Guarantor, and that copies of said statements of account maintained in the regular course of the Administrative Agent's, the Issuing Bank's or such Lender's business, as the case may be, may be used in evidence against such Guarantor in order to establish its Guarantor Obligations.

(d) Each Guarantor acknowledges that it has received a copy of the Loan

Documents and each Interest Rate Protection Arrangement and has approved of the same. In addition, such Guarantor acknowledges having read each Loan Document and each such Interest Rate Protection Arrangement and having had the advice of counsel in connection with all matters concerning its execution and delivery of this Agreement.

(e) No Guarantor may assign any right, or delegate any duty, it may have under this Agreement.

(f) Subject to the limitations set forth in section 2(b), the Guarantor Obligations shall be joint and several and shall also be joint and several.

(g) This Agreement is the "Subsidiary Guaranty" referred to in the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof. Each of the Administrative Agent, the Guarantors and the Borrower acknowledges that certain provisions of the Credit Agreement, including, without limitation, sections 1.2 (Principles of Construction), 11.1 (Amendments and Waivers), 11.3 (No Waiver; Cumulative Remedies), 11.4 (Survival of Certain Obligations), 11.7 (Successors and Assigns), 11.8 (Counterparts), 11.9 (Adjustments; Set-off), 11.12 (Governing Law), 11.13 (Headings), 11.14 (Severability), 11.15 (Integration), 11.16 (Limitation of Liability), 11.17 (Consent to Jurisdiction), 11.18 (Service of Process), 11.19 (No Limitation on Service or Suit) and 11.20 (WAIVER OF TRIAL BY JURY) thereof, are made

applicable to this Agreement and all such provisions are incorporated by reference herein as if fully set forth herein.

IN EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this Subsidiary Guaranty and Security Agreement to be duly executed on its behalf.

[NAME OF CURRENT GUARANTOR]

By: ________________________________

Name: ______________________________

Title: _____________________________

Address for Notices:
____

____
____
____

Attention: ______________

Telephone: (___) ___-____

Telecopy: (___) ___-____

[NAME OF CURRENT GUARANTOR]

By: ________________________________

Name: ______________________________

Title: _____________________________

Address for Notices:
____

____
____
____

Attention: ______________

Telephone: (___) ___-____

Telecopy: (___) ___-____

[NAME OF CURRENT GUARANTOR]

By: ________________________________

Name: ______________________________

Title: _____________________________

Address for Notices:

____

____

____

Attention: ______________

Telephone: (___) ___-____

Telecopy: (___) ___-____

SALEM COMMUNICATIONS CORPORATION

By: _______________________

Name: _____________________

Title: ____________________

THE BANK OF NEW YORK, as Administrative Agent

By: _______________________

Name: _____________________

Title: ____________________

Schedule 5(c) to the Subsidiary Guaranty and Security Agreement

Dated as of September 25, 1997

LIST OF OFFICE LOCATIONS

Schedule 5(g) to the Subsidiary Guaranty and Security Agreement

Dated as of September 25, 1997

LIST OF EQUITY INTERESTS

Issuer	Class	Number of Shares	Cert. Number	Percentage of Outstanding Shares

Schedule 5(h) to the Subsidiary Guaranty and Security Agreement

Dated as of September 25, 1997

LIST OF CHATTEL PAPER, DOCUMENTS AND INSTRUMENTS

Schedule 5(j) to the Subsidiary Guaranty
and Security Agreement

Dated as of September 25, 1997

ADDRESSES FOR EQUIPMENT AND INVENTORY LOCATIONS

Schedule 5(k) to the Subsidiary Guaranty
and Security Agreement

Dated as of September 25, 1997

LIST OF REGISTRATIONS

A. Patents

B. Trademarks

ANNEX A TO THE SUBSIDIARY GUARANTY

FORM OF SUPPLEMENT TO SUBSIDIARY GUARANTY

SUBSIDIARY GUARANTY AND SECURITY AGREEMENT, dated as of September 25, 1997, by and among the Guarantors party thereto and The Bank of New York, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement").

[DATE]

Capitalized terms used heroin which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Agreement. Pursuant to section 15 of the Agreement, by execution and delivery of this Supplement and, upon acceptance hereof by the Administrative Agent, the undersigned (i) shall be, and shall be deemed to be, a "Guarantor" under, and as such term is defined in, the Agreement, (ii) shall have made, and shall be deemed to have made, the representations and warranties contained in section 5 of the Agreement on and as of the date hereof, (iii) as security for the payment and performance in full of its Guarantor Obligations, does hereby create and grant to the Administrative Agent, its successors and permitted assigns, for its benefit and the ratable benefit of the Issuing Bank, the Lenders and the Rate Protection Lenders, their respective successors and permitted assigns, a security interest in the Collateral (as defined in the Agreement) of the Additional Guarantor and (iv) shall have made, and shall be deemed to have made, all of the covenants and agreements of a Guarantor set forth in the Agreement.

[NAME OF ADDITIONAL GUARANTOR]

By: ____________________

Name: __________________

Title: _________________

Address for Notices:

____

____

____

____

Attention: __________

Telephone: (___) ___-____

Telecopy: (___) ___-____

Accepted and agreed to as
of the date first above written:

THE BANK OF NEW YORK, as Administrative Agent

By: ______________________________________

Name: ____________________________________

Title: ___________________________________

[SCHEDULES CORRESPONDING TO THE SCHEDULES
IN THE AGREEMENT ARE TO BE ATTACHED]

ANNEX B TO THE SUBSIDIARY GUARANTY
AND SECURITY AGREEMENT

DATED AS OF September 25, 1997

FORM OF TRANSACTION STATEMENT

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT, OF ITSELF, CONFERS NO RIGHT ON THE RECIPIENT. THIS STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

The undersigned, _________________ (the "Issuer"), hereby acknowledges receipt of the Subsidiary Guaranty and Security Agreement, dated as of September 25, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among each Guarantor party thereto, SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent") and (i) consents to the terms thereof and (ii) confirms that a pledge of the right, title and interest in the security referred to below has been registered in the books and records of the Issuer in the name of the Administrative Agent, as set forth below. This Transaction Statement is issued under Section 8-408 of the New York State Unifortn Commercial Code.

1. Description of the Security: ___________________________________.

2. Number of Shares or Units Pledged: ______________________________.

3. Registered Owner:

[NAME OF PLEDGING GUARANTOR]

____
____
____

Attention: _______________
____

Taxpayer ID# _____________.

4. Registered Pledgee and Taxpayer Identification Number (if any):

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: __________________
____

Taxpayer ID# 13-5160382

5. Date of Registration of the Pledge: The pledge described herein was registered on ________________ on the books and records of the Issuer.

6. Notation of Liens: There are no liens, restrictions or adverse claims as to which the Issuer has a duty under Section 8-403(4) of the Uniform Commercial Code (the "UCC") to which such security is or may be subject, other than those set forth in the Loan Documents (as defined in that certain Credit Agreement, dated as of the date hereof, by and among the Borrower, the Lenders party thereto and The Bank of New York, as Administrative Agent and Bank of America NT & SA, as Documentation Agent, as amended, supplemented or otherwise modified from time to time) or [LIST APPLICABLE ORGANIZATIONAL DOCUMENTS].

The Issuer hereby agrees, at the request of the Administrative Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Agreement and promptly to furnish to the Administrative Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

[NAME OF ISSUER]

By: ____________________________

Name: __________________________

Title: _________________________

IN WITNESS WHEREOF, the Guarantor has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of _____, _________.

[NAME OF GUARANTOR]

By: ______________________________

Name: ____________________________

Title: ___________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of __, ____, before me personally came ________, to me known, who, being by me duly sworn, did depose and say that he resides at __________________; that he is the _________ of [NAME OF GUARANTOR], the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____
Notary Public
[Notary's Stamp]

Schedule 1
to
Grant of Security Interest (Patents)
Dated as of ____________

Annex C-2 to the Subsidiary Guaranty
and Security Agreement

Dated as of September 25, 1997

FORM OF GRANT OF SECURITY INTEREST (TRADEMARKS)

[NAME OF GUARANTOR], a _______________ corporation (the "Guarantor"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the

"Administrative Agent"), and has entered into a Subsidiary Guaranty and Security Agreement, dated as of September 25, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among each Guarantor party thereto, SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent").

Pursuant to the Agreement, the Guarantor granted to the Administrative Agent a security interest in all of the right, title and interest of the Guarantor in and to the trademarks listed on Schedule 1, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks"), together with the goodwill of the business symbolized by the Trademarks and the applications and registrations therefor, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Guarantor Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Guarantor does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Guarantor Obligations.

The Guarantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Guarantor Obligations (as such term is defined in the Agreement), the Administrative Agent will take whatever actions are necessary at the Guarantor's expense to release or reconvey to the Guarantor all right, title and interest of the Guarantor in and to the Trademarks.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Guarantor has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of ________, ____.

[NAME OF GUARANTOR]

By: __________________________
Name: ________________________
Title:________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of ____________, ____, before me personally came

________________, to me known, who, being by me duly sworn, did depose and say that he resides at ________________; that he is the _______ of [NAME OF GUARANTOR], the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____
Notary Public
[Notary's Stamp]

Schedule 1
to
Grant of Security Interest (Trademarks)
Dated as of ____________

SALEM EXHIBIT K

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement is made and entered into as of _______________, by and between __________ (the "Assignor") and __________ (the "Assignee").

R E C I T A L S

A. Capitalized terms used herein which are not defined herein shall have the meanings set forth in the Credit Agreement (as hereinafter defined).

B. The Assignor, certain other lenders (together with any prior assignees, the "Lenders") and The Bank of New York, as Administrative Agent (the "Administrative Agent"), and Bank of America NT&SA, as Documentation Agent, are parties to that certain Credit Agreement, dated as of September 25, 1997 (as amended, modified or otherwise supplemented, the "Credit Agreement"), with Salem Communications Corporation, a California corporation (the "Borrower"). Pursuant to the Credit Agreement, the Lenders agreed to make RC Loans to the Borrower under the RC Commitments in the aggregate amount of $75,000,000 and the Issuing Bank agreed to issue Letters of Credit under the Letter of Credit Commitment in the aggregate amount of $15,000,000. The amount of the Assignor's RC Commitment is specified in Item 1 of Schedule 1 hereto. The type and outstanding principal amount of the Assignor's RC Loans are specified in Item 2 of Schedule 1 hereto. The Assignor's Letter of Credit Exposure is specified in Item 3 of Schedule 1 hereto.

C. The Assignor wishes to sell and assign to the Assignee, and the Assignee wishes to purchase and assume from the Assignor, (i) the portion of the Assignor's RC Commitment specified in Item 4 of Schedule 1 hereto (the "Assigned Commitment"), (ii) the portion of the Assignor's RC Loans specified in Item 5 of Schedule 1 hereto (the "Assigned Loans") and (iii) the portion of the Assignor's Letter of Credit Exposure specified in Item 7 of Schedule 1 hereto (the "Assigned Letter of Credit Exposure").

The parties agree as follows:

1. Assignment. Subject to the terms and conditions set forth herein and in the Credit Agreement, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, without recourse, on the date set forth above (the "Assignment Date") all right, title, interest and obligations under the Credit Agreement and the other Loan Documents of the Assignor in and with respect to the Assigned Loans, the Assigned Letter of Credit Exposure and the Assigned Commitments. As full consideration for the sale of the Assigned Loans, the Assigned Letter of Credit Exposure and the Assigned Commitment, the Assignee shall pay to the Assignor on the Assignment Date the principal amount of the Assigned Loans (the "Purchase Price").

2. Representation and Warranties. Each of the Assignor and the Assignee represents and warrants to the other that (a) it has full power and legal right to execute and deliver this Agreement and to perform the provisions of this Agreement; (b) the execution,

delivery and performance of this Agreement have been authorized by all action, corporate or otherwise, and do not violate any provisions of its charier or by-laws or any contractual obligations or requirement of law binding on it; and (c) this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

3. Condition Precedent. The obligations of the Assignor and the Assignee hereunder shall be subject to the fulfillment of the condition that the Assignor shall have (a) received payment in full of the Purchase Price, and (b) complied with the other applicable provisions of section 11.7 of the Credit Agreement.

4. Notice of Assignment. The Assignor agrees to give notice of the assignment and assumption of the Assigned Loans, the Assigned Letter of Credit

Exposure and the Assigned Commitment to the Administrative Agent and the Borrower and hereby instructs the Administrative Agent and the Borrower to make all payments with respect to the Assigned Loans, the Assigned Letter of Credit Exposure and the Assigned Commitment directly to the Assignee at the applicable Lending Offices specified in Item 8 on Schedule 1 hereto; provided, however, that the Borrower and the Administrative Agent shall be entitled to continue to deal solely and directly with the Assignor in connection with the interests so assigned until the Administrative Agent and the Borrower shall have received notice of the assignment, the Administrative Agent and the Issuing Bank (to the extent required by section 11.7 of the Credit Agreement) shall have consented in writing thereto, and the Administrative Agent shall have recorded and accepted this Agreement and received the Assignment Fee required to be paid pursuant to section 11.7 of the Credit Agreement. From and after the date (the "Effective Date") on which the Administrative Agent shall notify the Borrower and the Assignor that the requirements set forth in the foregoing sentence shall have occurred and all consents (if any) required shall have been given, (i) the Assignee shall be deemed to be a party to the Credit Agreement and, to the extent that rights and obligations thereunder shall have been assigned to Assignee as provided in such notice of assignment to the Administrative Agent, shall have the rights and obligations of a Lender under the Credit Agreement, and (ii) the Assignee shall be deemed to have appointed the Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto. After the Effective Date, the Administrative Agent shall make all payments in respect of the interest assigned hereby (including payments of principal, interest, fees and other amounts) to the Assignee. The Assignor and Assignee shall make all appropriate adjustment in payments under the Assigned Loans, the Assigned Letter of Credit Exposure and the Assigned Commitment for periods prior to the Effective Date hereof directly between themselves. The Assignee agrees to deliver to the Borrower and the Administrative Agent such Internal Revenue Service forms as may be required to establish that the Assignee is entitled to receive payments under the Credit Agreement without deduction or withholding of tax.

5. Independent Investigation. The Assignee acknowledges that it is purchasing the Assigned Loans, the Assigned Letter of Credit Exposure and the Assigned Commitment from the Assignor totally without recourse and, except as provided in Section 2 hereof, without representation or warranty. The Assignee further acknowledges that it has made its own independent investigation and credit evaluation of the Borrower and the other Loans Parties in connection with its purchase of the Assigned Loans, the Assigned Letter of Credit Exposure and the Assigned Commitment. Except for the

representations or warranties set forth in Section 2, the Assignee acknowledges that it is not relying on any representation or warranty of the Assignor, expressed or implied, including without limitation, any representation or warranty relating to the legality, validity, genuineness, enforceability, collectibility, interest rate, repayment schedule or accrual status of the Assigned Loans, the Assigned Letter of Credit Exposure or the Assigned Commitment, the legality, validity, genuineness or enforceability of the Credit Agreement, the related Notes, or any other Loan Document referred to in or delivered pursuant to the Credit Agreement, or financial condition or creditworthiness of the Borrower or any other Person. The Assignor has not and will not be acting as either the representative, Administrative Agent or trustee of the Assignee with respect to matters arising out of or relating to the Credit Agreement or this Agreement. From and after the Effective Date, except as set forth in Section 4 above, the Assignor shall have no rights or obligations with respect to the Assigned Loans, the Assigned Letter of Credit Exposure or the Assigned Commitment.

6. Method of Payment. All payments to be made by either party hereunder shall be in funds available at the place of payment on the same day and shall be made by wire transfer to the account designated by the party to receive payment.

7. Integration. This Agreement shall supersede any prior agreement or understanding between the parties (other than the Credit Agreement) as to the subject matter hereof.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and shall be binding upon both parties, their successors and assigns.

9. Headings. Section headings have been inserted herein for convenience only and shall not be construed to be a part hereof.

10. Amendments; Waivers. This Agreement may not be amended, changed, waived or modified except by a writing executed by the parties hereto, and may not be amended, changed, waived or modified in any manner inconsistent with section 11.7 of the Credit Agreement without the prior written consent of the Administrative Agent.

11. Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of, the State of New York.

[ASSIGNOR]

By: ______________________________
Title: ___________________________

[ASSIGNEE]

By: ______________________________
Title:____________________________

Consented and Accepted:

THE BANK OF NEW YORK, as Administrative Agent

By: ______________________________
Title: ___________________________

Consented:

THE BANK OF NEW YORK, as Issuing Bank

By: ______________________________
Title: ___________________________

SCHEDULE 1
TO
ASSIGNMENT AND ASSUMPTION AGREEMENT

relating to the

Credit Agreement, dated as of September 25, 1997, by and among Salem Communications Corporation, the Lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as Documentation Agent, as amended, modified or otherwise supplemented.

Item 1.	Assignor's RC Commitment	$______________
Item 2.	Assignor's RC Loans consisting of:	$______________
	ABR Loans	$______________
	Eurodollar Loans	$______________
Item 3.	Assignor's Letter of Credit Exposure	$______________
Item 4.	Amount of Assigned RC Commitment	$______________
Item 5.	Percentage of RC Commitment Assigned as a percentage of the aggregate RC Commitments of all Lenders	_________%
Item 6.	Amount of Assigned RC Loans consisting of:	$______________
	ABR Loans	$______________
	Eurodollar Loans	$______________
Item 7.	Amount of Assigned Letter of Credit Exposure	$______________
Item 8.	Applicable Lending Offices	

of Assignee and Address for
Notices pursuant to section
11.2 of the Credit Agreement

Applicable Lending Office for ABR Loans	Applicable Lending Office for Eurodollar Loans	Address for Notices
____________	______________	__________
____________	______________	__________
Attention:	Attention:	Attention:
Telephone:	Telephone:	Telephone:
Telecopier:	Telecopier:	Telecopier:

SALEM COMMUNICATIONS CORPORATION
SCHEDULE 1.1(L)
LIST OF APPLICABLE LENDING OFFICES

APPLICABLE LENDING OFFICE FOR BASE RATE LOANS AND CD RATE LOANS	APPLICABLE LENDING OFFICE FOR LIBOR RATE LOANS
1. The Bank of New York One Wall Street New York, New York 10286 Attention: Michael Pizarro Telephone: (212) 635-4697 Telecopy: (212) 635-6365	1. The Bank of New York One Wall Street New York, New York 10286 Attention: Michael Pizarro Telephone: (212) 635-4697 Telecopy: (212) 635-6365
2. Bank of America NT & SA 333 So. Beaudry - 19th Floor Los Angeles, CA 90071 Attention: Yolanda Monarrez Telephone: (213) 345-6534 Telecopy: (213) 345-6550	2. Bank of America NT & SA 333 So. Beaudry - 19th Floor Los Angeles, CA 90071 Attention: Yolanda Monarrez Telephone: (213) 345-6534 Telecopy: (213) 345-6550
3. BankBoston, N.A. 100 Federal Street MS 01-08-08 Boston, MA 02110 Attention: Steve Lynn Telephone: (617) 434-9627 Telecopy: (617) 434-9829	3. BankBoston, N.A. 100 Federal Street MS 01-08-08 Boston, MA 02110 Attention: Steve Lynn Telephone: (617) 434-9627 Telecopy: (617) 434-9829
4. Fleet Bank, N.A. 60 East 42nd Street - 3rd Fl. New York, NY 10017 Attention: Garrett Komjathy Telephone: (212) 907-5677 Telecopy: (212) 907-5627 Address as of 9/29/97: Fleet National Bank 1185 Avenue of the Americas 16th Floor New York, NY 10036 Attention: Garrett Komjathy Telephone: (212) 819-6043 Telecopy: (212) 819-6202	4. Fleet Bank, N.A. 60 East 42nd Street - 3rd Fl. New York, NY 10017 Attention: Garrett Komjathy Telephone: (212) 907-5677 Telecopy: (212) 907-5627 Address as of 9/29/97: Fleet National Bank 1185 Avenue of the Americas 16th Floor New York, NY 10036 Attention: Garrett Komjathy Telephone: (212) 819-6043 Telecopy: (212) 819-6202
5. Union Bank of California, N.A. 445 South Figueroa Street 7th Floor Los Angeles, CA 90071 Attention:_____________ Telephone: (___) ___-____ Telecopy: (___) ___-____	5. Union Bank of California, N.A. 445 South Figueroa Street 7th Floor Los Angeles, CA 90071 Attention: _____________ Telephone: (___) ___-____ Telecopy: (___) ___-____

SCHEDULE 4.1

TO CREDIT AGREEMENT

Schedule 4.1 to the Credit Agreement
Dated as of September 25, 1997

LIST OF SUBSIDIARIES

NOTE: All listed entities are corporations except Beltway Media Partners, which is a general partnership. Salem Communications Corporation ("Salem"), New Inspiration Broadcasting, Inc. and Golden Gate Broadcasting, Inc. are the sole partners of Beltway Media Partners.

ATEP Radio, Inc.
Beltway Media Partners
Bison Media, Inc.
Caron Broadcasting, Inc.
Common Ground Broadcasting, Inc.
Golden Gate Broadcasting Co., Inc.
Inland Radio, Inc.
Inspiration Media of Texas, Inc.
Inspiration Media, Inc.
New England Continental Media, Inc.
New Inspiration Broadcasting Co., Inc.
Oasis Radio, Inc.
Pennsylvania Media Associates, Inc.
Radio 1210, Inc.
Salem Communications Corporation, a Delaware corporation
Salem Media Corporation
Salem Media of California, Inc.
Salem Media of Colorado, Inc.
Salem Media of Louisiana, Inc.
Salem Media of Ohio, Inc.
Salem Media of Oregon, Inc.
Salem Media of Pennsylvania, Inc.
Salem Media of Texas, Inc.
Salem Music Network, Inc.
Salem Radio Network Incorporated
Salem Radio Representatives, Inc.
South Texas Broadcasting, Inc.
SRN News Network, Inc.
Vista Broadcasting, Inc.

SCHEDULE 4.6

TO CREDIT AGREEMENT

Schedule 4.6 to the Credit Agreement
Dated as of September 25, 1997

BORROWER'S MATERIAL LITIGATION

None.

SCHEDULE 4.7

TO CREDIT AGREEMENT

SCHEDULE 4.7 TO THE CREDIT AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

BORROWER'S CONFLICTING AGREEMENTS

None.

SCHEDULE 4.8

TO CREDIT AGREEMENT

SCHEDULE 4.8 TO THE CREDIT AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

BORROWER'S TAXES

None.

SCHEDULE 4.11(b)
TO CREDIT AGREEMENT

Schedule 4.11(b) to the Credit Agreement
Dated as of September 25, 1997

LIST OF PROPERTY

The following is a summary description of all real property owned and all real property leasehold estates held by each Borrower and its Subsidiaries:

ATEP Radio, Inc. The Corporation leases office and studio space in a building in Oxnard, California, from Martin V. Smith & Associates under a lease expiring in 2002. The Corporation licenses the main antenna site in Ventura, California, from Fox/Loe Properties under a lease agreement expiring in 2006, with three (3) options to extend the term by five (5) years each.

Beltway Media Partners. The Partnership leases office and studio space in Arlington, Virginia, from Rosslyn Building East, L.P. under a lease expiring in 2005. The Partnership leases antenna tower space in Arlington, Virginia, from WAVA Building Limited Partnership under a lease expiring in 2047. However, the Partnership may terminate the tower lease with one-year's notice.

BISON Media, Inc. The Corporation leases office space from Cambridge Holdings, Ltd. under a lease expiring in 2002. The Corporation leases antenna and transmitter space from Cheyenne Propagation under leases expiring in 2005 (KBIQ), 2003 (KGFT) and 2002 (KPRZ). The Corporation leases studio space in Spokane, Washington from Walter B. Worthy under lease terminable by either party upon 90 days notice. The Corporation leases antenna and transmitter space in Washington from James Codiga under a lease expiring in 2001 with the option to renew for five (5) successive periods of five (5) years each.

Caron Broadcasting. Inc. The Corporation leases office/studio space for WHK and WHLO from S&S Realty Investments under a lease expiring in 1998, with two options to renew for five (5) years each. The Corporation leases transmitter space for WHK & WTSJ from Messrs. Atsinger and Epperson under lease expiring in 2007; for WITH from Curtain Avenue Limited under a lease expiring in 1998; and for WCCD from Walter Oschek under a lease expiring in 2022. The Corporation leases office/studio space for WITH from Executive Offices Corporation under a lease expiring in 1998; and, for WTSJ from Messrs. Atsinger and Epperson under lease expiring in 2007.

Common Ground Broadcasting. Inc. The Corporation leases office space in Phoenix, Arizona, from Esplanade Office Limited Partnership under a lease expiring in 2006 and antenna and transmitter space from Johnaquille J. Hegel under a lease expiring in 2016. The Corporation lease office and transmitter space in Eagan, Minnesota, from Messrs. Atsinger and Epperson under a lease expiring in 2006. The Corporation leases office space in Cleveland, Ohio under lease from Summit Office Park Limited Partnership expiring in 2009 and leases antenna and transmitter space in Seven Hills, Ohio from Messrs. Atsinger and Epperson under a lease expiring in 2007.

Golden Gate Broadcasting Company, Inc. The Corporation leases office and studio space in Fremont, California, from San Francisco Federal Savings & Loan under a lease expiring in 1999. The antenna and tower site, consisting of 11 acres of land in Hayward, California, is leased from Salem Broadcasting Company, a partnership consisting of Messrs. Atsinger and Epperson, under a lease expiring in 2003.

Inland Radio, Inc. The Corporation leases the studio and transmitter site, consisting of three acres of land and two buildings in San Bernardino, California, from Messrs. Atsinger and Epperson under a lease expiring in 2002.

Inspiration Media of Texas. The Corporation leases office space in Irving, Texas, from TRST Las Colinas, Inc. under a lease expiring in 2001. The antenna site is leased from Aretex Corporation under a lease expiring in 2005.

Inspiration Media, Inc. The Corporation leases office and studio space in Seattle, Washington, from Inter Co-op USA, No. 2 under a lease expiring in 2000, with an option to extend the lease for an additional five years. The transmitter site for KGNW, consisting of 20 acres of land located on Vashon Island near Seattle, Washington, is leased by the Corporation from Messrs. Atsinger and Epperson under a lease expiring in 2002. The transmitter site for KLFE, consisting of 12 acres on Bainbridge Island near Seattle, Washington, is leased by the Corporation from Messrs. Atsinger and Epperson under a lease expiring in 2004.

New England Continental Media, Inc. The Corporation leases office and studio space in Quincy, Massachusetts, from 500 Victory Road Associates Limited

Partnership under a lease expiring in 1999. The transmitter site for WPZE is leased by the Corporation from Messrs. Atsinger and Epperson under a lease expiring in 2007. The transmitter site for WEZE is leased from the Fellsway Plaza Trust under a Lease expiring in 2008.

New Inspiration Broadcasting Company, Inc. The Corporation leases office and studio space in Glendale, California, from 701 N. Brand Partnership under a lease expiring in 2002. The Corporation leases an antenna and transmitter site on Mt. Wilson, California, from KCET-TV under a lease expiring in 1999. A backup antenna and transmitter site is located on Flint Peak in Glendale, California, and is leased from KPWR, Inc. under a lease expiring in 1997.

Oasis Radio, Inc. The Corporation leases office and studio space in Lancaster, California, from Fischer Industrial Properties under a lease expiring in 1999. The transmitter site, consisting of nine acres of land in Rosamond, California, is leased from the Atsinger Family Trust under a lease expiring in 2002.

Pennsylvania Media Associates, Inc. The Corporation leases studio and transmitter (WZZD) property in Lafayette Hill, Pennsylvania, from Messrs. Atsinger and Epperson under a lease expiring in 2004. The Corporation leases antenna tower space for WFIL in Lafayette Hill, Pennsylvania, from Messrs. Atsinger and Epperson under a lease expiring in 1998, with options to renew for an additional 15 years.

Radio 1210, Inc. The Corporation leases office and studio space in San Diego, California, from Radnor/La Jolla Center Partnership under a lease expiring in 2001. The transmitter site, consisting of 11 acres of land in Olivenhain, California, is leased from the Atsinger Family. Trust under a lease expiring in 2002.

Salem Communications Corporation. The Corporation leases office space in Camarillo, California, from the Pardee Construction Company under a lease expiring in 2000.

Salem Media Corporation The Corporation leases office and studio space in Rutherford, New Jersey, from HIP-Linque Partners One, L.P. under a lease expiring in 2001. The Corporation owns a perpetual easement to use the transmitter site in Kearney, New Jersey for WMCA. The transmitter site for WWDJ in Hackensack is leased by the Corporation from Industrialand Associates under a lease expiring in 2016. The Corporation leases office and studio space in Elk Grove Village, Illinois, from Metropolitan Life Insurance Company under a lease expiring in 2002. The transmitter site is located in Arlington Heights, Illinois, and is leased by the Corporation from Messrs. Atsinger and Epperson under a lease expiring in 2002.

Salem Media of California, Inc. The Corporation shares studios with New Inspiration Media, Inc. and a transmitter site consisting of six acres of property in Paramount, California, from Messrs. Atsinger and Epperson under leases expiring in 2002.

Salem Media of Colorado, Inc. The Corporation leases office and studio space in Aurora, Colorado from Plaza Place Corporation under a lease expiring in 2006. The Corporation leases the AM antenna and transmitter site from the KRKS General Partnership under a lease expiring in 1999. The Corporation leases the FM transmitter and antenna site from Sterling Realty Organization under a lease expiring in 2018. The Corporation leases the KNUS tower site from Messrs. Atsinger and Epperson under a lease expiring in 2006.

Salem Media of Ohio, Inc. The Corporation leases office and studio space in Columbus, Ohio, from Eastrich No. 152 Corporation under a lease expiring in 2005. The transmitter site in Columbus, Ohio, is leased by the Corporation from Messrs. Atsinger and Epperson under a lease expiring in 2002.

Salem Media of Oregon, Inc. The Corporation leases the office and studio building in Portland, Oregon, from Messrs. Atsinger and Epperson under a lease expiring in 2002. The Corporation also leases the AM transmitter site, consisting of 15 acres in Raleigh Hills, Oregon, from Messrs. Atsinger and Epperson under a lease expiring in 2002. The Corporation leases the FM transmitter site in Portland, Oregon, from KSGO/KGON, Inc. under a lease expiring in 2000.

Salem Media of Pennsylvania, Inc. The Corporation leases offices and studio

space in Pittsburgh, Pennsylvania, from PWC Associates under a lease expiring in 2001. The Corporation leases the transmitter site in Pittsburgh, Pennsylvania, from Messrs. Atsinger and Epperson under a lease expiring in 2003.

Salem Media of Texas, Inc. The Corporation lease office and studio space in San Antonio, Texas, from Fiesta Properties under a lease expiring in 2002 with an option to renew for five (5) years. The transmitter site located on Gonzalez Road in San Antonio is leased from Messrs. Atsinger and Epperson under a lease expiring in 2004.

Salem Music Network, Inc. The Corporation leases office space in Colorado Springs, Colorado, from Bethesda Management Company under a lease expiring in 2003 and in Nashville, Tennessee, from the Equitable Life Assurance Society of the United States under a lease expiring in 1997.

Salem Radio Network Incorporated The Corporation leases office space in Irving, Texas, from TRST Last Colinas, Inc. under a lease expiring in 2001. The Corporation leases office space in Arlington, Virginia, from Rosslyn Building East, L.P. under a lease expiring in 2005.

Salem Radio Representatives, Inc. The Corporation leases office space in Irving, Texas, from Cambridge/Las Colinas Limited Parmership under a lease expiring in 1997. The Corporation shares office space with WAVA (Arlington, Virginia), WYLL (Elk Grove, Illinois), KGNW (Seattle, Washington), Salem Music Network, Inc. (Nashville, Tennessee) and Salem Communications Corporation (Camarillo, California).

South Texas Broadcasting. Inc. The Corporation leases office and studio space in Houston, Texas, from American National Insurance Company under two leases expiring in 2000 and 2005, respectively. The FM transmitter site, located in San Jacinto County, Texas, and the AM transmitter site, located in Harris County, Texas, are leased from Messrs. Atsinger and Epperson under a lease expiring in 2005.

SRN News Network, Inc. The Corporation leases office space in Arlington, Virginia, from Rosslyn Building East Limited Partnership under a lease expiring in 2005.

Vista Broadcasting. Inc. The Corporation leases office and studio space in Sacramento, California, from P. T. West Associates, L.P. under a lease expiring in 2007. The antenna site for KFIA is leased from Messrs. Atsinger and Epperson under a lease expiring in 2005. The antenna site for KMJI is leased from Krisik, et. al., under a lease expiring in 2029 and from Messrs. Tracy under a lease expiring in 1999.

SCHEDULE 4.11(c)
TO CREDIT AGREEMENT

Schedule 4.11(c) to the Credit Agreement
Dated as of September 25, 1997

FCC MATTERS

None.

SCHEDULE 4.14

TO CREDIT AGREEMENT

Schedule 4.14 to the Credit Agreement
Dated as of September 25, 1997

BORROWER'S TAXES

1. The Borrower provides a 401(k) Savings Plan to employees for the purposes of providing retirement benefits to full-time employees of the Borrower and its Subsidiaries.

SCHEDULE 4.18

TO CREDIT AGREEMENT

Schedule 4.18 to the Credit Agreement
Dated as of September 25, 1997

BORROWER'S ENVIRONMENTAL MATTERS

None.

SCHEDULE 8.1

TO CREDIT AGREEMENT

Schedule 8.1 to the Credit Agreement
Dated as of September 25, 1997

LIST OF BORROWINGS

None.

SCHEDULE 8.2

TO CREDIT AGREEMENT

Schedule 8.2 to the Credit Agreement
Dated as of September 25, 1997

LIST OF LIENS

1. Liens on the property of Borrower or its Subsidiaries arising out of or relating to the Existing Credit Agreement.

SCHEDULE 8.5(c)

TO CREDIT AGREEMENT

Schedule 8.5(c) to the Credit Agreement
Dated as of September 25, 1997

BORROWER'S INVESTMENTS, LOANS, ETC.

1. Borrower loaned $350,000 to Truth for Life, an Ohio non-profit corporation, pursuant to a Loan Agreement dated January 9, 1995, as amended July 1, 1996.

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<TYPE>EX-4.08
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EXHIBIT 4.08

BORROWER SECURITY AGREEMENT

BORROWER SECURITY AGREEMENT (as the same may be amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of September 25, 1997, by and between SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), and THE BANK OF NEW YORK (the "Administrative Agent"), in its capacity as Administrative Agent for the Lenders under the Credit Agreement referred to below and the Rate Protection Lenders as defined therein.

RECITALS

I. Reference is made to the Credit Agreement, dated as of the date hereof, by and among the Borrower, the Lenders party thereto, the Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be

amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

II. It is a condition precedent to the making of all loans and all other extensions of credit under the Credit Agreement that the Borrower shall have executed and delivered this Agreement.

Therefore, in consideration of the Recitals, the terms and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Administrative Agent hereby agree as follows:

1. Defined Terms

(a) Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

(b) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto as follows:

"Collateral": as defined in section 2.

"Equity Interest": (i) with respect to a corporation, the capital stock thereof, (ii) with respect to a partnership, a partnership interest therein, all rights of a partner in such partnership, whether arising under the partnership agreement of such partnership or otherwise; (iii) with respect to a limited liability company, a membership interest therein, all rights of a member of such limited liability company, whether arising under the limited liability company agreement of such limited liability company or otherwise; (iv) with respect to any other firm, association, trust, business enterprise or other entity, any equity interest therein, any interest therein which entitles the holder thereof to share in the revenue, income, earnings or losses thereof or to vote or otherwise participate in any election of one or more members of the Managing Person thereof, and (v) all warrants and options in respect of any of the foregoing and all other securities which are convertible or exchangeable therefor.

"Event of Default": as defined in section 6.

"Financing Statements": the UCC financing statements executed by the Borrower and delivered pursuant to the Credit Agreement.

"Grants of Security Interests": collectively, the Grant of Security Interest (Patents) and the Grant of Security Interest (Trademarks), in the form of Annexes B-1 and B-2 hereto, respectively, in each case appropriately completed and signed by the Borrower.

"NYUCC": the UCC as in effect in the State of New York on the date hereof.

"Obligations": all of the obligations and liabilities of the Borrower under the Loan Documents and under each Interest Rate Protection Arrangement entered into by the Borrower with a Rate Protection Lender, in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired, as such obligations and liabilities may be amended, increased, modified, renewed, refinanced by the Administrative Agent and the Lenders, refunded or extended from time to time.

"Office Location": as defined in section 3(a).

"Patents": all patents issued under the laws of the United States of America and all patent applications filed with the United States Patent and Trademark Office, and all of the rights associated with each of the foregoing.

"Proceeds": as defined in the NYUCC, together with (i) all dividends, distributions and income on and in respect of all of the Securities and Instruments and all other rights and benefits in respect thereof, and (ii) with respect to the Patents and Trademarks, all renewals thereof, all proceeds of infringement suits, all rights to sue for infringement, all license royalties, all reissues, divisions, continuations, extensions and continuations-

in-part thereof.

"Rate Protection Lenders": collectively, the Lenders and any affiliates of the Lenders which from time to time enter or have entered into Interest Rate Protection Arrangements with the Borrower.

"Registrations": (i) patents issued under the laws of the United States of America, (ii) patent applications filed with the United States Patent and Trademark Office, and (iii) all registered trademarks.

"Trademarks": (i) all rights under the laws of the United States of America, and each State thereof, to trademarks, together with all registrations thereof, applications therefor and all of the rights associated therewith, and (ii) the goodwill of the Borrower's business symbolized by registered trademarks.

"Transaction Statement": a transaction statement in the form of Annex A hereto.

"UCC": with respect to any jurisdiction, Articles 1, 8 and 9 of the Uniform Commercial Code as from time to time in effect in such jurisdiction.

(c) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto in the NYUCC: "Account", "Certificated Security", "Chattel Paper", "Document", "Equipment", "Fixture", "General Intangible", "Instrument", "Inventory", "Issuer", "Secured Party", "Security", "Security Interest" and "Uncertificated Security".

2. Grant of Security Interest

To secure the prompt and complete payment, observance and performance of the Obligations, the Borrower hereby grants to the Administrative Agent, for its benefit and the ratable benefit of the Lenders, the Issuing Bank and the Rate Protection Lenders, a Security Interest in and to all of the Borrower's right, title and interest in and to all: Accounts, Chattel Paper, Documents, Equipment, Fixtures, General Intangibles, Instruments, including, without limitation, Instruments evidencing intercompany Indebtedness, Inventory, Patents, Trademarks, Equity Interests in each Person which now is or may hereafter become a Subsidiary of the Borrower, whether or not evidenced by a Security, and all Proceeds of all of the foregoing, in each case whether now owned or existing or hereafter arising or acquired, and including, without limitation, all licenses, approvals, permits and other authorizations issued by the FCC, including the Proceeds of any sale or other disposition thereof, in each case to the extent that a security interest therein is not prohibited by law, provided that to the extent that a security interest therein is now so prohibited and to the extent that such security interest at any time hereafter shall no longer be so prohibited, then such security interest shall automatically and without any further action attach and become fully effective at that time (giving effect to any retroactive effect to any change in applicable law or regulation) (collectively, the "Collateral").

3. Representations and Warranties

The Borrower hereby represents and warrants to the Administrative Agent as follows:

(a) Chief Executive Office. As of the date hereof, the Borrower's place of business or, if the Borrower has more than one place of business, its chief executive office, is, and has been continuously for the immediately preceding 5 month period, located at the address set forth for notices to the Borrower contained in the Credit Agreement (the "Office Location"). The Borrower has not changed its legal name during the six year period immediately preceding the date hereof.

(b) Information. As of the date hereof, all of the information set forth on each of the Schedules hereto is true, complete and correct.

(c) Security Interest. This Agreement, together with the delivery to

the Administrative Agent of the Certificated Securities constituting Collateral and the continuous possession thereof by the Administrative Agent in the State of New York, creates a continuing "enforceable" Security Interest in the Collateral in favor of the Administrative Agent. Upon (i) the presentation for filing of the Financing Statements at

the respective offices listed thereon together with the appropriate filing fee therefor, (ii) the delivery to the Administrative Agent of the Instruments constituting the Collateral, and (iii) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted hereby on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral, and (iv) the filing of the Grants of Security Interests in the United States Patent and Trademark Office with respect to Patents, Registrations, and Trademarks, (A) such Security Interest shall be perfected, and (B) assuming that the Administrative Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Administrative Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect to the Collateral consisting of Securities.

(d) Absence of Liens. There are no Liens upon the Collateral other than Permitted Liens, if any.

(e) Equity Interests. The Equity Interests listed on Schedule 3(e) hereto constitute, as of the date hereof, all of the Equity Interests in each Subsidiary in which the Borrower has any right, title or interest, and each such Equity Interest issued by a corporate Issuer has been duly authorized, validly issued and fully paid for, and is non-assessable. As of the Effective Date, except as set forth on Schedule 3(e), (i) no Subsidiary of the Borrower has issued any securities convertible into, or options or warrants for, any common or preferred equity securities thereof and (ii) there are no agreements, voting trusts or understandings binding upon the Borrower or any of its Subsidiaries with respect to the voting securities of any of such Subsidiary or affecting in any manner the sale, pledge, assignment or other disposition thereof, including any right of first refusal, option, redemption, call or other right with respect thereto, whether similar or dissimilar to any of the foregoing.

(f) Chattel Paper, Documents and Instruments. The Chattel Paper, Documents and Instruments listed on Schedule 3(f) hereto constitute, as of the date hereof, all of the Chattel Paper, Documents and Instruments which constitute the Collateral, and, to the best of the Borrower's knowledge, all such Chattel Paper, Documents and Instruments have been duly authorized, issued and delivered, and constitute the legal, valid, binding and enforceable obligations of the respective makers thereof.

(g) Accounts. As of the date hereof, all records concerning any Account constituting the Collateral are located at its Office Location, and no such Account is evidenced by a promissory note or other instrument.

(h) Equipment and Inventory. Except for Equipment and Inventory in transit with common carriers, the Borrower has exclusive possession and control of all Equipment and Inventory constituting the Collateral, all of which is as of the date hereof and has been continuously for the 5 month period immediately preceding the date hereof, located at one or more of the places listed on Schedule 3(h) hereto.

(i) Patents and Trademarks. The Borrower has no Registrations relating to Patents other than those listed on Schedule 3(i) hereto, and each such Registration is subsisting and is not invalid or unenforceable, in whole or in part , except to the extent that the unenforceability thereof could not reasonably be expected to have a material adverse effect on the value of the Patents taken as a whole. The Borrower has no

Registrations relating to Trademarks other than those listed on Schedule 3(i) hereto, and each such Registration is subsisting and has not been adjudged invalid or unenforceable, in whole or in part , except to the extent that the unenforceability thereof could not reasonably be expected to have a material adverse effect on the value of the Trademarks taken as a whole. To the best of the Borrower's knowledge, each Patent and Trademark constituting Collateral is valid and enforceable. Except for Permitted Liens, the Borrower is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents and Trademarks constituting Collateral, free and clear of all Liens. To the best of the Borrower's knowledge, no claim has been made that the use of any Patent or Trademark violates the rights of any third person. The

Borrower has used consistent standards of quality in its manufacture of products sold under the Patents and Trademarks.

4. Covenants of the Borrower

The Borrower hereby covenants with the Administrative Agent as follows:

(a) Chief Executive Office. The Borrower shall maintain its place of business, or if the Borrower has more than one place of business, its chief executive office, at the Office Location or at such other location in respect of which (A) the Borrower shall have provided the Administrative Agent with prior written notice thereof, and (B) UCC financing statements (or amendments thereto), in form and substance reasonably satisfactory to the Administrative Agent, shall have been filed within two months of such change.

(b) Further Assurances. The Borrower shall, at its own expense, promptly execute and deliver all certificates, documents, instruments, financing and continuation statements and amendments thereto, notices and other agreements, and take all further action, that the Administrative Agent may reasonably request from time to time, in order to perfect and protect the Security Interest granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral. The Borrower hereby irrevocably appoints the Administrative Agent as the Borrower's true and lawful attorney-in-fact, in the name, place and stead of the Borrower, to perform on behalf of the Borrower any and all obligations of the Borrower under this Agreement, and the Borrower agrees that the power of attorney herein granted constitutes a power coupled with an interest, provided, however, that the Administrative Agent shall have no obligation to perform any such obligation and such performance shall be at the sole cost and expense of the Borrower. If the Borrower fails to comply with any of its obligations hereunder, the Administrative Agent may do so in the Borrower's name or in the Administrative Agent's name, but at the Borrower's expense, and the Borrower hereby agrees to reimburse the Administrative Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Administrative Agent in connection therewith.

(c) Information. The Borrower at its own expense shall furnish to the Administrative Agent such information, reports, statements and schedules with respect to the Collateral as the Administrative Agent may reasonably request from time to time.

(d) Defense of Collateral. The Borrower at its own expense shall defend the Collateral against all claims of any kind or nature (other than Permitted Liens, if any) of all Persons at any time claiming the same or any interest therein adverse to the interests of the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender, and the Borrower shall not cause, permit or suffer to exist any Lien upon the Collateral other than Permitted Liens, if any.

(e) Uncertificated Securities. The Borrower shall cause each Person which is an Issuer of an Uncertificated Security constituting Collateral (i) to register the Security Interest granted hereby upon the books of such Person in accordance with Article 8 of the NYUCC, and (ii) to issue to the Administrative Agent an initial Transaction Statement and issue to the Administrative Agent subsequent Transaction Statements in accordance with Section 8-408 of the UCC in effect in the State of New York.

(f) Delivery of Pledged Collateral. Each Certificated Security representing an Equity Interest in a Person which is or shall become a Subsidiary of the Borrower shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent. The Borrower agrees that until so delivered, each such Certificated Security shall be held by the Borrower in trust for the benefit of the Administrative Agent and be segregated from the other Property of the Borrower.

(g) Chattel Paper, Documents and Instruments. All of the Instruments, Documents and Chattel Paper now or hereafter owned by or in the possession of the Borrower which constitute Collateral (other than checks received in the ordinary course of collection) shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer

or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent. The Borrower agrees that, with respect to all items of the Collateral which it is or shall hereafter be obligated to deliver to the Administrative Agent, until so delivered such items shall be held by the Borrower in trust for the benefit of the Administrative Agent and be segregated from the other Property of the Borrower.

(h) Accounts. Except as otherwise provided in this section 4(h), the Borrower shall continue to collect in accordance with its customary practice, at its own expense, all amounts due or to become due to the Borrower in respect of the Borrower's Accounts and, prior to the occurrence of an Event of Default, the Borrower shall have the right to adjust, settle or compromise the amount or payment of any such Account, all in accordance with its customary practices. In connection with such collections, the Borrower may take and, at the direction of the Administrative Agent at any time that an Event of Default shall have occurred and be continuing shall take, such action as the Borrower or the Administrative Agent may reasonably deem necessary or advisable to enforce collection of such Accounts.

(i) Equipment and Inventory. The Borrower shall keep the Equipment and Inventory constituting Collateral at the places listed on Schedule 3(h)

hereto, and at such other places located within the United States in respect of which (i) the Borrower shall have provided the Administrative Agent with prior written notice, and (ii) UCC financing statements (or amendments thereto), in form and substance satisfactory to the Administrative Agent, shall have been filed within two months of such change. The Borrower shall promptly furnish to the Administrative Agent a statement respecting any material loss or damage to any of the Equipment or Inventory constituting Collateral except to the extent that such loss or damage shall be insured pursuant to policies required to be maintained pursuant to the Credit Agreement.

(j) Patents and Trademarks. The Borrower will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents and Trademarks constituting Collateral. The Borrower shall give to the Administrative Agent prompt written notice thereof in the event that the Borrower shall obtain any right to any new Patent or Trademark or to any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or Trademark. The Borrower shall prosecute diligently any applications of the Patents and Trademarks constituting Collateral pending as of the date of this Agreement or thereafter, and preserve and maintain all rights in applications of Patents and Trademarks constituting Collateral consistent with past practice, including the payment of all maintenance fees , except to the extent the failure so to preserve or maintain such rights could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. The Borrower shall not abandon any right to file an application or any pending application for any Patent or Trademark unless the failure so to do could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. The Borrower agrees that it will not enter into any agreement, including a license agreement, with respect to any Patent or Trademark which is inconsistent with the Borrower's past practices of licensing Patents or Trademarks as the case may be. The Borrower hereby grants to the Administrative Agent the right to visit the Borrower's plants and facilities which manufacture, inspect or store products sold under any of the Patents and Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours upon reasonable prior notice.

5. Other Agreements of the Borrower

(a) No Duty to Preserve. Except as otherwise required by law, the Borrower agrees that, with respect to the Collateral, neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender has any obligation to preserve rights against prior or third parties.

(b) Administrative Agent's Duty With Respect to Collateral. The Administrative Agent's only duty with respect to the Collateral delivered to it shall be to use reasonable care in the custody and preservation of the Collateral, and the Borrower agrees that if the Administrative Agent accords the Collateral substantially the same kind of care as it accords its own Property, such care shall conclusively be deemed reasonable. In the event that all or any part of the Certificated Securities or Instruments constituting the Collateral are lost, destroyed or wrongfully taken while such Certificated Securities or Instruments are in the possession of the Administrative Agent, the Borrower agrees that it will use its best efforts to cause the delivery of new

Certificated Securities or Instruments

in place of the lost, destroyed or wrongfully taken Certificated Securities or Instruments upon request therefor by the Administrative Agent, without the necessity of any indemnity bond or other security, other than the Administrative Agent's agreement of indemnity upon usual and customary terms therefor. Anything herein to the contrary notwithstanding, the Administrative Agent shall not be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

(c) Liability of Borrower under Contracts and Agreements Included in the Collateral. Anything herein to the contrary notwithstanding, (i) the Borrower shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender of any of its rights hereunder shall not release the Borrower from any of its duties or obligations under any such contract or agreement, (iii) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall have any obligation or liability, including indemnification obligations, under any such contract or agreement by reason of this Agreement, nor shall the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender be obligated to perform any of the obligations or duties of the Borrower thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Borrower or the sufficiency of any performance by any party under any such contract or agreement or to take any action to collect or enforce any claim for payment assigned hereunder, and (iv) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

6. Events of Default

Each of the following shall constitute an "Event of Default":

(a) If the Borrower shall fail to observe or perform any term, covenant or agreement contained in this Agreement; or

(b) The occurrence and continuance of an Event of Default under, and as such term is defined in, the Credit Agreement.

7. Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, the Administrative Agent may:

(i) exercise any and all rights and remedies (A) granted to a Secured Party by the UCC in effect in the State of New York or otherwise allowed at law, and (B) otherwise provided by this Agreement, and

(ii) dispose of the Collateral as it may choose, so long as every aspect of the disposition including the method, manner, time, place and terms are commercially reasonable, and the Borrower agrees that, without limitation, the following are each commercially reasonable: (A) the Administrative Agent shall not in any event be required to give more than 10 days' prior notice to the Borrower of any such disposition, (B) any place within the City of New York or the Counties of Nassau, Suffolk, and Westchester may be designated by the Administrative Agent for disposition, and (C) the Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) The Borrower acknowledges and agrees that the Administrative Agent may elect, with respect to the offer or sale of any or all of the Equity Interests constituting the Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of such Equity Interests or the offer and sale thereof under any Federal or state securities laws and that the Administrative Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Administrative Agent is reasonably necessary in order to avoid any violation of

applicable law, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Equity Interests, or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority. The Borrower further acknowledges and agrees that any such transaction may be at prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Administrative Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be reasonably necessary in order to avoid any such registration or qualification, at its sole discretion or with the consent or direction of the Required Lenders, and that any such offer and sale so conducted shall be deemed to have been made in a commercially reasonable manner.

(c) To the extent permitted by law, the Borrower hereby expressly waives and covenants not to assert any appraisement, valuation, stay, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement, any other Loan Document or in any other agreement, instrument or document executed by the Borrower and delivered to the Administrative Agent, the Issuing Bank or any Lender, neither the Administrative Agent, the Issuing Bank nor any Lender will take any action pursuant to this Agreement, any other Loan Document or any other document referred to above which would constitute or result in any assignment of any license, approval, permit, certificate or other authorization issued by the FCC or any change of control of the Borrower or any Subsidiary if such assignment or change of control would require, under then existing law, the prior approval of the FCC without first obtaining such prior approval of the FCC. Upon the occurrence of an Event of Default or at any

time during the continuance thereof, the Borrower waives, to the extent permitted by law, any right it may have to oppose, and agrees to take any action that the Administrative Agent may reasonably request in order to obtain from the FCC, such approval as may be necessary to enable the Administrative Agent, the Issuing Bank and the Lenders to exercise and enjoy the full rights and benefits granted to the Administrative Agent, the Issuing Bank and the Lenders by this Agreement, the other Loan Documents and the other documents referred to above, including specifically, at the cost and expense of the Borrower, the use of commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is or shall be required by law, and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of (a) any sale or other disposition of the Collateral by or on behalf of the Administrative Agent, or (b) any assumption by the Administrative Agent of voting rights in the Collateral effected in accordance with the terms of this Agreement. It is understood and agreed that all foreclosure and related actions will be made in accordance with the Communications Act and applicable regulations and published policies and decisions of the FCC pertaining to such foreclosure and related actions.

8. Voting

Notwithstanding anything to the contrary contained in this Agreement, the Borrower shall have the right to vote all Securities and General Intangibles constituting the Collateral and receive and retain all dividends and distributions thereon until such time, if any, as an Event of Default shall have occurred and be continuing and the Administrative Agent shall have notified the Borrower that the Administrative Agent shall have elected to terminate the rights of the Borrower under this section, at which time the Administrative Agent shall then be vested with the right to vote all Securities constituting the Collateral and receive and retain all dividends and distributions thereon, until such time as such Event of Default is cured or waived.

9. Notices

All notices and other communications provided for or otherwise required hereunder or in connection herewith shall be given in the manner and to the addresses set forth in section 11.2 of the Credit Agreement.

10. Termination

On any date upon which (i) the Lenders shall no longer have any obligation to make Loans, (ii) the Issuing Bank shall no longer have (A) any

obligation to issue Letters of Credit and (B) any obligations under the Letters of Credit theretofor issued, and (iii) the Obligations shall have been paid in full in cash, the outstanding principal balance of the Loans together with all accrued interest thereon, all of the Reimbursement Obligations and all other sums then due and owing under the Loan Documents, the Liens granted hereby shall cease and the Administrative Agent shall, at the Borrower's expense (A) execute and deliver all UCC Termination Statements and other documents necessary to terminate the Liens granted hereby that the Borrower shall have reasonably requested,

and (B) return to the Borrower all Collateral that shall remain in the possession of the Administrative Agent at such time.

11. Relationship to Credit Agreement

This Agreement is the "Borrower Security Agreement" under, and as such term is defined in, the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof. Each of the Administrative Agent and the Borrower acknowledges that certain provisions of the Credit Agreement, including, without limitation, sections 1.2 (Principles of Construction), 11.1 (Amendments and Waivers), 11.3 (No Waiver; Cumulative Remedies), 11.4 (Survival of Representations and Warranties), 11.7 (Successors and Assigns), 11.8 (Counterparts), 11.9 (Adjustments; Set-off), 11.12 (Governing Law), 11.13 (Headings), 11.14 (Severability), 11.15 (Integration), 11.16 (Limitation of Liability), 11.17 (Consent to Jurisdiction), 11.18 (Service of Process), 11.19 (No Limitation on Service or Suit) and 11.20 (WAIVER OF TRIAL BY JURY) thereof, are made applicable to this Agreement and all such provisions are incorporated by reference herein as if fully set forth herein.

IN EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this Borrower Security Agreement to be duly executed on its behalf.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Executive Vice President

THE BANK OF NEW YORK, as Administrative Agent

By: /s/ Steve M. Nettler
Name: Steve M. Nettler
Title:

SCHEDULE 3(e)
TO BORROWER SECURITY AGREEMENT

SCHEDULE 3 (e) TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

LIST OF EQUITY INTERESTS

<TABLE>
<CAPTION>

ISSUER	CLASS	NUMBER OF SHARES	CERT. NUMBER	PERCENTAGE OF OUTSTANDING SHARES
<S>	<C>	<C>	<C>	<C>
ATEP Radio, Inc.	Common	100	0001	100%
Beltway Media Partners	NA	(1)	NA	100%
Bison Media, Inc.	Common	1,000	0002	100%
Caron Broadcasting, Inc.	Common	1,000	0001	100%
Common Ground Broadcasting,	Common	1,000	0002	100%

Inc.				
Golden Gate Broadcasting Co., Inc.	Common	1,000	0003	100%
Inland Radio, Inc.	Common	200	0004	100%
Inspiration Media of Texas, Inc.	Common	1,000	0001	100%
Inspiration Media, Inc.	Common	100	0001	100%
New England Continental Media, Inc.	Common	1,000	A-006	100%
New Inspiration Broadcasting Co., Inc.	Common	30,600	0003	100%
Oasis Radio, Inc.	Common	1,960	0005	100%
Pennsylvania Media Associates, Inc.	Common	1,000	0001	100%
Radio 1210, Inc.	Common	100	0006	100%
Salem Communications Corporation, a Delaware corporation	Common	100	0001	100%
Salem Media Corporation	Common	10,000	0003	100%
Salem Media of California, Inc.	Common	1	0003	100%
Salem Media of Colorado, Inc.	Common	1,000	0001	100%
Salem Media of Louisiana, Inc.	Common	200	0003	100%
Salem Media of Ohio, Inc.	Common	100	0006	100%
Salem Media of Oregon, Inc.	Common	100	0003	100%
Salem Media of Pennsylvania, Inc.	Common	100	0001	100%
Salem Media of Texas, Inc.	Common	1,000	0001	100%
Salem Music Network, Inc.	Common	1,000	0001	100%
Salem Radio Network Incorporated	Common	200	0005	100%
Salem Radio Representatives, Inc.	Common	1,000	0003	100%
South Texas Broadcasting, Inc.	Common	1,000	0001	100%
SRN News Network, Inc.	Common	1,000	0001	100%
Vista Broadcasting, Inc.	Common	1,000	0001	100%

</TABLE>

NOTE 1: All listed entities are corporations except Beltway Media Partners, which is a general partnership. Salem Communications Corporation, New Inspiration Broadcasting Co., Inc. and Golden Gate Broadcasting Co., Inc. are the sole partners of Beltway Media Partners, as follows:

New Inspiration Broadcasting Co., Inc.	45% ownership interest
Golden Gate Broadcasting Co., Inc.	40% ownership interest
Salem Communications Corporation	15% ownership interest

NOTE 2: The chief executive office of all entities is 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012.

NOTE 3: All shares are nonassessable except for shares issued in Massachusetts, where shares are subject to assessments for unpaid services and wage claims. The applicable statute is Section 35 of the Massachusetts General Corporation Law.

SCHEDULE 3(f)
TO BORROWER SECURITY AGREEMENT

Schedule 3(f) to the Borrower Security Agreement
Dated as of September 25, 1997

LIST OF CHATTEL PAPER, DOCUMENTS AND INSTRUMENTS

Promissory Note, dated February 12, 1992, in the original principal amount of $20,000,000, made by Beltway Media Partners to Salem Communications Corporation, New Inspiration Broadcasting Company, Inc. and Golden Gate Broadcasting Company, Inc.

SCHEDULE 3(h)
TO BORROWER SECURITY AGREEMENT

Schedule 3(h) to the Borrower Security Agreement
Dated as of September 25, 1997

ADDRESSES FOR EQUIPMENT AND INVENTORY LOCATIONS

<TABLE>
<CAPTION>

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
<S>	<C>	<C>
Salem Communications Corporation	4880 Santa Rosa Road, Suite 300 Camarillo, CA 93012	N/A

</TABLE>

SCHEDULE 3(i)
TO BORROWER SECURITY AGREEMENT

SCHEDULE 3(i) TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

LIST OF REGISTRATIONS

A. Patents

None.

B. Trademarks

None.

C. Servicemarks

1. "Salem Communications Corporation" - Reg. No. 1,996,372

2. Salem Logo - Reg. No. 1,940,452

ANNEX A TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

FORM OF TRANSACTION STATEMENT

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT, OF ITSELF, CONFERS NO RIGHT ON THE RECIPIENT. THIS STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

The undersigned, _________________ (the "Issuer"), hereby acknowledges receipt of the Borrower Security Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), dated as of September 25, 1997, by and between SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent"), and (i) consents to the terms thereof and (ii) confirms that a pledge of the right, title and interest in the security referred to below has been registered in the books and records of the Issuer in the name of the Administrative Agent, as set forth below. This Transaction Statement is issued under Section 8-408 of the New York State Uniform Commercial Code.

1. DESCRIPTION OF THE SECURITY: __________________________________.

2. NUMBER OF SHARES OR UNITS PLEDGED: ____________________________.

3. REGISTERED OWNER:

SALEM COMMUNICATIONS CORPORATION
4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
Attention: Vice President/
Chief Financial Officer

Taxpayer ID# ____________.

4. REGISTERED PLEDGEE AND TAXPAYER IDENTIFICATION NUMBER (IF ANY):

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention:___________________________
____
Taxpayer ID# 13-5160382

5. DATE OF REGISTRATION OF THE PLEDGE: The pledge described herein was registered on ________, on the books and records of the Issuer.

6. NOTATION OF LIENS: There are no liens, restrictions or adverse claims as to which the Issuer has a duty under Section 8-403(4) of the Uniform Commercial Code (the "UCC") to which such security is or may be subject, other than those set forth in the Loan Documents (as defined in that certain Credit Agreement, dated as of ________, 1997, by and among the Borrower, the Lenders party thereto and The Bank of New York, as Administrative Agent and Bank of America NT & SA, as Documentation Agent, as amended, supplemented or otherwise modified from time to time) or [LIST APPLICABLE ORGANIZATIONAL DOCUMENTS].

The Issuer hereby agrees, at the request of the Administrative Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Agreement and promptly to furnish to the Administrative Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

[NAME OF ISSUER]

By: ____
Name: ______________________________________
Title: _____________________________________

ANNEX B-1 TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

FORM OF GRANT OF SECURITY INTEREST (PATENTS)

SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and has entered into a Borrower Security Agreement dated the date hereof (the "Agreement") with the Administrative Agent.

Pursuant to the Agreement, the Borrower granted to the Administrative Agent a security interest in all of the right, title and interest of the Borrower in and to the letters patent or applications for letters patent, of the United States, more particularly described on Schedule 1 (the "Patents") together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Borrower does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Obligations (as such

term is defined in the Agreement), the Administrative Agent will take whatever actions are necessary at the Borrower's expense to release or reconvey to Borrower all right, title and interest of the Borrower in and to the Patents.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Borrower has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of _____, _____.

SALEM COMMUNICATIONS CORPORATION

By: ______________________________________

Name: ____________________________________

Title: ___________________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of _____, ____, before me personally came ___________________, to me known, who, being by me duly sworn, did depose and say that he resides at __________________; that he is the ________ of SALEM COMMUNICATIONS CORPORATION, the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____
Notary Public
[Notary's Stamp]

Schedule 1
to
Grant of Security Interest (Patents)
Dated as of ______________

ANNEX B-2 TO THE BORROWER SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

FORM OF GRANT OF SECURITY INTEREST (TRADEMARKS)

SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and has entered into a Borrower Security Agreement dated the date hereof (the "Agreement") with the Administrative Agent.

Pursuant to the Agreement, the Borrower granted to the Administrative Agent a security interest in all of the right, title and interest of the Borrower in and to the trademarks listed on Schedule 1, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks"), together with the goodwill of the business symbolized by the Trademarks and the applications and registrations therefor, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Borrower does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Obligations.

The Borrower does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment

of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Obligations (as such term is defined in the Agreement), the Administrative Agent will take whatever actions are necessary at the Borrower's expense to release or reconvey to the Borrower all right, title and interest of the Borrower in and to the Trademarks.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Borrower has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of _____, ____.

SALEM COMMUNICATIONS CORPORATION

By: _____________________________________

Name: ___________________________________

Title: __________________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of _____, _____, before me personally came ___________________, to me known, who, being by me duly sworn, did depose and say that he resides at __________________; that he is the ________ of SALEM COMMUNICATIONS CORPORATION, the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____

Notary Public
[Notary's Stamp]

Schedule 1
to
Grant of Security Interest (Trademarks)
Dated as of ____________

TRANSACTION STATEMENT

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT, OF ITSELF, CONFERS NO RIGHT ON THE RECIPIENT. THIS STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

September 25, 1997

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

The undersigned, Beltway Media Partners, a Virginia general partnership (the "Issuer"), hereby acknowledges receipt of (a) the Borrower Security Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the "Borrower Security Agreement"), dated as of September 25, 1997, by and between SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent"), and (b) the Subsidiary Guaranty and Security Agreement (as the same may be amended, supplemented or otherwise modified from time to time, the "Subsidiary Guaranty"), dated as of September 25, 1997, by and among the Persons

----

party thereto, the Borrower and the Administrative Agent, and (i) consents to the terms thereof and (ii) confirms that a pledge of the right, title and interest in the security referred to below has been registered in the books and records of the Issuer in the name of the Administrative Agent as set forth below. This Transaction Statement is issued under Section 8-408 of the New York State Uniform Commercial Code.

1. DESCRIPTION OF THE SECURITY: 100% of the General Partnership interests in the Issuer.

2. NUMBER OF SHARES OR UNITS PLEDGED: N/A.

3. REGISTERED OWNER:

As to 15% of the General Partnership interests:

SALEM COMMUNICATIONS CORPORATION
4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
Attention: Vice President/
Chief Financial Officer

Taxpayer ID# 77-0121400.

The Issuer hereby agrees, at the request of the Administrative Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Borrower Security Agreement and the Subsidiary Guaranty and promptly to furnish to the Administrative Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson

Name: Eric H. Halvorson
Title: Executive Vice President

NEW INSPIRATION BROADCASTING COMPANY, INC.

By: /s/ Eric H. Halvorson

Name: Eric H. Halvorson
Title: Executive Vice President

GOLDEN GATE BROADCASTING COMPANY, INC.

By: /s/ Eric H. Halvorson

Name: Eric H. Halvorson
Title: Executive Vice President

The Issuer hereby agrees, at the request of the Administrative Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Borrower Security Agreement and the Subsidiary Guaranty and promptly to furnish to the Administrative Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson

Name: Eric H. Halvorson

Title: Executive Vice President

NEW INSPIRATION BROADCASTING COMPANY, INC.

By: /s/ Eric H. Halvorson

Name: Eric H. Halvorson

Title: Executive Vice President

GOLDEN GATE BROADCASTING COMPANY, INC.

By: /s/ Eric H. Halvorson

Name: Eric H. Halvorson

Title: Executive Vice President

As to 45% of the General Partnership interests:

NEW INSPIRATION BROADCASTING COMPANY, INC.
4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
Attention: Vice President/
Chief Financial Officier

Taxpayer ID# 95-3356921.

As to 40% of the General Partnership interests:

GOLDEN GATE BROADCASTING COMPANY, INC.
4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
Attention: Vice President/
Chief Financial Officer

Taxpayer ID# 94-3082936.

4. REGISTERED PLEDGEE AND TAXPAYER IDENTIFICATION NUMBER (IF ANY):

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286
Attention: Wade E. Layton,
Vice President

Taxpayer ID# 13-5160382

5. DATE OF REGISTRATION OF THE PLEDGE: The pledge described herein was registered on September 25, 1997, on the books and records of the Issuer.

6. NOTATION OF LIENS: There are no liens, restrictions or adverse claims as to which the Issuer has a duty under Section 8-403(4) of the Uniform Commercial Code (the "UCC") to which such security is or may be subject, other than those set forth in the Loan Documents (as defined in that certain Credit Agreement, dated as of September 25, 1997, by and among the Borrower, the Lenders party thereto, The Bank of New York, as Administrative Agent, and Bank of America NT&SA, as Documentation Agent, as amended, supplemented or otherwise modified from time to time).

</TEXT>
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<SEQUENCE>72
<DESCRIPTION>SUBSIDIARY GUARANTY AND SECURITY AGMT. DATED 09/25/97
<TEXT>

EXHIBIT 4.09

SUBSIDIARY GUARANTY AND SECURITY AGREEMENT

SUBSIDIARY GUARANTY AND SECURITY AGREEMENT (as the same may be amended, supplemented or otherwise modified from time to time, this "Agreement"), dated as of September 25, 1997, by and among the Persons party hereto (the "Current Guarantors"), such other Persons which from time to time

may become party hereto (the "Additional Guarantors", and collectively with the Current Guarantors, the "Guarantors"), SALEM COMMUNICATIONS CORPORATION, a California corporation (the "Borrower"), and THE BANK OF NEW YORK (the "Administrative Agent"), in its capacity as Administrative Agent for the Lenders under the Credit Agreement referred to below and the Rate Protection Lenders as hereinafter defined.

RECITALS

I. Reference is made to the Credit Agreement, dated as of the date hereof, by and among the Borrower, the Lenders party thereto, the Administrative Agent, and Bank of America NT&SA, as Documentation Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

II. In the past, as now, the Borrower has provided financing for the Guarantors and the Guarantors have relied upon the Borrower to provide such financing. In addition, it is anticipated that, if the Guarantors execute and deliver this Agreement, the Borrower will continue to provide such financing to the Guarantors, and that the proceeds of the Loans to be made and Letters of Credit to be issued will be used, in part, for the general corporate and working capital purposes of the Guarantors. Pursuant to the Credit Agreement, the Lenders will not make Loans and the Issuing Bank will not issue Letters of Credit unless and until the Guarantors shall have executed and delivered this Agreement and, therefore, in light of all of the foregoing, each Guarantor expects to derive substantial benefit from the Credit Agreement and the transactions contemplated thereby and, in furtherance thereof, has agreed to execute and deliver this Agreement.

Therefore, in consideration of the Recitals, the terms and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors, the Borrower and the Administrative Agent hereby agree as follows:

1. Defined Terms

(a) Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

(b) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto as follows:

"Borrower Obligations": all of the obligations and liabilities of the Borrower under the Loan Documents and under each Interest Rate Protection Arrangement entered into by the Borrower with a Rate Protection Lender, in each case whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or

acquired, and whether before or after the occurrence of any Insolvency Event, and including (i) any obligation or liability in respect of any breach of any representation or warranty and (ii) all post-petition interest and funding losses, whether or not allowed as a claim in any proceeding arising in connection with an Insolvency Event.

"Collateral": as defined in section 4.

"Equity Interest": (i) with respect to a corporation, the capital stock thereof, (ii) with respect to a partnership, a partnership interest therein, all rights of a partner in such partnership, whether arising under the partnership agreement of such partnership or otherwise; (iii) with respect to a limited liability company, a membership interest therein, all rights of a member of such limited liability company, whether arising under the limited liability company agreement of such limited liability company or otherwise; (iv) with respect to any other firm, association, trust, business enterprise or other entity, any equity interest therein, any interest therein which entitles the holder thereof to share in the revenue, income, earnings or losses thereof or to vote or otherwise participate in any election of one or more members of the Managing Person thereof, and (v) all warrants and options in respect of any of the foregoing and all other securities which are convertible or exchangeable therefor.

"Financing Statements": the UCC financing statements executed by the Guarantor and delivered pursuant to the Credit Agreement.

"Grants of Security Interests": collectively, the Grant of Security Interest (Patents) and the Grant of Security Interest (Trademarks), in the form of Annexes C-1 and C-2 hereto, respectively, in each case appropriately completed and signed by the Guarantor.

"Guarantor Obligations": with respect to each Guarantor, all of the obligations and liabilities of such Guarantor hereunder, whether fixed, contingent, now existing or hereafter arising, created, assumed, incurred or acquired.

"Insolvency Event": any Event of Default under section 9.1(h) or (i) of the Credit Agreement.

"NYUCC": the UCC as in effect in the State of New York on the date hereof.

"Office Location": as defined in section 5(c).

"Patents": all patents issued under the laws of the United States of America and all patent applications filed with the United States Patent and Trademark Office, and all of the rights associated with each of the foregoing.

"Proceeds": as defined in the NYUCC, together with (i) all dividends, distributions and income on and in respect of all of the Securities and Instruments and all other rights and benefits in respect thereof, and (ii) with respect to the Patents and Trademarks, all renewals thereof, all proceeds of infringement suits, all rights to sue for infringement, all license royalties, all reissues, divisions, continuations, extensions and continuations-in-part thereof.

"Registrations": (i) patents issued under the laws of the United States of America, (ii) patent applications filed with the United States Patent and Trademark Office, and (iii) all registered trademarks.

"Rate Protection Lenders": collectively, the Lenders and any affiliates of the Lenders which from time to time enter or have entered into Interest Rate Protection Arrangements with the Borrower.

"Supplement": a Supplement to this Agreement, duly completed, in the form of Annex A hereto.

"Trademarks": as to any Guarantor (i) all rights under the laws of the United States of America, and each State thereof, to trademarks, together with all registrations thereof, applications therefor and all of the rights associated therewith, and (ii) the goodwill of such Guarantor's business symbolized by registered trademarks.

"Transaction Statement": a transaction statement in the form of Annex B hereto.

"UCC": with respect to any jurisdiction, Articles 1, 8 and 9 of the Uniform Commercial Code as from time to time in effect in such jurisdiction.

(c) When used in this Agreement, the following capitalized terms shall have the respective meanings ascribed thereto in the NYUCC: "Account", "Certificated Security", "Chattel Paper", "Document", "Equipment", "Fixture", "General Intangible", "Instrument", "Inventory", "Issuer", "Secured Party", "Security", "Security Interest" and "Uncertificated Security".

2. Guaranty

(a) Subject to section 2(b) hereof, each Guarantor hereby absolutely, irrevocably and unconditionally guarantees the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of the Borrower Obligations. This Agreement constitutes a guaranty of payment and neither the Administrative Agent, the Issuing Bank nor any Lender shall have any obligation to enforce any Loan Document or any Interest Rate Protection Arrangement or exercise any right or remedy with respect to any collateral security thereunder by any action, including making or perfecting any claim against any Person or any collateral security for any of the Borrower Obligations, prior to being entitled to the benefits of this Agreement. The Administrative Agent may, at its option, proceed against the Guarantors, or any one or more of them, in the first instance, to enforce the Guarantor Obligations without first proceeding against the Borrower or any other Person, and without first resorting to any other rights or remedies, as the Administrative Agent may deem advisable. In furtherance hereof, if the Administrative Agent, the Issuing Bank or any Lender is prevented by law from collecting or otherwise hindered from collecting or otherwise enforcing any Borrower Obligation in accordance with its terms, the Administrative Agent, the Issuing Bank or such Lender, as the case may be, shall be entitled to receive hereunder from the Guarantors after demand therefor, the sums which would have been otherwise due had such collection or enforcement not been prevented or hindered.

(b) Anything contained in this Agreement to the contrary notwithstanding, the obligations of each Guarantor hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such Guarantor's obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any provisions of applicable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of such Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Guarantor (a) in respect of intercompany indebtedness to the Borrower or Affiliates of the Borrower to the extent that such indebtedness would be discharged in an amount equal to the amount paid by such Guarantor hereunder and (b) under any guarantee of senior unsecured indebtedness or Indebtedness subordinated in right of payment to the Obligations which guarantee contains an assumption that indebtedness incurred under the Credit Agreement shall be deemed to have been incurred prior to any indebtedness incurred under any such guarantee or contains a limitation as to maximum amount similar to that set forth in this subsection, pursuant to which the liability of such Guarantor hereunder is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such Guarantor pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Guarantor and other Affiliates of the Borrower of obligations arising under guarantees by such parties.

(c) Each Guarantor agrees that the Guarantor Obligations may at any time and from time to time exceed the maximum liability of such Guarantor hereunder without impairing this Agreement or affecting the rights and remedies of the Administrative Agent, the Issuing Bank or any Lender hereunder.

3. Absolute Obligation

No Guarantor shall be released from liability hereunder unless and until the Maturity Date shall have occurred and either (a) the Issuing Bank shall not have any obligation under the Letters of Credit and the Borrower shall have paid in full in cash the outstanding principal balance of the Loans, together with all accrued interest thereon, all of the Reimbursement Obligations, and all other sums then due and owing under the Loan Documents, or (b) the Guarantor Obligations of such Guarantor shall have been paid in full in cash. Each Guarantor acknowledges and agrees that (i) neither the Administrative Agent, the Issuing Bank nor any Lender has made any representation or warranty to such Guarantor with respect to the Borrower, its Subsidiaries, any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, or any other matter whatsoever, and (ii) such Guarantor shall be liable hereunder, and such liability shall not be affected or impaired, irrespective of (A) the validity or enforceability of any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, or the collectability of any of the Borrower Obligations, (B) the preference or priority ranking with respect to any of the Borrower Obligations, (C) the existence, validity, enforceability or perfection of any security interest or collateral security under

any Loan Document, or any Interest Rate Protection Arrangement, or the release, exchange, substitution or loss or impairment of any such security interest or

collateral security, (D) any failure, delay, neglect or omission by the Administrative Agent, the Issuing Bank or any Lender to realize upon, enforce or protect any direct or indirect collateral security, indebtedness, liability or obligation, any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, or any of the Borrower Obligations, (E) the existence or exercise of any right of set-off by the Administrative Agent, the Issuing Bank or any Lender, (F) the existence, validity or enforceability of any other guaranty with respect to any of the Borrower Obligations, the liability of any other Person in respect of any of the Borrower Obligations, or the release of any such Person or any other guarantor of any of the Borrower Obligations, (G) any act or omission of the Administrative Agent, the Issuing Bank or any Lender in connection with the administration of any Loan Document, any Interest Rate Protection Arrangement, or any of the Borrower Obligations, (H) the bankruptcy, insolvency, reorganization or receivership of, or any other proceeding for the relief of debtors commenced by or against, any Person, (I) the disaffirmance or rejection, or the purported disaffirmance or purported rejection, of any of the Borrower Obligations, any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith, in any bankruptcy, insolvency, reorganization or receivership, or any other proceeding for the relief of debtor, relating to any Person, (J) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of any Loan Document, any Interest Rate Protection Arrangement, or any agreement, instrument or document executed or delivered in connection therewith or any of the Borrower Obligations, or which might cause or permit to be invoked any alteration in the time, amount, manner or payment or performance of any of the Borrower's obligations and liabilities (including the Borrower Obligations), (K) the merger or consolidation of the Borrower into or with any Person, (L) the sale by the Borrower of all or any part of its assets, (M) the fact that at any time and from time to time none of the Borrower Obligations may be outstanding or owing to the Administrative Agent, the Issuing Bank or any Lender, (N) any amendment or modification of, or supplement to, any Loan Document or any Interest Rate Protection Arrangement or (O) any other reason or circumstance which might otherwise constitute a defense available to or a discharge of the Borrower in respect of its obligations or liabilities (including the Borrower Obligations) or of such Guarantor in respect of any of the Guarantor Obligations (other than by the performance in full thereof).

4. <u>Grant of Security Interest</u>

To secure the prompt and complete payment, observance and performance of the Guarantor Obligations, each Guarantor hereby grants to the Administrative Agent, for its benefit and the ratable benefit of the Issuing Bank, the Lenders and the Rate Protection Lenders, a Security Interest in and to all of such Guarantor's right, title and interest in and to all: Accounts, Chattel Paper, Documents, Equipment, Fixtures, General Intangibles, Instruments, including, without limitation, Instruments evidencing intercompany Indebtedness, Inventory, Patents, Trademarks, Equity Interests in each Person which now is or may hereafter become a Subsidiary of such Guarantor or of the Borrower, whether or not evidenced by a Security, and all Proceeds of all of the foregoing, and including, without limitation, all licenses, approvals, permits and other authorizations issued by the FCC, including the Proceeds of any sale or other disposition thereof, in each case to the extent that a security interest therein is not prohibited by law, provided that to

the extent that a security interest therein is now so prohibited and to the extent that such security interest at any time hereafter shall no longer be so prohibited, then such security interest shall automatically and without any further action attach and become fully effective at that time (giving effect to any retroactive effect to any change in applicable law or regulation), in each case whether now owned or existing or hereafter arising or acquired, (collectively, the "<u>Collateral</u>").

5. <u>Representations and Warranties</u>

Each Guarantor hereby represents and warrants to the Administrative Agent as follows:

(a) <u>Binding Obligation</u>. This Agreement constitutes the valid and binding obligation of such Guarantor, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws related to or affecting the enforcement of creditors' rights generally.

(b) <u>Solvency</u>. Such Guarantor (if a Current Guarantor, both immediately before and after giving effect to this Agreement and to all Indebtedness incurred by the Borrower in connection with the Loan Documents or, if an

Additional Guarantor, immediately before and after giving effect to this Agreement) (i) is not insolvent, (ii) is not engaged, and is not about to engage, in any business or transaction, for which it has unreasonably small capital, and (iii) does not intend to incur, and does not believe that it would incur, debts that would be beyond its ability to pay such debts as they mature, in each case referred to above within the meaning of both Title XI of the United States Code and Article 10 of New York Debtor Credit Law, each as in effect on the date hereof.

(c) Chief Executive Office. As of the date hereof, such Guarantor's place of business or, if such Guarantor has more than one place of business, its chief executive office, is, and has been continuously for the immediately preceding 5 month period, located (the "Office Location") at, (i) if such Guarantor is a Current Guarantor, the address therefor referred to in Schedule 5(c) hereto, or (ii) if such Guarantor is an Additional Guarantor, the address therefor set forth on Schedule 5(c) to the Supplement delivered by such Additional Guarantor. Such Guarantor, (i) in the case of a Current Guarantor, has not changed its legal name during the 6 year period immediately preceding the date hereof, and (ii) in the case of an Additional Guarantor, has not changed its legal name during the 6 year period immediately preceding the date it became a Guarantor hereunder, except as otherwise disclosed on the Supplement delivered by such Additional Guarantor.

(d) Information. If such Guarantor is a Current Guarantor, all of the information with respect to such Guarantor, or any of its Property, set forth on each of the Schedules hereto is true, complete and correct as of the date hereof. If such Guarantor is an Additional Guarantor, all of the information with respect to such Guarantor, or any of its Property, set forth on each of the Schedules to the Supplement delivered by such Additional Guarantor is true, complete and correct as of the date of such Supplement. All of such Guarantor's books, records and documents relating to its Guarantor Collateral are in all material respects what they purport to be.

(e) Security Interest. This Agreement, together with the delivery to the Administrative Agent of the Certificated Securities constituting Collateral and the continuous possession thereof by the Administrative Agent in the State of New York, creates a continuing "enforceable" Security Interest in the Collateral in favor of the Administrative Agent. Upon (i) the presentation for filing of the Financing Statements at the respective offices listed thereon together with the appropriate filing fee therefor, (ii) the delivery to the Administrative Agent of the Instruments constituting the Collateral, (iii) the registration, in accordance with Article 8 of the NYUCC, of the Security Interest granted hereby on the books of each Person which is an Issuer of an Uncertificated Security constituting the Collateral, and (iv) the filing of the Grants of Security Interests in the United States Patent and Trademark Office with respect to Patents, Registrations, and Trademarks, (A) such Security Interest shall be perfected, and (B) assuming that the Administrative Agent has acted in "good faith and without notice of any adverse claim" within the meaning of Article 8 of the NYUCC, the Administrative Agent shall be a "bona fide purchaser", within the meaning of such Article, with respect to the Collateral consisting of Securities.

(f) Absence of Liens. There are no Liens upon the Collateral other than Permitted Liens, if any.

(g) Equity Interests. As of the Effective Date with respect to each Current Guarantor, as of the date of the Supplement executed by an Additional Guarantor with respect to such Additional Guarantor, (i) the Equity Interests listed on Schedule 5(g) or Schedule 5(g) to the Supplement, as the case may be, constitute all of the Equity Interests in each Subsidiary in which such Guarantor has any right, title or interest, and each such Equity Interest issued by a corporate Issuer has been duly authorized, validly issued and fully paid for, and is non-assessable and (ii) except as set forth in such Schedule 5(g) or Schedule 5(g) to such Supplement, (A) no Subsidiary of such Guarantor has issued any securities convertible into, or options or warrants for, any common or preferred equity securities thereof, (B) there are no agreements, voting trusts or understandings binding upon such Guarantor or any of its Subsidiaries with respect to the voting securities of any of such Subsidiary or affecting in any manner the sale, pledge, assignment or other disposition thereof, including any right of first refusal, option, redemption, call or other right with respect thereto, whether similar or dissimilar to any of the foregoing and (C) no such Equity Interest is represented by an Uncertificated Security.

(h) Chattel Paper, Documents and Instruments. With respect to each Current Guarantor, the Chattel Paper, Documents and Instruments listed on Schedule 5(h) hereto constitute, as of the date hereof, and with respect to each

Additional Guarantor, the Chattel Paper, Documents and Instruments listed on Schedule 5(h) to the Supplement delivered by such Additional Guarantor constitute, as of the date of such Supplement, all of the Chattel Paper, Documents and Instruments which constitute the Collateral, and, to the best of such Guarantor's knowledge, all such Chattel Paper, Documents and Instruments have been duly authorized, issued and delivered, and constitute the legal, valid, binding and enforceable obligations of the respective makers thereof.

(i) Accounts. As of the date hereof, all records concerning any Account constituting the Collateral are located at its Office Location, and no such Account is evidenced by a promissory note or other instrument.

(j) Equipment and Inventory. Except for Equipment and Inventory in transit with common carriers, such Guarantor has exclusive possession and control of all Equipment and Inventory constituting the Collateral, all of which is as of the date hereof and has been continuously for the 5 month period immediately preceding the date hereof (or, in the case of an Additional Guarantor, the date of the Supplement delivered by such Additional Guarantor), located at one or more of the places listed on (i) if such Guarantor is a Current Guarantor, Schedule 5(j) hereto hereto, and (ii) if such Guarantor is an Additional Guarantor, Schedule 5(j) hereto to the Supplement delivered by such Additional Guarantor. Within the last 5-1/2 years as of the date hereof (or of the Supplement of such Additional Guarantor) such Guarantor has not acquired any Inventory or Equipment in connection with any bulk sale, or other than in the ordinary course of business.

(k) Patents and Trademarks. Such Guarantor has no Registrations relating to Patents other than those listed on (i) if such Guarantor is a Current Guarantor, Schedule 5(k) hereto, and (ii) if such Guarantor is an Additional Guarantor, Schedule 5(k) to the Supplement delivered by such Guarantor, and each such Registration is subsisting and is not invalid or unenforceable, in whole or in part, except to the extent that the unenforceability thereof could not reasonably be expected to have a material adverse effect on the value of the Patents taken as a whole. Such Guarantor has no Registrations relating to Trademarks other than those listed on (i) if such Guarantor is a Current Guarantor, Schedule 5(k) hereto, and (ii) if such Guarantor is an Additional Guarantor, Schedule 5(k) to the Supplement delivered by such Guarantor, and each such Registration is subsisting and has not been adjudged invalid or unenforceable, in whole or in part , except to the extent that the unenforceability thereof could not reasonably be expected to have a material adverse effect on the value of the Trademarks taken as a whole. To the best of such Guarantor's knowledge, each Patent and Trademark constituting Collateral is valid and enforceable. Except for Permitted Liens, such Guarantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents and Trademarks constituting Collateral, free and clear of all Liens. To the best of such Guarantor's knowledge, no claim has been made that the use of any Patent or Trademark violates the rights of any third person. Such Guarantor has used consistent standards of quality in its manufacture of products sold under the Patents and Trademarks.

6. Covenants

Each Guarantor covenants with the Administrative Agent as follows:

(a) Chief Executive Office. Such Guarantor shall maintain its place of business, or if it has more than one place of business, its chief executive office, at the Office Location or at such other location in respect of which (i) such Guarantor shall have provided the Administrative Agent with prior written notice thereof, and (ii) UCC financing statements (or amendments thereto), in form and substance reasonably satisfactory to the Administrative Agent, shall have been filed within two months of such change.

(b) Further Assurances. Such Guarantor shall, at its own expense, promptly execute and deliver all certificates, documents, instruments, financing and continuation statements and amendments thereto, notices and other agreements, and take

all further action, that the Administrative Agent may reasonably request from time to time, in order to perfect and protect the Security Interest granted hereby or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral. Such Guarantor hereby irrevocably appoints the Administrative Agent as such Guarantor's true and lawful attorney-in-fact, in the name, place and stead of such Guarantor, to perform on behalf of such Guarantor any and all obligations of such Guarantor under this Agreement, and such Guarantor agrees that the power of attorney

herein granted constitutes a power coupled with an interest, provided, however, that the Administrative Agent shall have no obligation to perform any such obligation and such performance shall be at the sole cost and expense of such Guarantor. If such Guarantor fails to comply with any of its obligations hereunder, the Administrative Agent may do so in such Guarantor's name or in the Administrative Agent's name, but at such Guarantor's expense, and such Guarantor hereby agrees to reimburse the Administrative Agent in full for all reasonable expenses, including reasonable attorney's fees, incurred by the Administrative Agent in connection therewith.

(c) Information. Such Guarantor shall, at its own expense, furnish to the Administrative Agent such information, reports, statements and schedules with respect to the Collateral as the Administrative Agent may reasonably request from time to time.

(d) Defense of Collateral. Such Guarantor shall, at its own expense, defend the Collateral against all claims of any kind or nature (other than Permitted Liens, if any) of all Persons at any time claiming the same or any interest therein adverse to the interests of the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender, and such Guarantor shall not cause, permit or suffer to exist any Lien upon the Collateral other than Permitted Liens, if any.

(e) Uncertificated Securities. Such Guarantor shall cause each Person which is an Issuer of an Uncertificated Security constituting the Collateral (i) to register the Security Interest granted hereby upon the books of such Person in accordance with Article 8 of the NYUCC, and (ii) to issue to the Administrative Agent an initial Transaction Statement and issue to the Administrative Agent subsequent Transaction Statements in accordance with Section 8-408 of the UCC in effect in the State of New York.

(f) Delivery of Pledged Collateral. Each Certificated Security representing an Equity Interest in a Person which is or shall become a Subsidiary of the Borrower shall be promptly delivered to the Administrative Agent, to be held by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance satisfactory to the Administrative Agent. Such Guarantor agrees that until so delivered, each such Certificated Security shall be held by such Guarantor in trust for the benefit of the Administrative Agent and be segregated from the other Property of such Guarantor.

(g) Chattel Paper, Documents and Instruments. All of the Instruments, Documents and Chattel Paper now or hereafter owned by or in the possession of such Guarantor which constitute Collateral (other than checks received in the ordinary course of collection) shall be promptly delivered to the Administrative Agent, to be held

by the Administrative Agent pursuant hereto, in suitable form for transfer by delivery or accompanied by duly executed documents of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent. Such Guarantor agrees that, with respect to all items of the Collateral which it is or shall hereafter be obligated to deliver to the Administrative Agent, until so delivered such items shall be held by such Guarantor in trust for the benefit of the Administrative Agent and be segregated from the other Property of such Guarantor.

(h) Accounts. Except as otherwise provided in this subsection, such Guarantor shall continue to collect in accordance with its customary practice, at its own expense, all amounts due or to become due to such Guarantor in respect of such Guarantor's Accounts and, prior to the occurrence of an Event of Default, such Guarantor shall have the right to adjust, settle or compromise the amount or payment of any such Account, all in accordance with its customary practices. In connection with such collections, such Guarantor may take and, at the direction of the Administrative Agent at any time that an Event of Default shall have occurred and be continuing shall take, such action as such Guarantor or the Administrative Agent may reasonably deem necessary or advisable to enforce collection of such Accounts.

(i) Equipment and Inventory. Such Guarantor shall keep the Equipment and Inventory constituting Collateral at the places listed on (i) if such Guarantor is a Current Guarantor, Schedule 5(l) hereto, and (ii) if such Guarantor is an Additional Guarantor, Schedule 5(l) to the Supplement delivered by such Guarantor, and at such other places located within the United States in respect of which (A) such Guarantor shall have provided the Administrative Agent with prior written notice, and (B) UCC financing statements (or amendments

thereto), in form and substance satisfactory to the Administrative Agent, shall have been filed within two months of such change. Such Guarantor shall promptly furnish to the Administrative Agent a statement respecting any material loss or damage to any of the Equipment or Inventory constituting Collateral except to the extent that such loss or damage shall be insured pursuant to policies required to be maintained pursuant to the Credit Agreement.

(j) Patents and Trademarks. Such Guarantor will continue to use for the duration of this Agreement, consistent standards of quality in its manufacture of products sold under the Patents and Trademarks constituting Collateral. Such Guarantor shall give to the Administrative Agent prompt written notice thereof in the event that such Guarantor shall obtain any right to any new Patent or Trademark or to any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or Trademark. Such Guarantor shall prosecute diligently any applications of the Patents and Trademarks constituting Collateral pending as of the date of this Agreement or thereafter, and preserve and maintain all rights in applications of Patents and Trademarks constituting Collateral consistent with past practice, including the payment of all maintenance fees , except to the extent the failure so to preserve or maintain such rights could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. Such Guarantor shall not abandon any right to file an application or any pending application for any Patent or Trademark unless the failure so to do could not reasonably be expected to have a material adverse effect on either (i) the value of the Patents taken as a whole, or (ii) the value of the Trademarks taken as a whole. Such Guarantor agrees that it will not enter into any agreement, including a license agreement, with respect to any Patent or Trademark which

is inconsistent with such Guarantor's past practices of licensing Patents or Trademarks as the case may be. Such Guarantor hereby grants to the Administrative Agent the right to visit such Guarantor's plants and facilities which manufacture, inspect or store products sold under any of the Patents and Trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours upon reasonable prior notice.

7. Other Agreements of the Guarantors

(a) No Duty to Preserve. Except as otherwise required by law, each Guarantor agrees that, with respect to the Collateral, neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender has any obligation to preserve rights against prior or third parties.

(b) Administrative Agent's Duty With Respect to Collateral. Each Guarantor agrees that the Administrative Agent's only duty with respect to the Collateral delivered to the Administrative Agent shall be to use reasonable care in the custody and preservation of the Collateral, and each Guarantor agrees that if the Administrative Agent accords the Collateral substantially the same kind of care as the Administrative Agent accords its own Property, such care shall conclusively be deemed reasonable. In the event that all or any part of the Certificated Securities or Instruments constituting the Collateral are lost, destroyed or wrongfully taken while such Certificated Securities or Instruments are in the possession of the Administrative Agent, each Guarantor agrees that it will use its best efforts to cause the delivery of new Certificated Securities or Instruments in place of the lost, destroyed or wrongfully taken Certificated Securities or Instruments upon request therefor by the Administrative Agent, without the necessity of any indemnity bond or other security, other than the Administrative Agent's agreement of indemnity upon usual and customary terms therefor. Anything herein to the contrary notwithstanding, the Administrative Agent shall not be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

(c) Liability of Guarantors under Contracts and Agreements Included in the Collateral. Anything herein to the contrary notwithstanding, (i) each Guarantor shall remain liable under the contracts and agreements to which it is a party and which is included in the Collateral to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (ii) the exercise by the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender of any of its rights hereunder shall not release any Guarantor from any of its duties or obligations under any such contract or agreement, (iii) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any Lender shall have any obligation or liability, including indemnification obligations, under any such contract or agreement by reason of this Agreement,

nor shall the Administrative Agent, the Issuing Bank, any Rate Protection Lender or any Lender be obligated to perform any of the obligations or duties of any Guarantor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by any Guarantor or the sufficiency of any performance by any party under any such contract or agreement or to take any action to collect or enforce any claim for payment assigned hereunder, and (iv) neither the Administrative Agent, the Issuing Bank, any Rate Protection Lender nor any

Lender shall be under any duty to send notices, perform services, exercise any rights of collection, enforcement, conversion or exchange, vote, pay for insurance, taxes or other charges or take any action of any kind in connection with the management of the Collateral.

8. Events of Default

Each of the following shall constitute an "Event of Default":

(a) The failure of any Guarantor to observe or perform any term, covenant or agreement contained in this Agreement; or

(b) The occurrence and continuance of an Event of Default under, and as such term is defined in, the Credit Agreement.

9. Remedies

(a) Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, the Administrative Agent may:

(i) exercise any and all rights and remedies (A) granted to a Secured Party by the UCC in effect in the State of New York or otherwise allowed at law, and (B) otherwise provided by this Agreement, and

(ii) dispose of the Collateral as it may choose, so long as every aspect of the disposition including the method, manner, time, place and terms are commercially reasonable, and each Guarantor agrees that, without limitation, the following are each commercially reasonable: (A) the Administrative Agent shall not in any event be required to give more than 10 days' prior notice to the Guarantors of any such disposition, (B) any place within the City of New York or the Counties of Nassau, Suffolk, and Westchester may be designated by the Administrative Agent for disposition, and (C) the Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Each Guarantor acknowledges and agrees that the Administrative Agent may elect, with respect to the offer or sale of any or all of the Equity Interests constituting the Collateral, to conduct such offer and sale in such a manner as to avoid the need for registration or qualification of such Equity Interests or the offer and sale thereof under any Federal or state securities laws and that the Administrative Agent is authorized to comply with any limitation or restriction in connection with such sale as counsel may advise the Administrative Agent is reasonably necessary in order to avoid any violation of applicable law, compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Equity Interests, or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority. Each Guarantor further acknowledges and agrees that any such transaction may be at

prices and on terms less favorable than those which may be obtained through a public sale and not subject to such restrictions and agrees that, notwithstanding the foregoing, the Administrative Agent is under no obligation to conduct any such public sale and may elect to impose any or all of the foregoing restrictions, or any other restrictions which may be reasonably necessary in order to avoid any such registration or qualification, at its sole discretion or with the consent or direction of the Required Lenders, and that any such offer and sale so conducted shall be deemed to have been made in a commercially reasonable manner.

(c) To the extent permitted by law, each Guarantor hereby expressly waives and covenants not to assert any appraisement, valuation, stay, extension, redemption or similar laws, now or at any time hereafter in force, which might delay, prevent or otherwise impede the performance or enforcement of this Agreement.

(d) Notwithstanding anything to the contrary contained in this Agreement, any other Loan Document or in any other agreement, instrument or document executed by any Guarantor and delivered to the Administrative Agent, the Issuing Bank or any Lender, neither the Administrative Agent, the Issuing Bank nor any Lender will take any action pursuant to this Agreement, any other Loan Document or any other document referred to above which would constitute or result in any assignment of any license, approval, permit, certificate or other authorization issued by the FCC or any change of control of the Borrower or any Subsidiary if such assignment or change of control would require, under then existing law, the prior approval of the FCC without first obtaining such prior approval of the FCC. Upon the occurrence of an Event of Default or at any time thereafter during the continuance thereof, each Guarantor waives, to the extent permitted by law, any right it may have to oppose, and agrees to take any action that the Administrative Agent may reasonably request in order to obtain from the FCC, such approval as may be necessary to enable the Administrative Agent, the Issuing Bank and the Lenders to exercise and enjoy the full rights and benefits granted to the Administrative Agent, the Issuing Bank and the Lenders by this Agreement, the other Loan Documents and the other documents referred to above, including specifically, at the cost and expense of the Borrower, the use of commercially reasonable efforts to assist in obtaining approval of the FCC for any action or transaction contemplated by this Agreement for which such approval is or shall be required by law, and specifically, without limitation, upon request, to prepare, sign and file with the FCC the assignor's or transferor's portion of any application or applications for consent to the assignment of license, approval, permit, certificate or other authorization or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of (i) any sale or other disposition of the Collateral by or on behalf of the Administrative Agent, or (ii) any assumption by the Administrative Agent of voting rights in the Collateral effected in accordance with the terms of this Agreement. It is understood and agreed that all foreclosure and related actions will be made in accordance with the Communications Act and applicable regulations and published policies and decisions of the FCC pertaining to such foreclosure and related actions.

10. <u>Voting</u>

Notwithstanding anything to the contrary contained in this Agreement, each Guarantor shall have the right to vote all Securities constituting its Collateral and receive and retain all dividends and distributions thereon until such time, if any, as an Event of

Default shall have occurred and be continuing and the Administrative Agent shall have notified such Guarantor that the Administrative Agent shall have elected to terminate the rights of such Guarantor under this section, at which time the Administrative Agent shall then be vested with the right to vote all Securities constituting the Collateral and receive and retain all dividends and distributions thereon, until such time as such Event of Default is cured or waived.

11. <u>Termination</u>

On any date upon which (i) the Lenders shall no longer have any obligation to make Loans, (ii) the Issuing Bank shall no longer have (A) any obligation to issue Letters of Credit and (B) any obligations under the Letters of Credit theretofor issued, and (iii) the Obligations shall have been paid in full in cash, the outstanding principal balance of the Loans together with all accrued interest thereon, all of the Reimbursement Obligations and all other sums then due and owing under the Loan Documents, the Liens granted hereby shall cease and the Administrative Agent shall, at the Guarantors' expense (A) execute and deliver all UCC Termination Statements and other documents necessary to terminate the Liens granted hereby that the Guarantors shall have reasonably requested, and (B) return to the Guarantors all their respective Collateral that shall remain in the possession of the Administrative Agent at such time.

12. <u>Notices</u>

Except as otherwise specifically provided herein, all notices, requests, consents, demands, waivers and other communications hereunder shall be in writing (including facsimile) and shall be electronically transmitted or mailed by registered or certified mail or delivered in person, and all statements, reports, documents, certificates and papers to be delivered hereunder shall be mailed by first class mail or delivered in person, in each case to the respective parties to this Agreement as follows: in the case of the Administrative Agent or the Borrower, as set forth in section 11.2 of the Credit Agreement, in the case of each Current Guarantor, as set forth adjacent to the name of such Current Guarantor on the signature page(s) hereof, and, in the case of each Additional Guarantor, as set forth adjacent to the name of such Additional Guarantor on the signature page(s) of the Supplement delivered by such Additional Guarantor, or to such other addresses as to which the

Administrative Agent may be hereafter notified by the respective parties hereto. Any notice, request, consent, demand, waiver or communication given in accordance with the provisions of this section shall be conclusively deemed to have been received by a party hereto and to be effective on the day on which delivered to such party at its address specified above or, if sent by registered or certified mail, on the delivery date noted on the receipt therefor, provided that a notice of change of address shall be deemed to be effective only when actually received. Any party hereto may rely on signatures of the other parties hereto which are transmitted by facsimile or other electronic means as fully as if originally signed.

13. Expenses

Each Guarantor agrees that it shall, upon demand, pay to the Administrative Agent any and all reasonable out-of-pocket sums, costs and expenses, which the Administrative Agent, the Issuing Bank or any Lender may pay or incur defending,

protecting or enforcing this Agreement (whether suit is instituted or not), reasonable attorneys' fees and disbursements. All sums, costs and expenses which are due and payable pursuant to this section shall bear interest, payable on demand, at the highest rate then payable on the Borrower Obligations.

14. Repayment in Bankruptcy, etc.

If, at any time or times subsequent to the payment of all or any part of the Borrower Obligations or the Guarantor Obligations, the Administrative Agent, the Issuing Bank or any Lender shall be required to repay any amounts previously paid by or on behalf of the Borrower or any Guarantor in reduction thereof by virtue of an order of any court having jurisdiction in the premises, as a result of an adjudication that such amounts constituted preferential payments or fraudulent conveyances, the Guarantors unconditionally agree to pay to the Administrative Agent within 10 days after demand a sum in cash equal to the amount of such repayment, together with interest on such amount from the date of such repayment by the Administrative Agent, the Issuing Bank or such Lender, as the case may be, to the date of payment to the Administrative Agent at the applicable after-maturity rate set forth in the Credit Agreement.

15. Additional Guarantors

Upon the execution and delivery to the Administrative Agent of a Supplement by any Person, appropriately acknowledged, such Person shall be a Guarantor.

16. Agreement to Pay; Subordination

In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent, the Issuing Bank, any Lender or any Rate Protection Lender has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Borrower Obligations when and as the same shall become due, whether at maturity, be acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent in cash the amount of such unpaid Obligations. Upon payment by any Guarantor of any sums to the Administrative Agent as provided above, all rights of such Guarantor against the Borrower arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all the Borrower Obligations. In addition, any indebtedness of the Borrower now or hereafter held by any Guarantor is hereby subordinated in right of payment to the prior payment in full in cash of the Borrower Obligations. If any amount shall erroneously be paid to any Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of the Borrower, such amount shall be held in trust for the benefit of the Administrative Agent, the Issuing Bank, the Lenders and the Rate Protection Lenders and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Borrower Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

17. Miscellaneous

(a) Except as otherwise expressly provided in this Agreement, each Guarantor hereby waives presentment, demand for payment, notice of default, nonperformance and dishonor, protest and notice of protest of or in respect of this Agreement, the other Loan Documents, each Interest Protection Arrangement,

and the Borrower Obligations, notice of acceptance of this Agreement and reliance hereupon by the Administrative Agent, the Issuing Bank and each Lender, and the incurrence of any of the Borrower Obligations, notice of any sale of collateral security or any default of any sort.

(b) No Guarantor is relying upon the Administrative Agent, the Issuing Bank or any Lender to provide to such Guarantor any information concerning the Borrower or any of its Subsidiaries, and each Guarantor has made arrangements satisfactory to such Guarantor to obtain from the Borrower on a continuing basis such information concerning the Borrower and its Subsidiaries as such Guarantor may desire.

(c) Each Guarantor agrees that any statement of account with respect to the Borrower Obligations from the Administrative Agent, the Issuing Bank or any Lender to the Borrower which binds the Borrower shall also be binding upon such Guarantor, and that copies of said statements of account maintained in the regular course of the Administrative Agent's, the Issuing Bank's or such Lender's business, as the case may be, may be used in evidence against such Guarantor in order to establish its Guarantor Obligations.

(d) Each Guarantor acknowledges that it has received a copy of the Loan Documents and each Interest Rate Protection Arrangement and has approved of the same. In addition, such Guarantor acknowledges having read each Loan Document and each such Interest Rate Protection Arrangement and having had the advice of counsel in connection with all matters concerning its execution and delivery of this Agreement.

(e) No Guarantor may assign any right, or delegate any duty, it may have under this Agreement.

(f) Subject to the limitations set forth in section 2(b), the Guarantor Obligations shall be joint and several and shall also be joint and several.

(g) This Agreement is the "Subsidiary Guaranty" referred to in the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof. Each of the Administrative Agent, the Guarantors and the Borrower acknowledges that certain provisions of the Credit Agreement, including, without limitation, sections 1.2 (Principles of Construction), 11.1 (Amendments and Waivers), 11.3 (No Waiver; Cumulative Remedies), 11.4 (Survival of Certain Obligations), 11.7 (Successors and Assigns), 11.8 (Counterparts), 11.9 (Adjustments; Set-off), 11.12 (Governing Law), 11.13 (Headings), 11.14 (Severability), 11.15 (Integration), 11.16 (Limitation of Liability), 11.17 (Consent to Jurisdiction), 11.18 (Service of Process), 11.19 (No Limitation on Service or Suit) and 11.20 (WAIVER OF TRIAL BY JURY) thereof, are made applicable to this Agreement and all such provisions are incorporated by reference herein as if fully set forth herein.

IN EVIDENCE of the agreement by the parties hereto to the terms and conditions herein contained, each such party has caused this Subsidiary Guaranty and Security Agreement to be duly executed on its behalf.

Beltway Media Partners

By: Salem Communications Corporation, a General Partner

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Executive Vice President

By: Golden Gate Broadcasting Company, Inc., a General Partner

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Vice President

By: New Inspiration Broadcasting Company, Inc., a General Partner

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Vice President

ATEP Radio, Inc.
Bison Media, Inc.
Caron Broadcasting, Inc.

Common Ground Broadcasting, Inc.
Golden Gate Broadcasting Company, Inc.
Inland Radio, Inc.
Inspiration Media of Texas, Inc.
Inspiration Media, Inc.
New England Continental Media, Inc.
New Inspiration Broadcasting Company, Inc.
Oasis Radio, Inc.
Pennsylvania Media Associates, Inc.
Radio 1210, Inc.
Salem Communications Corporation, a Delaware corporation
Salem Media Corporation
Salem Media of California, Inc.
Salem Media of Colorado, Inc.
Salem Media of Louisiana, Inc.

Salem Media of Ohio, Inc.
Salem Media of Oregon, Inc.
Salem Media of Pennsylvania, Inc.
Salem Media of Texas, Inc.
Salem Music Network, Inc.
Salem Radio Network Incorporated
Salem Radio Representatives, Inc.
South Texas Broadcasting, Inc.
SRN News Network, Inc.
Vista Broadcasting, Inc.

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Vice President

Address for Notices:

4880 Santa Rosa Road
Suite 300
Camarillo, California 93012
Attention:Jonathon L. Block
Telephone:(805)987-0400(ext.106)
Telecopy: (805)384-4505

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson
Name: Eric H. Halvorson
Title: Executive Vice President

THE BANK OF NEW YORK, as
Administrative Agent

By: ILLEGIBLE
Name:
Title:

SCHEDULE 5(c)
TO SUBSIDIARY GUARANTY

SCHEDULE 5(c) TO THE SUBSIDIARY GUARANTY AND SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

LIST OF OFFICE LOCATIONS

1. The chief executive office of all Guarantors is 4880 Santa Rosa Road, Suite 300, Camarillo, California 93012.

SCHEDULE 5(g)
TO SUBSIDIARY GUARANTY

SCHEDULE 5(g) TO THE SUBSIDIARY GUARANTY AND SECURITY AGREEMENT

DATED AS OF SEPTEMBER 25, 1997

LIST OF EQUITY INTERESTS

1. Borrower, New Inspiration Broadcasting Co., Inc. and Golden Gate Broadcasting Co., Inc. are the sole partners of Beltway Media Partners, as follows:

New Inspiration Broadcasting Co., Inc.	45% ownership interest
Golden Gate Broadcasting Co., Inc.	40% ownership interest
Borrower	15% ownership interest

SCHEDULE 5(h)
TO SUBSIDIARY GUARANTY

SCHEDULE 5(h) TO THE SUBSIDIARY GUARANTY AND SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

LIST OF CHATTEL PAPER, DOCUMENTS AND INSTRUMENTS

Promissory Note, dated February 12, 1992, in the original principal amount of $20,000,000, made by Beltway Media Partners to Salem Communications Corporation, New Inspiration Broadcasting Company, Inc. and Golden Gate Broadcasting Company, Inc.

SCHEDULE 5(j)
TO BORROWER SECURITY AGREEMENT

Schedule 5(j) to the Subsidiary Guaranty and Security Agreement
Dated as of October 8, 1997

ADDRESSES FOR EQUIPMENT AND INVENTORY LOCATIONS

<TABLE>
<CAPTION>

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
<S>	<C>	<C>
ATEP Radio, Inc.	KDAR(FM) P.O. Box 5626/Zip 93031 500 Esplanade Drive, Suite 1500 Oxnard, CA 93030	AT&T site at Hall Canyon 2.9 Km NE of Ventura, Ventura County, CA
Beltway Media Partners	WAVA(FM) 1901 N. Moore Street, Suite 200 Arlington, VA 22209	5230 Lee Highway Arlington, VA 22207
Bison Media, Inc.	KGFT(FM), KPRZ(FM),KBIQ(FM): 6760 Corporate Dr., Suite 340 Colorado Springs, CO 80919	KBIQ(FM) 5145 Centennial Blvd. Colorado Springs, CO KPRZ-FM 6105 Transmitter Ln., Cheyenne Mountains, El Paso County, CO
	KTSL(FM): 1212 N. Washington, Suite 124 Spokane, WA 99201	Needham Hill, 1 km S of Melville Road, E of FourLakes, 8 km ESE of Medical Lake, WA

</TABLE>

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<CAPTION>

SCHEDULE 5(j)
TO SUBSIDIARY GUARANTY

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
Caron Broadcasting, Inc.	WITH(AM 3700 Koppers St., #124 Baltimore, MD 21227	1220 Curtain Avenue Baltimore, MD
	WTSJ(AM) 641 West 9th St. Covington, KY 41011	9th and Willow Run Covington, KY 41011
	WHK(FM) 12721 Abbey Road Cleveland, OH 44133	6901 Hahn Street NE Louisville, OH
	WHLO(AM) 2780 S. Arlington Akron, OH 44312	Road and Cleveland Massillon Road Fairlawn, OH
Common Ground Broadcasting, Inc.	KKMS(AM) 2110 Cliff Road Eagan, MN 55122	2110 Cliff Road Eagan, MN 55122
	KPXQ-AM 2425 E. Camelback Road, #570 Phoenix, AZ 85016	3701 E. Pinnacle Peak Rd. Phoenix, AZ
	WHK-AM 12727 Abbey Road Cleveland, OH 44133	3600 Pleasant Valley Road Seven Hill, OH
Golden Gate Broadcasting Co., Inc.	KFAX P.O. Box 8125, Zip Code 94537-8125 39138 Fremont Blvd., 3rd Floor Fremont, CA 94538	3636 Enterprise Road Alameda County Hayward, CA

</TABLE>

SCHEDULE 5(j)

TO SUBSIDIARY GUARANTY

<TABLE>
<CAPTION>

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
Inland Radio, Inc.	KKLA(AM)/KKLA(FM) 922 Inland Center Drive San Bernardino, CA 92408	KKLA(AM) 990 Inland Center Drive San Bernardino, CA 92408 KKLA(FM) Main: Mt. Wilson Antenna Farm Emergency: Flint Peak, Los Angeles
Inspiration Media of Texas, Inc.	KWRD(FM) 545 E. John Carpenter Freeway, Suite 450 Irving, TX 75062	Hunter Farrell Road 0.45 miles E of Myers Road Irving, TX
Inspiration Media, Inc.	KGNW-AM/KLFE-AM/KKOL-AM 2815 Second Avenue, Suite 550 Seattle, WA 98121	KKOL-AM 1100 S.W. Florida Street Seattle, WA KLFE-AM NE Corner Pt. Blakely Pt. Madison, Manitou Drive Near Winslow, WA
New England Continental Media, Inc.	WPZE(AM)/WEZE(AM) P.O. Box 9121 500 Victory Road North Quincy, MA 02171	WPZE(AM) Corner of Vershire St. and Harriet Ave. Quincy, MA 02171 WEZA(AM) 4068 Mystic Valley Pkwy. Middlesex County Medford, MA

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SCHEDULE 5(j)

TO SUBSIDIARY GUARANTY

<TABLE>
<CAPTION>

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
<S>	<C>	<C>
New Inspiration Broadcasting Co., Inc.	KKLA-AM 922 Inland Center Drive San Bernardino, CA 92408	990 Inland Center Drive San Bernardino, CA 92408
	KKLA(FM) 701 N. Brand Blvd. Suite 550 Glendale, CA 91203	Main: Mt. Wilson Antenna Farm Emergency: Flint Peak Los Angeles
Oasis Radio, Inc.	KAVC-FM 43301 North Division, Suite 201 Lancaster, CA 93535	2064 15th Street West Rosamond, CA 93560
Pennsylvania Media Associates, Inc.	WFIL(AM)/WZZD(AM) 117 Ridge Peak Lafayette Hill, PA 19444	117 Ridge Peak Lafayette Hill, PA 19444
Radio 1210, Inc.	KPRZ(AM) 9255 Towne Centre Dr., Suite 535 San Diego, CA 92121-3038	1835 Seaquest Trail Fortuna Ranch Road Encinatas, CA
Salem Media of California, Inc.	KLTX(AM) (K-LIGHT) 701 N. Brand Blvd., Suite 550 Glendale, CA 91203	6417 E. Alondra Blvd. Paramount, CA 90723
Salem Media of Colorado, Inc.	KRKS(AM&FM)/KNUS(AM) 3131 South Vaughn Way, Suite 601 Aurora, CO 80014	KRKS(AM) 6535 W. Jewell Ave. Lakewood, CO
		KRKS(FM) CO-111 Mine Lane, 4.8 Kilometers West of Boulder, CO
		KNUS(AM) US Highway 85, 3 miles SW of Brighton, CO

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SCHEDULE 5(j)

TO SUBSIDIARY GUARANTY

<TABLE>
<CAPTION>

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
<S>	<C>	<C>
Salem Media of Ohio, Inc.	WRFD-AM 8101 North High Street, Suite 360 Columbus, OH 43235-1406	.8 km E from intersection of Powell Rd., U.S. Highway 23, Westerville, OH
Salem Media of Oregon, Inc.	KPDQ(AM) & (FM) 5110 S.E. Stark St. Portland, OR 97215	KPDQ(AM) Approx. 2.7 miles East of Beaverton, OR
		KPDQ-FM OR - 4700 N.W. Council Crest Drive Portland, OR 97207
Salem Media of Pennsylvania, Inc.	WORD(FM)/WPIT(AM) 7 Parkway Center 875 Greentree Road, Suite 625 Pittsburgh, PA 15220	3201 Mt. Troy Road Allegheny County Pittsburgh, PA 15212
Salem Media of Texas, Inc.	KSLR-AM 9601 McAllister Freeway, Suite 1200 San Antonio, TX 78216	US Highway 87 China Grove, TX
Salem Media Corporation	WMCA-AM/WWDJ-AM 201 Route 17N, Suite 601 Rutherford, NJ 07070	WMCA-AM 949 Belleville Turnpike Kearny, NJ
		WWDJ-AM 110 Commerce Way

		Hackensack, NJ
	WYLL-FM 25 Northwest Point, Suite 400 Elk Grove Village, IL 60007	11 W. Dundee Road Arlington Heights, IL

</TABLE>

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<CAPTION>

SCHEDULE 5(j)
TO
SUBSIDIARY GUARANTY

ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
<S>	<C>	<C>
Salem Music Network	(The Word in Music) 1465 Kelly Johnson Blvd., Suite 340 Colorado Springs, CO 80920	N/A
	(Morningstar) 402 BNA Drive, Suite 207 Nashville, TN 37217	N/A
Salem Radio Network, Incorporated	SRN 545 E. John Carpenter Freeway, #450 Irving, TX 75062	Hunter Farrell Rd., 0.45 miles E of Meyers Rd., Irving, TX
	SRN East 1901 N. Moore Street, Suite 201 Arlington, VA 22209	5230 Lee Highway Arlington, VA
Salem Radio Representatives, Inc.	600 E. Las Colinas Blvd., Suite 560 Irving, TX 75039	N/A
	402 BNA Drive, Suite 207 Nashville, TN 37217	
	25 Northwest Point, Suite 400 Elk Grove Village, IL 60007	
	2815 Second Ave., Suite 550 Seattle, WA 98121	
	4880 Santa Rosa Road, Suite 300 Camarillo, CA 93012	
South Texas Broadcasting, Inc.	6161 Savoy Drive, Suite 1100 Houston, TX 77036	Scott Rd., off Hwy. 105 7 miles west of Cleveland, TX
SRN News Network, Inc.	1901 N. Moore St., Suite 201 Arlington, VA 22209	N/A

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SCHEDULE 5(j)
TO SUBSIDIARY GUARANTY

<TABLE>
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ENTITY	STUDIO/OFFICE LOCATION	TRANSMITTER LOCATION
<S>	<C>	<C>
Vista Broadcasting, Inc.	KFIA (AM)/KTZA(AM) 1425 Riverpark Drive, Suite 520 Sacramento, CA 95815	KFIA(AM) 1701 Athens Avenue Lincoln, CA
		KTKZ(AM) 3500 Old Auburn Road Roseville, CA

</TABLE>

SCHEDULE 5(k)
TO SUBSIDIARY GUARANTY

SCHEDULE 5(k) TO THE SUBSIDIARY GUARANTY AND SECURITY AGREEMENT
DATED AS OF SEPTEMBER 25, 1997

LIST OF REGISTRATIONS

A. Patents

None

B. Trademarks

None

C. Servicemarks

1. "Salem Radio Network" - Reg. No. 1,968,784

2. "SRN" - Reg. No. 1,935,920

3. Salem Radio Network Logo - Reg. No. 1,946,784

4. "StandardNews" - Reg. No. 1,869,020

5. "The Washington Newsdesk" - Reg. No. 1,875,741

ANNEX A TO THE SUBSIDIARY GUARANTY

FORM OF SUPPLEMENT TO SUBSIDIARY GUARANTY

SUBSIDIARY GUARANTY AND SECURITY AGREEMENT, dated as of September 25, 1997, by and among the Guarantors party thereto and The Bank of New York, as Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement").

[DATE]

Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Agreement. Pursuant to section 15 of the Agreement, by execution and delivery of this Supplement and, upon acceptance hereof by the Administrative Agent, the undersigned (i) shall be, and shall be deemed to be, a "Guarantor" under, and as such term is defined in, the Agreement, (ii) shall have made, and shall be deemed to have made, the representations and warranties contained in section 5 of the Agreement on and as of the date hereof, (iii) as security for the payment and performance in full of its Guarantor Obligations, does hereby create and grant to the Administrative Agent, its successors and permitted assigns, for its benefit and the ratable benefit of the Issuing Bank, the Lenders and the Rate Protection Lenders, their respective successors and permitted assigns, a security interest in the Collateral (as defined in the Agreement) of the Additional Guarantor and (iv) shall have made, and shall be deemed to have made, all of the covenants and agreements of a Guarantor set forth in the Agreement.

[NAME OF ADDITIONAL GUARANTOR]

By:______________________________
Name:____________________________
Title:___________________________

Address for Notices:

____

____
____

Attention:__________________
____
Telephone: (___) ___-____
Telecopy: (___) ___-____

Accepted and agreed to as
of the date first above written:

THE BANK OF NEW YORK, as Administrative Agent

By:________________________
Name:______________________
Title:_____________________

[SCHEDULES CORRESPONDING TO THE SCHEDULES
IN THE AGREEMENT ARE TO BE ATTACHED]

ANNEX B TO THE SUBSIDIARY GUARANTY
AND SECURITY AGREEMENT

DATED AS OF SEPTEMBER 25, 1997

FORM OF TRANSACTION STATEMENT

THIS STATEMENT IS MERELY A RECORD OF THE RIGHTS OF THE ADDRESSEE AS OF THE TIME OF ITS ISSUANCE. DELIVERY OF THIS STATEMENT, OF ITSELF, CONFERS NO RIGHT ON THE RECIPIENT. THIS STATEMENT IS NEITHER A NEGOTIABLE INSTRUMENT NOR A SECURITY.

[DATE]

The Bank of New York, as Administrative Agent
One Wall Street
New York, New York 10286

Ladies and Gentlemen:

The undersigned, _________________ (the "Issuer"), hereby acknowledges receipt of the Subsidiary Guaranty and Security Agreement, dated as of September 25, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among each Guarantor party thereto, SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent") and (i) consents to the terms thereof and (ii) confirms that a pledge of the right, title and interest in the security referred to below has been registered in the books and records of the Issuer in the name of the Administrative Agent, as set forth below. This Transaction Statement is issued under Section 8-408 of the New York State Uniform Commercial Code.

1. DESCRIPTION OF THE SECURITY:_______________________.

2. NUMBER OF SHARES OR UNITS PLEDGED:_________________.

3. REGISTERED OWNER:

[NAME OF PLEDGING GUARANTOR]
____
____
____
Attention:_______________________
____

Taxpayer ID# ___________.

4. REGISTERED PLEDGEE AND TAXPAYER IDENTIFICATION NUMBER (IF ANY):

The Bank of New York, as Administrative Agent
One Wall Street

New York, New York 10286
Attention:__________________
____

Taxpayer ID# 13-5160382

5. DATE OF REGISTRATION OF THE PLEDGE: The pledge described herein was registered on _______ on the books and records of the Issuer.

6. NOTATION OF LIENS: There are no liens, restrictions or adverse claims as to which the Issuer has a duty under Section 8-403(4) of the Uniform Commercial Code (the "UCC") to which such security is or may be subject, other than those set forth in the Loan Documents (as defined in that certain Credit Agreement, dated as of the date hereof, by and among the Borrower, the Lenders party thereto and The Bank of New York, as Administrative Agent and Bank of America NT & SA, as Documentation Agent, as amended, supplemented or otherwise modified from time to time) or [LIST APPLICABLE ORGANIZATIONAL DOCUMENTS].

The Issuer hereby agrees, at the request of the Administrative Agent and at the expense of the Issuer, to register any further assignment or transfer of the foregoing security effected in the manner contemplated by the Agreement and promptly to furnish to the Administrative Agent and any such assignee or transferee any statement contemplated by Section 8-408 of the UCC.

[NAME OF ISSUER]

By:____________________________
Name:__________________________
Title:_________________________

ANNEX C-1 TO THE SUBSIDIARY GUARANTY AND SECURITY AGREEMENT

DATED AS OF SEPTEMBER 25, 1997

FORM OF GRANT OF SECURITY INTEREST (PATENTS)

[NAME OF GUARANTOR], a _____________ corporation (the "Guarantor"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and has entered into a Subsidiary Guaranty and Security Agreement, dated as of September 25, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among each Guarantor party thereto, SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent").

Pursuant to the Agreement, the Guarantor granted to the Administrative Agent a security interest in all of the right, title and interest of the Guarantor in and to the letters patent or applications for letters patent, of the United States, more particularly described on Schedule 1 (the "Patents") together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Guarantor Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Guarantor does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Guarantor Obligations.

The Guarantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth

in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Guarantor Obligations (as such term is defined in the Agreement), the Administrative Agent will take whatever actions are necessary at the Guarantor's expense to release or reconvey to Guarantor all right, title and interest of the Guarantor in and to the Patents.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Guarantor has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of _____, ____.

[NAME OF GUARANTOR]

By:_____________________________
Name:___________________________
Title:__________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of _____, ____, before me personally came ___________________, to me known, who, being by me duly sworn, did depose and say that he resides at __________________; that he is the ________ of [NAME OF GUARANTOR], the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____
Notary Public
[Notary's Stamp]

Schedule 1
to Grant of Security Interest (Patents)
Dated as of __________

ANNEX C-2 TO THE SUBSIDIARY GUARANTY
AND SECURITY AGREEMENT

DATED AS OF SEPTEMBER 25, 1997

FORM OF GRANT OF SECURITY INTEREST (TRADEMARKS)

[NAME OF GUARANTOR], a _____________ corporation (the "Guarantor"), is obligated to THE BANK OF NEW YORK, as Administrative Agent (the "Administrative Agent"), and has entered into a Subsidiary Guaranty and Security Agreement, dated as of September 25, 1997 (as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among each Guarantor party thereto, SALEM COMMUNICATIONS CORPORATION (the "Borrower") and THE BANK OF NEW YORK, as Administrative Agent (in such capacity, the "Administrative Agent").

Pursuant to the Agreement, the Guarantor granted to the Administrative Agent a security interest in all of the right, title and interest of the Guarantor in and to the trademarks listed on Schedule 1, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks"),

together with the goodwill of the business symbolized by the Trademarks and the applications and registrations therefor, and all proceeds thereof, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Guarantor Obligations (as defined in the Agreement).

For good and valuable consideration, the receipt of which is hereby acknowledged, and for the purpose of recording the grant of the security interest as aforesaid, the Guarantor does hereby further assign to the Administrative Agent, and grant to the Administrative Agent a security interest in, the Collateral to secure the prompt payment, performance and observance of the Guarantor Obligations.

The Guarantor does hereby further acknowledge and affirm that the rights and remedies of the Administrative Agent with respect to the assignment of and security interest in the Collateral made and granted hereby are set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

Upon the indefeasible cash payment in full of all Guarantor Obligations (as such term is defined in the Agreement), the Administrative Agent will take whatever actions are necessary at the Guarantor's expense to release or reconvey to the Guarantor all right, title and interest of the Guarantor in and to the Trademarks.

The Administrative Agent's address is: One Wall Street, New York, New York 10286.

IN WITNESS WHEREOF, the Guarantor has caused this Assignment to be duly executed by its duly authorized officer as of the __ day of _____, ____.

[NAME OF GUARANTOR]

By:_____________________________
Name:___________________________
Title:__________________________

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this __ day of _____, ____, before me personally came ___________________, to me known, who, being by me duly sworn, did depose and say that he resides at __________________; that he is the ________ of [NAME OF GUARANTOR], the corporation described in and which executed the above instrument, and that he signed his name thereto by order of the board of directors thereof.

____
Notary Public
[Notary's Stamp]

Schedule 1
to Grant of Security Interest (Trademarks)
Dated as of _________

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EXHIBIT 10.01

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of August 1, 1997, by and between Edward G. Atsinger III, an individual ("Executive"), and Salem Communications Corporation, a California corporation (the "Company").

RECITALS

WHEREAS, the Company desires to employ Executive in the capacity of President and Chief Executive Officer of the Company on the terms and conditions set forth herein; and

WHEREAS, Executive desires to serve in such capacity on behalf of the Company and to provide to the Company the services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Executive and the Company hereby agree as follows:

1. EMPLOYMENT BY THE COMPANY AND TERM.

(a) Full Time and Best Efforts. Subject to the terms set forth herein, the Company agrees to employ Executive as President and Chief Executive Officer and Executive hereby accepts such employment. As President and Chief Executive Officer, Executive shall have responsibility for the day-to-day operations of the Company and shall have the authority, functions, duties, powers and responsibilities for Executive's corporate offices and positions which are set forth in the Company's bylaws from time to time in effect and such other authority, functions, duties, powers and responsibilities as the Board of Directors of the Company may from time to time prescribe or delegate to Executive, in all cases to be consistent with Executive's corporate offices and positions. During the term of his employment with the Company, Executive will apply, on a full-time basis, all of his skill and experience to the performance of his duties in such employment and will not, without the prior consent of the Board of Directors, devote substantial amounts of time to outside business activities. The performance of Employee's duties shall be in Camarillo, California, subject to reasonable travel as the performance of his duties in the business may require. Notwithstanding the foregoing, Executive may devote a reasonable amount of his time to civic, community, charitable or passive investment activities.

(b) Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

(c) Term. The initial term of the employment of Executive under this Agreement shall begin as of August 1, 1997 for an initial term ending on July 31, 2000 (such

three-year period, the "Initial Term"), subject to the provisions for termination set forth herein and renewal as provided in Section 1(d) below.

(d) Renewal. Unless the Company or Executive shall have given the other party hereto notice that this Agreement shall not be renewed at least 90 days prior to the end of the Initial Term, the term of this Agreement shall be automatically extended for a period of one year, such procedure to be followed in each such successive period. Each extended term shall continue to be subject to the provisions for termination set forth herein.

2. COMPENSATION AND BENEFITS.

(a) Salary. Executive shall receive for services to be rendered hereunder an annual base salary as set forth on Exhibit A attached hereto ("Base Salary"). The Base Salary will be reviewed by and shall be subject to adjustment at the sole discretion of the Board each year during the term of this Agreement.

(b) Participation in Benefit Plans. During the term hereof, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health and accident, disability or similar plan or program of the Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company may, in its sole

discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. Executive shall also participate in all fringe benefits offered by the Company to any of its Executives.

3. BONUSES.

Subject to the provisions of Section 4 hereof, Executive shall receive an annual bonus during the term of this Agreement at the discretion of the Board.

4. TERMINATION OF EMPLOYMENT.

The date on which Executive's employment by the Company ceases, under any of the following circumstances, shall be defined herein as the "Termination Date."

(a) TERMINATION FOR CAUSE.

(i) Termination; Payment of Accrued Salary. The Board may terminate Executive's employment with the Company at any time for cause, immediately upon notice to Executive of the circumstances leading to such termination for cause. In the event that Executive's employment is terminated for cause, Executive shall receive payment for all accrued salary through the Termination Date, which in this event shall be the date upon which notice of termination is given. The Company shall have no further obligation to pay severance of any kind nor to make any payment in lieu of notice.

(ii) Definition of Cause. "Cause" means the occurrence or existence of any of the following with respect to Executive, as determined by a majority of the disinterested

directors of the Board: (A) a material breach by Executive of any of his obligations hereunder which remains uncured after the lapse of 30 days following the date that the Company has given Executive written notice thereof, provided, however, that the failure by the Company to achieve performance targets shall not, in and of itself, constitute a material breach under this Section 4(a)(ii)(A); (B) any misappropriation, embezzlement, intentional fraud or similar conduct involving the Company or any person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with the Company (an "Affiliate"); (C) the conviction or the plea of nolo contendere or the equivalent in respect of any felony or a crime involving moral turpitude; or ([)) the repeated non-prescription use of any controlled substance or the repeated use of alcohol or any other non-controlled substance which, in any case described in this clause, the Board reasonably determines renders the Executive unfit to serve in his capacity as an officer or employee of the Company or its Affiliates.

(b) Termination by Executive. Executive shall have the right, at his election, to terminate his employment with the Company by written notice to the Company to that effect (i) if the Company shall have failed to substantially perform a material condition or covenant of this Agreement ("Company's Material Breach") or (ii) if the Company materially reduces or diminishes Executive's powers and responsibilities hereunder; provided, however, that a termination under clauses (i) and (ii) of this Section 4(b) will not be effective until Executive shall have given written notice specifying the claimed breach and, provided such breach is curable, Company fails to correct the claimed breach within 30 days after the receipt of the applicable notice or such longer term as may be reasonably required by the nature of the claimed breach (but within 10 days if the failure to perform is a failure to pay monies when due under the terms of this Agreement).

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a disability that renders Executive unable to perform the essential functions of his position, even with reasonable accommodation, for 180 days within any 270 day period and fails to return to work within 10 days of notice of intention to terminate. After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation will be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard with holdings for tax, social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary without offset for any disability payments Executive may receive, payable in monthly installments over a fifteen month period.

(d) Termination Without Cause; Failure to Renew.

(i) Termination Payments. In the event that, during the Initial Term,Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b)(i), (ii) or (iii), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Initial Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in

the Initial Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. In the event that after the Initial Term Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b)(i) and (ii), or if the Company shall fail to renew the term of this Agreement at the expiration of the Initial Term (including any renewal term thereof), the Company shall pay Executive as severance an amount equal to three months of his then Base Salary, less standard withholdings for tax and social security purposes, payable in equal installments over three consecutive months commencing immediately following termination or failure to renew in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (e.g. COBRA health insurance continuation election) or (b) in the event of a termination described in Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the term of this Agreement, the Company shall (i) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (ii) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

5. RIGHT OF FIRST REFUSAL ON CORPORATE OPPORTUNITIES.

During the term of employment under this Agreement, Executive agrees that he will, prior to exploiting a Corporate Opportunity for his own account, offer the Company a right of first refusal with respect to such Corporate Opportunity. For purposes of this Section 5, "Corporate Opportunity" shall mean any business opportunity that is in the same or a related business as any of the businesses in which the Company is involved. The determination as to whether a business opportunity constitutes a Corporate Opportunity shall be made by a majority of the disinterested members of the Board, and their determination shall be based on an evaluation of (i) the extent to which the opportunity is within the Company's existing lines of business or its existing plans to expand; (ii) the extent to which the opportunity supplements the

Company's existing lines of activity or complements the Company's existing methods of service; (iii) whether the Company has available resources that can be utilized in connection with the opportunity; (iv) whether the Company is legally or contractually barred from utilizing the opportunity; (v) the extent to which utilization of the opportunity by Executive would create conflicts of interest with the Company; and (vi) any other factors the disinterested Board members deem appropriate under the circumstances.

6. PROPRIETARY INFORMATION OBLIGATIONS.

During the term of employment under this Agreement, Executive will have access to and become acquainted with the Company's confidential and proprietary

information, including but not limited to information or plans regarding the Company's customer relationships, personnel, or sales, marketing, and financial operations and methods; and other compilations of information, records, and specifications (collectively "Proprietary Information"). Executive shall not disclose any of the Company's Proprietary Information directly or indirectly, or use it in any way, either during the term of this Agreement or at any time thereafter, except as required in the course of his employment for the Company or as authorized in writing by the Company. All files, records, documents, computer-recorded information and similar items relating to the business of the Company, whether prepared by Executive or otherwise coming into his possession, shall remain the exclusive property of the Company and shall not be removed from the premises of the Company under any circumstances whatsoever without the prior written consent of the Company, except when (and only for the period) necessary to carry out Executive's duties hereunder, and if removed shall be immediately returned to the Company upon any termination of his employment and no copies thereof shall be kept by Executive; provided, however, that Executive shall be entitled to retain documents reasonably related to his prior interest as a shareholder.

7. NONINTERFERENCE.

While employed by the Company, Executive agrees not to interfere with the business of the Company by directly or indirectly soliciting, attempting to solicit, inducing, or otherwise causing any employee of the Company to terminate his or her employment in order to become an employee, consultant or independent contractor to or for any other employer.

8. NONCOMPETITION.

Executive agrees that during the term of this Agreement and for a period of two years thereafter, he will not, without the prior consent of the Company, directly or indirectly, have an interest in, be employed by, be connected with, or have an interest in, as an employee, consultant, officer, director, partner, stockholder or joint venturer, in any person or entity owning, managing, controlling, operating or otherwise participating or assisting in any business that is in competition with the business of the Company (i) during the term of this Agreement, in any location, and (ii) for the two-year period following the termination of this Agreement, in any province, state or jurisdiction in which the Company was conducting business at the date of termination of Executive's employment and continues to do so thereafter; provided, however, that the foregoing shall not prevent Executive from being a stockholder of less than one percent of the

issued and outstanding securities of any class of a corporation listed on a national securities exchange or designated as national market system securities on an interdealer quotation system by the National Association of Securities Dealers, Inc.

9. REMEDIES.

Executive acknowledges that a breach or threatened breach by Executive of any the provisions of Sections 5, 6, 7 or 8 will result in the Company and its shareholders suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of damages alone. Accordingly, Executive agrees that the Company shall be entitled to interim, interlocutory and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which the Company may become entitled should there be such a breach or threatened breach.

10. MISCELLANEOUS.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by telecopy or telex) on the third day after mailing by first class mail to the recipient at the address indicated below:

To the Company:

Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Attention: Eric H. Halvorson, Executive Vice President
Telephone: (805) 987-0400, Ext. 108
Facsimile: (805) 482-7290

To Executive:

Edward G. Atsinger III
4880 Santa Rose Road, Suite 300
Camarillo, CA 93012
Telephone: (805) 987-0400, Ext. 104
Facsimile: (805) 987-6072

or to such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party.

(b) Severability. If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and all remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

(c) Entire Agreement. This document constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Without limiting the generality of the foregoing, except as provided in this Agreement, all understandings and agreements, written or oral, relating to the employment of Executive by the Company or the payment of any compensation or the provision of any benefit in connection therewith or otherwise, are hereby terminated and shall be of no further force and effect.

(d) Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

(e) Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

(f) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by both parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

(g) Attorneys' Fees. If any legal proceeding is necessary to enforce or interpret the terms of this Agreement, or to recover damages for breach therefore, the prevailing party shall be entitled to reasonable attorney's fees, as well as costs and disbursements, in addition to other relief to which he or it may be entitled.

(h) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the internal law, and not the law of conflicts, of the State of California.

(i) Arbitration. The parties expressly agree that in the event of any dispute, controversy or claim by any party concerning this Agreement, the prevailing party shall be entitled to a reimbursement of its reasonable attorneys' fees and costs from the other party to the proceeding. Any dispute, controversy or claim arising hereunder or in any way related to this Agreement shall be resolved by arbitration in the City of Los Angeles pursuant to the rules of the American Arbitration Association. The Arbitrator's decision shall be final and binding on both parties. The parties intend this arbitration provision to be valid, enforceable, irrevocable and construed as broadly as possible. The Arbitrator shall have full authority to award all legal and equitable relief, including, without limitation, injunctive relief, to the same extent as a court of competent jurisdiction; provided, however, that the Arbitrator shall have no authority to award damages for emotional distress or punitive damages. Judgment upon the award rendered by the Arbitrator may be entered by any court having jurisdiction thereof . The parties agree that in the event of a breach or threatened breach by any part of any one of more of the covenants set forth

in this Agreement, the other party would not have any adequate remedy at law. Accordingly, in the event of any such breach or threatened breach, such other party may, in addition to the other remedies which may be available to it, seek in arbitration to enjoin the breaching party from such breach or threatened breach.

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

/s/ Edward G. Atsinger III

EDWARD G. ATSINGER III

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson

Eric H. Halvorson, Executive Vice President

EXHIBIT A

The annual base salary of Executive shall be Four Hundred Thousand Dollars ($400,000) each year.

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EXHIBIT 10.02

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of August 1, 1997, by and between Stuart W. Epperson, an individual ("Executive"), and Salem Communications Corporation, a California corporation (the "Company").

RECITALS

WHEREAS, the Company desires to employ Executive in the capacity of Chairman of the Company on the terms and conditions set forth herein; and

WHEREAS, Executive desires to serve in such capacity on behalf of the Company and to provide to the Company the services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Executive and the Company hereby agree as follows:

1. EMPLOYMENT BY THE COMPANY AND TERM.

(a) Full Time and Best Efforts. Subject to the terms set forth herein, the Company agrees to employ Executive as Chairman and Executive hereby accepts such employment. Executive shall have the authority, functions, duties, powers and responsibilities for Executive's corporate offices and positions which are set forth in the Company's bylaws from time to time in effect and such other authority, functions, duties, powers and responsibilities as the Board of Directors of the Company may from time to time prescribe or delegate to Executive, in all cases to be consistent with Executive's corporate offices and positions. During the term of his employment, Executive will apply, on a full-time basis, all of his skill and experience to the performance of his duties in such employment and will not, without the prior consent of the Board of Directors, devote substantial amounts of time to outside business activities. The performance of Employee's duties shall be in Winston-Salem, North Carolina,

subject to such reasonable travel as the performance of his duties in the business may require. Notwithstanding the foregoing, Executive may devote a reasonable amount of his time to civic, community, charitable or passive investment activities.

(b) Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

(c) Term. The initial term of the employment of Executive under this Agreement shall begin as of August 1, 1997 for an initial term ending on July 31, 2000 (such three-year period, the "Initial Term"), subject to the provisions for termination set forth herein and renewal as provided in Section 1(d) below.

(d) Renewal. Unless the Company or Executive shall have given the other party hereto notice that this Agreement shall not be renewed at least 90 days prior to the end of the Initial Term, the term of this Agreement shall be automatically extended for a period of one year, such procedure to be followed in each such successive period. Each extended term shall continue to be subject to the provisions for termination set forth herein.

2. COMPENSATION AND BENEFITS.

(a) Salary. Executive shall receive for services to be rendered hereunder an annual base salary as set forth on Exhibit A attached hereto ("Base Salary"). The Base Salary will be reviewed by and shall be subject to the adjustment at the sole discretion of the Board each year during the term of this Agreement.

(b) Participation in Benefit Plans. During the term hereof, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health and accident, disability or similar plan or program of the Company now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. Executive shall also participate in all fringe benefits offered by the Company to any of its executives.

3. BONUSES.

Subject to the provisions of Section 4 hereof, Executive shall receive an annual bonus during the term of this Agreement at the discretion of the Board.

4. TERMINATION OF EMPLOYMENT.

The date on which Executive's employment by the Company ceases, under any of the following circumstances, shall be defined herein as the "Termination Date."

(a) TERMINATION FOR CAUSE.

(i) Termination: Payment of Accrued Salary. The Board may terminate Executive's employment with the Company at any time for cause, immediately upon notice to Executive of the circumstances leading to such termination for cause. In the event that Executive's employment is terminated for cause, Executive shall receive payment for all accrued salary through the Termination Date, which in this event shall be the date upon which notice of termination is given. The Company shall have no further obligation to pay severance of any kind nor make any payment in lieu of notice.

(ii) Definition of Cause. "Cause" means the occurrence or existence of any of the following with respect to Executive, as determined by a majority of the disinterested directors of the Board: (A) a material breach by Executive of any of his obligations hereunder which remains uncured after the lapse of 30 days following the date that the Company has given Executive written notice thereof, provided, however, that the failure by the Company to achieve performance targets shall not, in and of itself, constitute a material breach under this Section 4(a)(ii)(A); (B) any misappropriation, embezzlement, intentional fraud or similar conduct involving the Company or any person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with the Company (an "Affiliate"); (C) the conviction or

the plea of nolo contendere or the equivalent in respect of any felony or a crime involving moral turpitude; or (D) the repeated non-prescription use of any controlled substance or the repeated use of alcohol or any other non-controlled substance which, in any case described in this clause, the Board reasonably determines renders the Executive unfit to serve in his capacity as an officer or employee of the Company or its Affiliates.

(b) Termination by Executive. Executive shall have the right, at his election, to terminate his employment with the Company by written notice to the Company to that effect (i) if the Company shall have failed to substantially perform a material condition or covenant of this Agreement ("Company's Material Breach") or (ii) if the Company materially reduces or diminishes Executive's powers and responsibilities hereunder; provided, however, that a termination under clauses (i) and (ii) of this Section 4(b) will not be effective until Executive shall have given written notice specifying the claimed breach and, provided such breach is curable, Company fails to correct the claimed breach within 30 days after the receipt of the applicable notice or such longer term as may be reasonably required by the nature of the claimed breach (but within 10 days if the failure to perform is a failure to pay monies when due under the terms of this Agreement).

(c) Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a disability that renders Executive unable to perform the essential functions of his position, even with reasonable accommodation, for 180 days within any 270 day period and fails to return to work within 10 days of notice of intention to terminate. After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation will be payable under this Agreement except that Executive shall receive the accrued portion of any salary and bonus through the Termination Date, less standard with holdings for tax, social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan plus severance equal to 100% of his then Base Salary without offset for any disability payments Executive may receive, payable in monthly installments over a fifteen month period.

(d) Termination Without Cause; Failure to Renew.

(i) Termination Payments. In the event that, during the Initial Term, Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b)(i), (ii) or (iii), the Company shall pay Executive as severance an amount equal to his then Base Salary for the longer of six months or the remainder of the Initial Term, less standard withholdings for tax and social security purposes, payable in equal installments over six consecutive months, or, if longer, the number of months remaining in the Initial Term, commencing immediately following termination, in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through file Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan. In the event that after the Initial Term Executive's employment is terminated by the Company other than pursuant to Section 4(a) or 4(c), or by Executive pursuant to Section 4(b)(i) and (ii), or if the Company shall fail to renew file term of this Agreement at the expiration of the Initial Term (including any renewal term thereof), the Company shall pay Executive as severance an amount equal to three months of his then Base Salary, less standard withholdings for tax and social security purposes, payable in equal installments over three consecutive months commencing immediately following termination or failure to renew in monthly pro rata payments commencing as of the Termination Date, plus the accrued portion of any bonus through the Termination Date, less standard withholdings for tax and social security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(e) Benefits Upon Termination. All benefits provided under Section 2(b) hereof shall be extended at the Executive's cost, to the extent permitted by the Company's insurance policies and benefit plans, for six months after Executive's Termination Date, except (a) as required by law (e.g. COBRA health insurance continuation election) or (b) in the event of a termination described in Section 4(a).

(f) Termination Upon Death. If Executive dies prior to the expiration of the term of this Agreement, the Company shall (i) continue coverage of Executive's dependents (if any) under all applicable benefit plans or programs of the type listed above in Section 2(b) herein for a period of 12 months, and (ii) pay to Executive's estate the accrued portion of any salary and bonus through the Termination Date, less standard withholdings for tax and social

security purposes, payable, in the case of a bonus, upon such date or over such period of time which is in accordance with the applicable bonus plan.

(g) No Offset. Executive shall have no duty to mitigate any of his damages or losses and the Company shall not be entitled to reduce or offset any payments owed to Executive hereunder for any reason.

5. RIGHT OF FIRST REFUSAL ON CORPORATE OPPORTUNITIES.

During the term of employment under this Agreement; Executive agrees that he will, prior to exploiting a Corporate Opportunity for his own account, offer the Company a right of first refusal with respect to such Corporate Opportunity. For purposes of this Section 5, "Corporate Opportunity" shall mean any business opportunity that is in the same or a related business as any of the businesses in which the Company is involved. The determination as to whether a business opportunity constitutes a Corporate Opportunity shall be made by a majority of the disinterested members of the Board, and their determination shall be based on an evaluation of (i) the extent to which the opportunity is within the Company's existing lines of business or its existing plans to expand; (ii) the extent to which the opportunity supplements the Company's existing lines of activity or complements the Company's existing methods of service; (iii) whether the Company has available resources that can be utilized in connection with the opportunity; (iv) whether the Company is legally or contractually barred from utilizing the opportunity; (v) the extent to which utilization of the opportunity by Executive would create conflicts of interest with the Company; and (vi) any other factors file disinterested Board members deem appropriate under the circumstances.

6. PROPRIETARY INFORMATION OBLIGATIONS.

During the term of employment under this Agreement, Executive will have access to and become acquainted with the Company's confidential and proprietary information, including but not limited to information or plans regarding the Company's customer relationships, personnel, or sales, marketing, and financial operations and methods; and other compilations of information, records, and specifications (collectively "Proprietary Information"). Executive shall not disclose any of the Company's Proprietary Information directly or indirectly, or use it in any way, either during the term of this Agreement or at any time thereafter, except as required in the course of his employment for the Company or as authorized in writing by the Company. All files, records, documents, computer-recorded information and similar items relating to the business of the Company, whether prepared by Executive or otherwise coming into his possession shall remain the exclusive property of the Company and shall not be removed from the premises of the Company under any circumstances whatsoever without the prior written consent of file Company, except when (and only for the period) necessary to carry out Executive's duties hereunder, and if removed shall be immediately returned to the Company upon any termination of his employment and no copies thereof shall be kept by Executive; provided, however, that Executive shall be entitled to retain documents reasonably related to his prior interest as a shareholder.

7. NONINTERFERENCE.

While employed by the Company, Executive agrees not to interfere wit the business of the Company by directly or indirectly soliciting, attempting to solicit, inducing, or otherwise causing any employee of the Company to terminate his or her employment in order to become an employee, consultant or independent contractor to or for any other employer.

8. NONCOMPETITION.

Executive agrees that during the term of this Agreement and for a period of two years thereafter, he will not, without the prior consent of the Company, directly or indirectly, have an interest in, be employed by, be connected with, or have an interest in, as an employee, consultant, officer, director, partner, stockholder or joint venturer, in any person or entity owning, managing, controlling, operating or otherwise participating or assisting in any business that is in competition with the business of the Company (i) during the term of this Agreement, in any location, and (ii) for the two-year period following the termination of this Agreement in any province, state or jurisdiction in which the Company was conducting business at the date of termination of Executives employment and continues to do so thereafter; provided, however, that the foregoing shall not prevent Executive from being a stockholder of less than one percent of the issued and outstanding securities of any class of a corporation listed on a national securities exchange or designated as national market system securities on an interdealer quotation system by the National Association of

Securities Dealers, Inc.

9. REMEDIES.

Executive acknowledges that a breach or threatened breach by Executive of any of the provisions of Sections 5, 6, 7 or 8 will result in the Company and its shareholders suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of damages alone. Accordingly, Executive agrees that the Company shall be entitled to interim, interlocutory and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which the Company may become entitled should there be such a breach or threatened breach.

9. MISCELLANEOUS.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by telecopy or telex) on the third day after mailing by first class mail to the recipient at the address indicated below:

To the Company:

Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Attention: Eric H. Halvorson, Executive Vice President
Telephone: (805) 987-0400, Ext. 108
Facsimile: (805) 482-7290

To Executive:

Stuart W. Epperson
3780 Will Scarlet Road
Winston-Salem, NC 27104

or to such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party.

(b) Severability. If any provision of this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that provision shall be deemed to be severed herefrom, and all remaining provisions of this Agreement shall not be affected thereby and shall remain valid and enforceable.

(c) Entire Agreement. This document constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Without limiting the generality of the foregoing, except as provided in this Agreement, all understandings and agreements, written or oral, relating to the employment of Executive by the Company or the payment of any compensation or the provision of any benefit in connection therewith or otherwise, are hereby terminated arid shall be of no further force and effect.

(d) Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

(e) Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive and the Company, and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

(f) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by both parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

(g) Attorneys Fees. If any legal proceeding is necessary to enforce or interpret the terms of this Agreement, or to recover damages for breach therefore, the prevailing party shall be entitled to reasonable attorney's fees, as well as costs and disbursements, in addition to other relief to which he or it may be entitled.

(h) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the internal law, and not the law of conflicts, of the State of California.

(i) Arbitration. The parties expressly agree that in the event of any dispute, controversy or claim by any party concerning this Agreement, the prevailing party shall be entitled to a reimbursement of its reasonable attorneys' fees and costs from the other party to the proceeding. Any dispute, controversy or claim arising hereunder or in any way related to this Agreement shall be resolved by arbitration in the City of Los Angeles pursuant to the rules of the American Arbitration Association. The Arbitrator's decision shall be final and binding on both parties. The parties intend this arbitration provision to be valid, enforceable, irrevocable and construed as broadly as possible. The Arbitrator shall have full authority to award all legal and equitable relief, including, without limitation, injunctive relief, to the same extent as a court of competent jurisdiction; provided, however, that the Arbitrator shall have no authority to award damages for emotional distress or punitive damages. Judgment upon the award rendered by the Arbitrator may be entered by any court having jurisdiction thereof. The parties agree that in the

event of a breach or threatened breach by any part of any one of more of the covenants set forth in this Agreement, the other party would not have any adequate remedy at law. Accordingly, in the event of any such breach or threatened breach, such other party may, in addition to the other remedies which may be available to it, seek in arbitration to enjoin the breaching party from such breach or threatened breach.

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

/s/ Stuart W. Epperson
STUART W. EPPERSON

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson
Eric H. Halvorson, Executive Vice President

EXHIBIT A

The annual base salary of Executive shall be Four Hundred Thousand Dollars ($400,000) each year.

</TEXT>
</DOCUMENT>
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<SEQUENCE>75
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EXHIBIT 10.03.01

EMPLOYMENT CONTRACT

THIS AGREEMENT, made as of the 7th day of November, 1991, by and between SALEM COMMUNICATIONS CORPORATION, a Wisconsin corporation, hereinafter sometimes referred to as "Company", and ERIC HALVORSON, hereinafter sometimes referred to as "Employee".

W I T N E S S E T H

WHEREAS, Company and Employee have reached an agreement relative to the

terms and conditions of the future employment of Employee by Company and desire to reduce such agreement to written form.

NOW, THEREFORE, Company and Employee, in consideration of the mutual promises hereinafter set forth, hereby agree as follows:

ARTICLE I

EMPLOYMENT

Company shall employ Employee and Employee shall serve Company as a regular employee with the title Executive Vice President. Employee shall devote his full time and energies to the business and affairs of the Company and shall not undertake any outside business activities without the full knowledge and express consent of the President of the Company. Employee shall perform such duties as are assigned to him from time to time by the President of the Company, including without limitation those duties described in a letter to Employee from the President of the Company dated June 5, 1991.

ARTICLE II

TERM

The term of Employee's employment by the Company under this Agreement shall commence as of the date hereof and shall continue thereafter for a period of seven (7) years, unless terminated earlier upon the occurrence of any of the following:

2.1. Death. Employee's death.

2.2. Disability. Employee's disability. For purposes hereof, Employee shall be considered to be disabled if he is unable to render his customary services on behalf of the Company by reason of physical or mental illness or incapacity for a continuing period of one hundred eighty (180) days or for an aggregate of one hundred eighty (180) days in any continuous period of three hundred sixty-five (365) days. If there is any dispute as to whether Employee is or was unable to perform his customary services for the Company, such dispute shall be submitted to a licensed physician agreed upon by the parties or, if the parties are unable to agree, appointed by the President of the Medical Society of Ventura County, California at the request of either party. Employee shall promptly submit to such examinations and provide such information as any such physician may request, and the determination of such physician as to Employee's physical or mental condition shall be binding and conclusive.

2.3 Resignation. Employee's voluntary resignation upon notice given to the Board of Directors of the Company not less than ninety (90) days prior to the effective date of such resignation or such shorter period as may be established by the Board of Directors.

2.4 Dismissal. The termination of Employee's employment, with or without cause, upon the vote of a majority of the members of the Board of Directors of the Company; provided,

however, that if Employee is serving on the Board of Directors at such time as a vote for dismissal is taken, Employee shall not participate in such vote.

ARTICLE III

COMPENSATION

3.1 Base Salary. Company shall pay to Employee during the term of his employment the following amounts of annual base salary in equal semi-monthly installments:

<TABLE>
<CAPTION>

YEAR	BASE SALARY
<S>	<C>
1	$ 175,000
2	$ 186,000

3	$ 197,000
4	$ 209,000
5	$ 222,000
6	$ 236,000
7	$ 250,000

</TABLE>

[3.2 Deleted]

3.3 Payments on Termination. Upon the termination of Employee's employment as provided in Article II, the Company shall pay to Employee, in addition to any amounts to which he may be entitled as provided in Article IV, the base salary to which he is then entitled pursuant to Section 3.1 through the following dates:

A. If Employee's employment is terminated by reason of his death or disability, the Company shall pay to Employee his base salary through the end of the month in which such termination occurs; and

B. If Employee is dismissed by the Company without "cause", as defined below, the Company shall pay to Employee his base salary for the remainder of the seven (7) years during which this Agreement would have been in effect if Employee has not been terminated. If dismissal is for "cause", which shall be defined as a determination by the Board of Directors (excluding Employee, if he is a member of the Board of Directors) that Employee, after fair warning, has been consistently and inadequately performing his duties hereunder or has engaged in conduct materially injurious to the Company, then Employee shall receive his base salary through the end of the month in which such termination occurs. For purposes of this Agreement, Employee's voluntary termination of employment shall be demeaned a termination for cause.

ARTICLE IV

VACATION, EXPENSES, FRINGE BENEFITS

4.1 Vacation. Employee shall be entitled to four (4) weeks paid vacation, non-cumulative, during each calendar year.

4.2 Expenses. Company shall reimburse Employee for all reasonable expenses incurred in connection with his employment. The Company shall pay all professional society dues of Employee and shall pay all reasonable expenses of Employee in attending programs to satisfy continuing professional education requirements, provided such attendance has first been approved by the Board of Directors of the Company.

4.3 Fringe Benefits. In addition to the compensation to which Employee is entitled under Article III above, Employee shall be entitled to participate in family group health insurance, life insurance and long-term disability insurance programs currently in effect and which may be established from time to time by the Company. All costs associated with these insurance programs shall be paid by the Company.

4.4 Country Club Membership. The Company agrees to loan Employee the amount of Fifty-Five Thousand Dollars ($55,000.00) for the purposes of purchasing a membership in Spanish Hills Country Club. Interest shall accrue on the loan at the prime rate established from time to time by Security Pacific National Bank. Repayment terms will be established by the Company and Employee in good faith. All dues related to Employee's membership in Spanish Hills Country Club shall be paid by the Company.

ARTICLE V

MISCELLANEOUS

5.1 Notices. Any notices required or permitted to be given under this Agreement shall be sufficient if in writing and if sent by registered or certified mail or personally delivered to the residence of Employee or the legal representative of his estate or to the principal office of the Company directed to the attention of the Board of Directors, as the case may be.

5.2 Waiver of Breach. The waiver by Company or Employee of any breach of any provision of this Agreement by the other shall not be deemed a waiver of any subsequent breach.

5.3 Assignment. This Agreement shall not be assignable by the Company without the written consent of Employee except that if Company shall merge or consolidate with or into or transfer substantially all of its assets, including goodwill, to another corporation or other form of

business organization, this Agreement shall be binding upon and inure to the benefit of the successor of Company resulting from such merger, consolidation or transfer. Neither Employee nor his beneficiaries may assign, pledge or encumber his interest in this Agreement or any part thereof without the written consent of Company.

5.4 Governing Law. This Agreement and all questions arising in connection therewith shall be governed by the laws of the State of California.

5.5 Arbitration. Any dispute or controversy arising under or relating to the application or interpretation of this Agreement shall be determined by arbitration in Camarillo, California, according to the rules then obtaining of the American Arbitration Association for the resolution of commercial disputes and the decision so rendered shall be binding and conclusive upon Employee and Company.

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

COMPANY:
SALEM COMMUNICATIONS CORPORATION

By: /s/ Edward G. Altsinger III
EDWARD G. ALTSINGER III, President

By: /s/ Stuart W. Epperson
STUART W. EPPERSON, Chairman

EMPLOYEE:

By: /s/ Eric Halvorson
ERIC HALVORSON, Employee

</TEXT>
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<TYPE>EX-10.03.02
<SEQUENCE>76
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EXHIBIT 10.03.02

FIRST AMENDMENT TO EMPLOYMENT CONTRACT

This First Amendment to Employment Contract is entered into this 22nd day of April, 1996, between SALEM COMMUNICATIONS CORPORATION, a California corporation ("Company"), and ERIC HALVORSON ("Employee").

WITNESSETH:

WHEREAS, Company and Employee entered into a contract for the employment of Employee by Company on November 7, 1991 (the "Agreement"); and

WHEREAS, the parties desire to amend the Agreement.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Article II of the Agreement is hereby amended to provide that the term

of Employee's employment by the Company shall, subject to early termination as provided therein, continue through December 31, 1998.

2. Section 3.1 of the Agreement is hereby amended to provide that the annual base salary of Employee shall be as follows:

Calendar year 1996....	$255,000
Calendar year 1997....	$270,000
Calendar year 1998....	$285,000

3. Except as specifically amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

Executed as of the date first above written.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Edward G. Atsinger III

Edward G. Atsinger III, President

/s/ Eric Halvorson

Eric Halvorson

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EXHIBIT 10.03.03

SECOND AMENDMENT TO
EMPLOYMENT CONTRACT

This Second Amendment to Employment Contract is entered into this 8th day of July, 1997, between SALEM COMMUNICATIONS CORPORATION, a California corporation ("Company"), and ERIC HALVORSON ("Employee").

WITNESSETH:

WHEREAS, Company and Employee entered into a contract for the employment of Employee by Company on November 7, 1991, which contract was amended on April 22, 1996 (the "Agreement"); and

WHEREAS, the parties desire to amend the Agreement.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Article II of the Agreement is hereby amended to provide that the term of Employee's employment by the Company shall, subject to early termination as provided therein, continue through December 31, 2003.

2. Section 3.1 of the Agreement is hereby amended to provide that the annual base salary of Employee shall be $285,000 in 1998 and $300,000 in 1999, 2000, 2001, 2002 and 2003.

3. Section 3.3B. of the Agreement is hereby amended by deleting the words "seven (7) years" and replacing them with the word "term."

3. Section 4.4 of the Agreement is deleted in its entirety.

4. Except as specifically amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

Executed as of the date first above written.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Edward G. Atsinger III

Edward G. Atsinger III

/s/ Eric Halvorson

Eric Halvorson
</TEXT>
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<SEQUENCE>78
<DESCRIPTION>DEF. COMP. AGMT. BET. THE CO. AND E. H. HLAVORSON
<TEXT>

EXHIBIT 10.03.04

DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT is made and entered into this 7th day of November, 1991, by and between SALEM COMMUNICATIONS, a California corporation, hereinafter referred to as the "Company" and ERIC HALVORSON, hereinafter referred to as "Employee".

W I T N E S S E T H

WHEREAS,the Employee is currently employed by the Company and has heretofore been a valuable employee of the Company; and

WHEREAS, the Company desires to provide for the payment of deferred compensation to the Employee or to his designated beneficiary or beneficiaries following the termination of his employment with the Company, as consideration for assuring the retention of his services; and

WHEREAS, the Employee understands and accepts the terms and conditions with respect to the payment of deferred compensation and desires that such agreement be reduced to written form.

NOW, THEREFORE, the Company and the Employee, in consideration of the mutual promises hereinafter set forth, do hereby promise and agree as follows:

ARTICLE I

DEFERRED COMPENSATION

1.1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) Total Compensation Earned. The term "Total Compensation Earned" shall mean the base salary and bonus paid during a fiscal year with respect to such fiscal year. "Total Compensation Earned" shall also include any bonus paid with respect to such fiscal year on or before March 15 of the following fiscal year and the contribution by Employee to the 401(K) Plan with respect to such fiscal year.

(b) Covered Compensation. The term "Covered Compensation" shall mean an amount equal to the average (i.e. arithmatic mean) Total Compensation Earned by the Employee for the three (3) fiscal years for which he received the highest total Compensation Earned among the fiscal years consisting of (i) the fiscal year in or as of which the termination of his employment becomes effective, and (ii) all preceding fiscal years during which Employee was employed by the Company.

(c) Discounted Compensation. The term "Discounted Compensation" shall mean the aggregate amount of deferred compensation which would have been paid to Employee under Section 1.2(a), below, if he had remained employed by the Company to age sixty (60) (and assuming no compensation increase would have been granted between the date of termination and age 60), discounted at eight percent (8%) per annum to the present value of such amount as of the date of termination of employment. In determining present value, the monthly payments that would have begun at age sixty (60) shall first be discounted to their present value at age sixty (60), and this amount shall be further discounted to its present value as of the date of termination of employment.

(d) 401K Plan. The term "401K Plan" shall mean the 401(K) Profit Sharing Plan of the Company as may be in effect from time to time.

(e) Termination for Cause. The term "Termination for Cause" shall mean the termination of Employee's employment with the Company pursuant to

a determination by the Company's Board of Directors (excluding Employee, if he is a member of the Company's Board of Directors) that Employee, after fair warning, has been consistently and inadequately performing his duties hereunder or has engaged in conduct materially injurious to the Company.

(f) Disability. The term "Disability" shall mean the inability of Employee to render his customary services on behalf of the Company by reason of physical or mental illness or incapacity for continuing period of one hundred eighty (180) days or for an aggregate of one hundred eighty (180) days in any continuous period of three hundred sixty-five days. If there is any dispute as to whether Employee is or was unable to perform his customary services for the Company, such dispute shall be submitted to a licensed physician agreed upon by the parties or, if the parties are unable to agree, appointed by the President of the Medical Society of Milwaukee County, Wisconsin, at the request of either party. Employee shall promptly submit to such examinations and provide such information as any such physician may request, and the determination of such physician as to Employee's physical or mental condition shall be binding and conclusive.

(g) Employment Agreement. The term "Employment Agreement" shall mean the Employment Agreement between the Company and Employee dated November 7, 1991.

1.2. Benefits. Following termination of his employment with the Company (unless termination is a Termination for Cause, in which event Employee shall be entitled to no amounts under this Agreement), Employee shall be entitled to the following benefits:

(a) Termination After Age 60. If Employee's employment with the Company terminates for any reason on or after the date Employee attains age sixty (60), Employee shall be entitled to receive each year, for ten (10)

consecutive years, benefits in an amount equal to fifty percent (50%) of Employee's Covered Compensation, with such amounts to be paid in equal monthly installments commencing thirty (30) days after the date of termination of employment.

(b) Termination Before Age 60. If Employee's employment with the Company terminates for any reason prior to the date Employee attains age sixty (60), the following shall apply:

(i) If termination occurs by reason of death or Disability at any time prior to the date Employees attains age sixty (60), or if termination occurs for any reason after the expiration of the term of the Employment Agreement, Employee shall be entitled to receive an amount equal to the Discounted Compensation. The aggregate amount of Discounted Compensation shall be paid, until exhausted, in monthly installments commencing thirty (30) days after the date of termination, with such installments to be equal to Employee's monthly salary immediately preceding his termination.

(ii) If the Company terminates Employee's employment prior to expiration of the term of the Employment Agreement, Employee shall be entitled to receive an amount equal to the Discounted Compensation; provided that the calculation of Discounted Compensatoin shall be based on an assumed termination date coinciding with the last day of the term of Employee's employment under the Employment Agreement, and the Covered Compensation used in determining Discounted Compensation shall be based on the three (3) highest years of compensation paid to Employee during the seven (7) year term of his Employment Agreement, whether or not such payments are made prior to or after termination of employment. The aggregate amount of Discounted Compensatoin shall be paid, until exhausted, in monthly installments commencing thirty (30) days after the expiration of the seven (7) year term of employment under the Employment Agreement, with such installments to be equal to the monthly salary payable to Employee in the last year of the seven (7) year term of the Employment Agreement.

(c) Payment on Death. In the event any payment under this Agreement is to be made by reason of Employee's death, or if Employee dies after he has otherwise become entitled to receive payments hereunder, the Company shall make the payments to which Employee would otherwise be entitled to such beneficiary as Employee may have last designated in writing to the Secretary of the Company. If on beneficiary designation has been made, or if any designated beneficiary shall have predeceased Employee, such payments shall be made to Employee's estate. If any designated beneficiary should survive Employee but die before payment of all amounts due

hereunder, such amounts

shall, unless Employee shall have designated otherwise, be paid to such beneficiary's estate.

ARTICLE II

ACCRUALS REMAIN PROPERTY OF COMPANY

Any amounts accruing to Employee hereunder shall remain solely the property of the Company and subject to the claims of its creditors, and no assets of the Company shall be segregated or subject to any trusts for the Employee's benefit by reason of this Agreement. Neither the Employee nor his designated beneficiary or beneficiaries shall have any interest in any fund or in any general or any specific asset or assets of the Company by reason of the amount credited to Employee hereunder other than the contractual rights provided in this Agreement. Nothing contained herein shall be construed to require the Company to establish any deferred compensation account in the Employee's name or on his behalf or to accrue any amounts for his benefit hereunder.

ARTICLE III

BENEFICIARY

If the Employee's employment with the Company is terminated by reason of his death, or if he dies after termination of his employment but prior to receiving all of the deferred compensation payable to him hereunder, the amounts that would otherwise be payable to him under this Agreement shall be distributed to such beneficiary or beneficiaries that the Employee may have last designated in writing to the Secretary of the Company. All beneficiary designations shall be made in such form and such manner as may from time to time be prescribed by the Board of Directors of the Company. Employee may from time to time revoke or change any beneficiary designation on file with the Company. If there is no effective beneficiary designation on file with the Company at the time of the death of the Employee or if any designated beneficiary shall predecease the Employee, the distribution of amounts otherwise payable to the Employee under this Agreement shall be made to the personal representative of the Employee's estate. If any designated beneficiary should survive the Employee but shall die before payment of all amounts payable pursuant to this Agreement, such payment shall, unless the Employee shall have designated otherwise, be made to such beneficiary's estate. The Company shall have no responsibility with respect to the validity of any beneficiary designation made by the Employee if it acts thereon in good faith.

ARTICLE IV

COMPETENCE PRESUMED

Every person receiving or claiming payments under this Agreement shall be conclusively presumed to be mentally competent until the date that the Company receives a written notice in a form and in a manner acceptable to the Company that such person is incompetent and that a guardian, conservator, or other person legally vested with the interest of his estate has been appointed. In the event a guardian or conservator of the estate of any person receiving or claiming payments under this Agreement shall be applied by a court of competent jurisdiction, payments under this Agreement may be made to such guardian or conservator provided that the proper proof of appointment and continuing qualification is furnished in a form and manner acceptable to the Company. Any such payments so made shall be a complete discharge of any liability of the Company therefor.

ARTICLE V

MISCELLANEOUS

5.1. Notices. Any notices required or permitted to be given under this Agreement shall be sufficient if in writing and is sent by registered or certified mail or personally delivered to the residence of Employee or the legal

representative of his estate or to the principal office of the Company directed to the attention of the Board of Directors, as the case may be.

5.2. Waiver of Breach. The waiver by Company or Employee of any breach of any provision of this Agreement by the other shall not be deemed a waiver of any subsequent breach.

5.3. Assignment. This Agreement shall not be assignable by the Company without the written consent of Employee except that if Company shall merge or consolidate with or into or transfer substantially all of its assets, including goodwill, to another corporation or other form of business organization, this Agreement shall be binding upon and inure to the benefit of the successor of Company resulting from such merger, consolidation or transfer. Neither Employee nor his beneficiaries may assign, pledge or encumber his interest in this Agreement or any part thereof without the written consent of Company.

5.4. Governing Law. This Agreement and all questions arising in connection therewith shall be governed by the laws of the State of Wisconsin.

5.5. Arbitration. Any dispute or controversy arising under or relating to the application or interpretation of this Agreement shall be determined by arbitration in Milwaukee, Wisconsin according to the rules then obtaining of the American Arbitration Association for the resolution of commercial disputes and the decision so rendered shall be binding and conclusive upon Employee and Company.

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

COMPANY:
SALEM COMMUNICATIONS CORPORATION

By: /s/ Edward G. Altsinger III
EDWARD G. ALTSINGER III, President

EMPLOYEE:

By: /s/ Eric Halvorson
ERIC HALVORSON

</TEXT>
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<TYPE>EX-10.04.01
<SEQUENCE>79
<DESCRIPTION>EMP. AGMT. BET. SALEM RADIO NET. INC. AND G. R. ANDERSON
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EXHIBIT 10.04.01

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 9th day of February, 1995, by and between Salem Radio Network Incorporated, a Delaware corporation having its principal place of business at 545 East John Carpenter Freeway, Suite 450, Irving, Texas 76092, (hereinafter referred to as "the Company"), and Greg R. Anderson, residing at 1414 Stone Lakes Drive, Southlake, Texas 76092, (hereinafter referred to as "Employee"):

WHEREAS, the Company desires to employ Employee for the term of this agreement in connection with the management and direction of its entire radio network enterprise, and

WHEREAS, Employee is experienced in such aspects of radio networking and desires to be retained by the Company,

NOW, THEREFORE, in order to carry out the mutual desires of the Company and Employee, the parties promise and agree as follows:

1. TERM The term of this Agreement will be for the period beginning October 1, 1994 and ending September 30, 1997.

2. SERVICES TO BE PROVIDED Employee will serve as President of the Company under the direction of the Chief Executive Officer, Salem Communications Corporation.

3. EMPLOYEE RESPONSIBILITIES

3.1 Employee, during the term of this contract, shall devote his principal skills and energy to the service of the Company, and shall not render those services, or any other services, to any other entity or engage in any other services or business or employment, directly or indirectly, without prior written consent of the Company.

3.2 Specifically, the responsibilities of Employee shall encompass the overall supervision and management of the entire Company enterprise, including, but not limited to, the day-to-day operations, the identity and development of programming, the development and maintenance of affiliates, recruitment of talent, negotiation of talent and syndication contracts, the preparation of annual expense and capital budgets and participation in strategic planning on an interactive basis with the Company's Chief Executive Officer, its officers and Board of Directors.

3.3 Employee acknowledges that the development and maintenance of advertising revenue is a major factor in the continued viability and growth of the Company and as such shall work closely and regularly, in a consultative manner with the general manager and account representatives of Salem Radio Representatives, Inc. (SRR) to develop a revenue budget and sales strategy for all Company programs available for sponsorship. Company acknowledges, however, that at this time and under the current structure, Employee has limited control over the sales effort of SRR and its employees. Notwithstanding the foregoing, the Company shall expect Employee to work successfully in partnership with SRR in maximizing Company advertising opportunities. Employee shall be expected to continuously monitor current sales arrangement utilizing SRR as to its effectiveness for SRN. If Employee determines that the current sales arrangement and performance employing SRR proves unsatisfactory, Employee shall alert Company of that judgment and make appropriate recommendations to modify the arrangement.

3.4 Employee shall not accept or agree to accept from any person, other than the Company, any money, service or other valuable consideration for the inclusion of any matter as a part of the Company's programming or in connection with the production or preparation of any program or program matter intended for broadcasting.

3.5 The Company may make use of Employee's name, photograph, drawing and other likeness in connection with the advertising and giving of publicity to a Company program, or the advertising of the Company during the period beginning with Employee's term of employment and continuing up to ninety (90) days after the last broadcast rendered during the term of this agreement. The Company may make recordings, transcriptions, videotapes and films of any and all services which Employee performs and may make use of any announcing material supplied by Employee. the Company shall have the right to have such recordings, transcriptions, videotapes and films broadcast royalty-free over any radio or television station at any time.

4. COMPENSATION

A. Company agrees to pay Employee in full for services rendered as described in Part 3 above, a base salary as follows:

1. From October 1, 1994 to September 30, 1995, at the rate of $10,000 per month.

2. From October 1, 1995 to September 30, 1996, at the rate of $10,500 per month.

3. From October 1, 1996 to September 30, 1997, at the rate of $11,025 per month.

B. In addition, Employee shall be eligible for an annual performance bonus consideration based on the following:

At the completion of year-end audited financial statements of the Company during the term of this agreement, consideration will be given by the Company Board of Directors to paying Employee a discretionary bonus, following its evaluation of Employee's performance. Criteria to be considered will include but not be limited to: Meeting or exceeding Company's net operating income budget; working successfully with SRR to meet or exceed sales goals; identifying talent and development of new programming; continued expansion of the Company affiliate base; development and skillful management of the Company organization, and in particular the Company's managerial and affiliate relations staffs and the Company talent pool. Bonuses, if declared, will be paid not later than 30 days after the completion of the audited year-end financial statements.

5. <u>BENEFITS</u> Company agrees that Employee shall receive all standard company benefits in accordance with the Company <u>Employee Handbook</u>, with the exception that Company shall pay the entire premium for Employee's personal group health and life coverage and fifty percent (50%) of the premium for Employee's dependent health coverage based on the terms and conditions of the group health master contract. Employee shall receive two weeks (10 days) of paid vacation time per annum through the term of this contract.

6. <u>CANCELLATION</u> This contract may be canceled and/or terminated:

A. By either party at any time upon breach by the other of any of the covenants and agreements contained herein.

B. By Company at any time for cause. "Cause" is defined as Employee's failure to comply with all present and future policies, requirements, directions, requests and rules and regulations of Company in connection with Company's business, or any act or involvement by Employee in any situation or occurrence tending to bring Company into public scandal, ridicule or which will reflect unfavorably on the reputation of Company. In the event of termination under this Paragraph B, provisions of severance under Paragraph C (below) shall not apply.

C. By Company at any time provided one hundred and fifty (150) days of salary, excluding bonuses, and all accrued vacation is paid.

7. <u>ADDITIONAL TERMS AND CONDITIONS</u>

A. Any questions as to the validity, construction or performance of the Agreement shall be governed by the laws of the state of Texas.

B. Because the performance of Employee's duties will give him access to Station's proprietary client information, all such client and/or other proprietary station information is acknowledged by Employee as being the sole property of

the Station, and may not be used by Employee for any purpose other than that which is specifically related to Employee's responsibilities and performance as an employee of the Company.

C. This instrument contains the entire agreement of the parties, and supersedes any previous employment agreement or understanding between the parties effective on or after the beginning of the term of this Agreement. It may not be changed orally but only by an agreement, in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

D. If any portion of this agreement shall be held to be illegal, invalid or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this contract shall be construed as if such invalid, illegal invalid or unenforceable provision, had never been contained herein. Additionally, in lieu of each such illegal or unenforceable provision, there shall be added automatically as part of the contract a provision as similar to such former provision as shall be legal, valid and enforceable.

E. Each notice, consent, approval or request permitted or required to be given hereafter, except for legal process, shall be given in writing, either by personal delivery, U.S. Postal Service, mailgram or by facsimile with the original sent same day by certified mail to the parties at the respective addresses below their signatures of the face

of this contract or at such other substitute address as either may designate by notice given in the same manner.

F. The parties agree that the terms and conditions of this contract shall be and remain confidential as between the parties and neither party shall disclose, divulge or reveal such terms and conditions to any third party agent without the other's prior written consent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the day and year first above written and effective as of October 1, 1994.

EMPLOYEE	COMPANY SALEM RADIO NETWORK INCORPORATED
By: /s/ Greg R. Anderson	By: /s/ Edward G. Atsinger III
	Title:
Date:	Date:
Address: 1414 Stone Lakes Drive Southlake, Texas 76092	Address: 4880 Santa Rosa Road Suite 300 Camarillo, California 93012

</TEXT>
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<TYPE>EX-10.04.02
<SEQUENCE>80
<DESCRIPTION>LETTER AGMT. DATED 12/22/95
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EXHIBIT 10.04.02

December 22, 1995

Mr. Greg Anderson
1414 Stone Lakes Drive
Southlake, TX 76092

Dear Greg:

This letter will amend your present Employment Agreement for the purpose of compensating you in your capacity as General Manager of Radio Station KDFX, which is owned and operated by Inspiration Media of Texas, Inc., effective and retroactive to November 1, 1995.

RESPONSIBILITIES

(Please see attached description, specifically under "Position Summary".

COMPENSATION

For the fulfillment of responsibilities as General Manager of Radio Station KDFX, for an unspecified period of time, you will receive a base salary of $2,500 per month, payable in two equal installments on the 20th and 5th of each month.

No incentive compensation or insurance benefits are forthcoming from KDFX.

With the exception of this compensation increase, no aspects of your Salem Radio Network Employment Agreement, which was effective October 1, 1994, shall be changed.

Sincerely,

INSPIRATION MEDIA OF TEXAS, INC.

/s/ Edward G. Atsinger III

Edward G. Atsinger III
President

cc: Eric Halvorson
Russ Hauth

Dirk Gastaldo
KDFX Payroll

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<SEQUENCE>81
<DESCRIPTION>1ST AMEND. TO EMPL AGMT. BET. SALEM RADIO AND G. R. ANDERSON
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EXHIBIT 10.04.03

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement is entered into as of the 1st day of August, 1997, between SALEM RADIO NETWORK INCORPORATED, a Delaware corporation ("Company"), and GREG R. ANDERSON ("Employee").

WITNESSETH:

WHEREAS, the Company and Employee entered into a contract for the employment of Employee by Company on February 9, 1995 (the "Agreement"); and

WHEREAS, the parties desire to amend the Agreement.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Paragraph 1 of the Agreement is hereby amended to read as follows:

   1. <u>TERM</u>. The term of this Agreement will be for the period beginning August 1, 1997 and ending September 30, 2000.

2. Subparagraph 3.3 of the Agreement is hereby amended to read as follows:

   3.3 In addition to Employee's responsibilities with respect to the Company enterprise set forth in subparagraph 3.2, above, Employee shall supervise and manage the operations of Salem Radio Representatives, Inc., SRN News and the Morningstar music format.

3. Paragraph 4A of the Agreement is hereby amended to read as follows:

   A. Company agrees to pay Employee in full for services rendered as described in Part 3 above, a base salary of $13,525 per month during the term of this Agreement.

4. Paragraph 4B of the Agreement is hereby amended to read as follows:

   B. In addition, Employee shall be eligible for an annual performance bonus consideration based on the following:

   At the completion of year-end audited financial statements of the Company and the other entities supervised and managed by Employee during the term of this Agreement, consideration will be given by the Company Board of Directors to paying Employee a discretionary bonus, following its evaluation of Employee's performance. Criteria to be considered will include but not be limited to: Meeting or exceeding the net operating income budgets of the Company and the other entities supervised and managed by Employee; identifying talent and

   development of new programming; continued expansion of the Company affiliate base, and in particular the expansion of affiliates for and establishment of profitability at SRN News; and development and skillful management of the organization of all entities supervised and managed by Employee, and in particular the development of managerial and affiliate relations staffs. Bonuses, if declared, will be paid not later than 30 days after the completion of the audited year-end financial statements.

5. The second sentence of Paragraph 5 of the Agreement is hereby amended to read as follows:

   Employee shall receive three weeks (15 days) of paid vacation time per annum through the term of this contract.

6. Paragraph 6C of the Agreement is hereby amended to read as follows:

C. By Company at any time provided one hundred eighty (180) days of salary, excluding bonuses, and all accrued vacation is paid.

7. Except as specifically amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

Executed as of the date first above written.

SALEM RADIO NETWORK INCORPORATED

By: /s/ Edward G. Atsinger III

Edward G. Atsinger III
Chief Executive Officer

/s/ Greg R. Anderson

Greg R. Anderson

</TEXT>
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EXHIBIT 10.05.01

LEASE AGREEMENT

This Agreement ("Agreement") is made as of the 19th day of February, 1997, by and between EDWARD G. ATSINGER III and STUART W. EPPERSON (collectively referred to herein as "Lessor") and CARON BROADCASTING, INC. ("Lessee").

WHEREAS, Lessor owns certain land (the "Land") and Lessee owns certain improvements thereon (the "Improvements"), which Land and Improvements together comprise certain real property, more particularly described as set forth in Exhibit "A", which is attached hereto and made a part hereof (the "Real Property"); and,

WHEREAS, Lessee desires to use said Real Property in operating its radio station WHLO(AM), AKRON, OHIO; and,

WHEREAS, the parties are desirous of making a mutually suitable and satisfactory agreement whereby Lessor will lease to Lessee the Real Property (constituting the "Leased Premises") on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the following covenants, agreements, conditions and representations, the parties hereto agree as follows:

SECTION 1

USE OF THE LEASED PREMISES

(a) Lessor, in consideration of the rents to be paid and covenants herein contained, hereby leases to Lessee the Leased Premises.

(b) Lessee may use the Leased Premises for the operation of its radio station, and, in connection therewith, for the installation, repair, maintenance, operation, housing and removal of its Improvements and other related broadcasting equipment (together comprising the "Installations"). Lessee is fully familiar with the physical condition of the Land and has received the same in good order and condition, and agrees that the Land complies in all respects with all requirements of this Agreement. Lessee shall use the Land exclusively for purposes associated with the operation of a radio station.

(c) Lessee shall have the right from time to time to substitute Installations of similar kind and character for those hereinabove specified, provided such changes shall be approved in

advance by Lessor, and Lessor shall not unreasonably delay or withhold its approval. In the event Lessee submits any such changes for Lessor's approval and Lessor does not respond within thirty (30) days after Lessor's receipt

thereof, then such changes shall be deemed approved by Lessor, so long as such changes otherwise comply with this Agreement, five (5) days after Lessor's receipt of notice that it has not responded.

(d) Lessee shall have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, for the purpose of installing, maintaining and repairing its Installations, provided that the contractors performing such work are reasonably acceptable to Lessor.

(e) Lessor shall not be responsible for repairs or maintenance to the Installations, except for repairs occasioned by the negligence of Lessor, its agents, employees or contractors.

(f) During the Term (as hereinafter defined), Lessor and Lessee shall each provide the other with a telephone number which, if called will ring at a location that is staffed by their respective agents twenty-four (24) hours each and every day, seven (7) days each and every week; and Lessor and Lessee shall notify each other promptly in the event of any change in such telephone number.

(g) Lessee shall not use or permit the Leased Premises to be used by any dangerous, toxic, noxious or offensive trade or business, or for any unlawful purpose.

(h) Lessee shall not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Real Property or any part thereof or Lessee's interest therein other than (i) this Agreement, (ii) any lien, including a mortgage on the leasehold interest of Lessee, which may be approved by the Lessor in writing, which approval shall not be unreasonably withheld, (iii) liens for impositions not yet payable, or payable without the addition of any fine, penalty, interest or cost for non-payment, or being contested as permitted by Paragraph 3(d), below, and (iv) liens of mechanics, materialmen, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums which under the terms of the related contracts are not at the time due, provided that adequate provision for the payment thereof shall have been made.

SECTION 2

TERM AND RENT

(a) The term of this Lease (the "Term") shall commence on February 19, 1997 (the "Commencement Date"), and shall expire on June 30, 2007 (the "Expiration Date"). If the Term has been extended as provided in subparagraph (b), below, the Expiration Date shall be the last day of the Term as so extended.

(b) Lessee shall have the option, if Lessee is not at the time in default under this Agreement, to extend the Term of this Agreement for up to two (2) successive periods of five (5) years each (the "Extended Terms"), and, except as set forth in subparagraph (c), below, on the same terms, covenants and conditions herein contained. The word "Term" as used in this Agreement shall be deemed to include the Extended Terms when and if the Agreement is extended. Each option to extend the Term shall be exercised only by Lessee's delivery to Lessor by United States mail on or before ninety (90) days prior to the commencement of the renewal term of written notice of Lessee's election to extend as provided herein.

(c) Lessee agrees to pay rent to Lessor from the Commencement Date through the Expiration Date, or such earlier date as this Agreement is terminated as provided herein, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting, or to such other person or place as Lessor may designate from time to time by notice to Lessee, in the following amounts and in the following manner:

(i) During the first year beginning with the Commencement Date Lessee shall pay a base rent of $12,000 per annum, in equal monthly installments of $1,000 (the "Base Rent") in advance on the first day of each month; and thereafter on each and every Adjustment Date (hereinafter defined) the monthly rent shall be computed according to subparagraph (ii) below.

(ii) The term "Adjustment Date" shall mean the first (1st) day of February following the Commencement Date and each subsequent anniversary of such date this Agreement remains in effect. During the one (1) year period beginning with each Adjustment Date, the monthly rent payable by Lessee shall reflect an adjustment, as herein provided, for the change, if any, from the year in which the Commencement Date falls, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles area [Base Year 1982-84=100] ("CPI") as measured in February and published by the United States Department of Labor, Bureau of Labor Statistics; i.e., during the one (1) year period beginning with the Adjustment Date, the monthly rent shall be the product obtained by multiplying the Base Rent times a fraction, the numerator of which shall be the

CPI for February of the year such Adjustment Date falls and the denominator of which shall be the CPI for February of the year in which the Commencement Date falls. Notwithstanding the results of the foregoing calculation, the amount payable by Lessee hereunder shall not in any event be less than the rental paid during the immediately preceding one (1) year period. In the event that the Bureau of Labor Statistics shall change the base period for the CPI, the new index number shall be substituted for the old index number in making the above computation. In the event the Bureau of Labor Statistics ceases publishing the CPI, or materially changes the method of its computation, Lessor and Lessee shall accept comparable statistics on the purchasing power of the consumer dollar as published at the time of said discontinuation or change by a responsible financial periodical of recognized authority to be chosen by Lessor subject to reasonable consent of Lessee.

(d) Rent and all other sums payable to Lessor hereunder shall be paid without notice, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Agreement

or the Real Property or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of rent or any other sum payable by Lessee hereunder.

SECTION 3

CHARGES AND UTILITIES

(a) Lessee, at its sole expense, shall keep the Real Property and the adjoining streets and ways in good and clean order and condition and will promptly make all necessary or appropriate repairs, replacements and renewals thereof, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. Lessee waives any right created by any law now or hereafter in force to make repairs to the Real Property at Lessor's expense. Lessee, at its sole expense, shall do or cause others to do every act necessary or appropriate for the preservation and safety of the Real Property whether or not the Lessor shall be required by any legal requirement to take such action or be liable for failure to do so.

(b) If not at the time in default under this Agreement, Lessee, at its sole expense, may make reasonable alterations of and additions to the Improvements or any part thereof, provided that any alteration or addition (i) shall not change the general character of the Improvements, or reduce the fair market value thereof below their value immediately before such alteration or addition, or impair their usefulness, (ii) is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements and insurance requirements, (iii) is promptly and fully paid for by Lessee, (iv) is made, in case the estimated cost of such alteration or addition exceeds Ten Thousand Dollars ($10,000), under the supervision of an architect or engineer satisfactory to Lessor and in accordance with plans, specifications and cost estimates approved by Lessor, and (v) does not interfere with Lessor's rights of use under this Agreement.

(c) Subject to subparagraph (d), below, relating to contests, Lessee shall pay all taxes, assessments (including without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term hereof), ground rents, water, sewer or similar rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges in each case, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including all interest and penalties thereof), which at any time during or in respect of the Term hereof may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Real Property or any part thereof or any rent therefrom or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Real Property or any part thereof, other than any income or excess profits tax imposed upon the Lessor's general income or revenues, but excluding any income or excess profits or franchise taxes of Lessor determined on the basis of general income or revenue or any interest or penalties in respect thereof. Lessee shall furnish to Lessor for inspection within thirty (30) days after written request, official receipts of the appropriate taxing authority or other proof satisfactory to Lessor evidencing such payment. If by law any such amount may be paid in installments, Lessee shall be obligated to pay only those installments as they become due from time to time before any

interest, penalty, fine or cost may be added thereto; and any such amount relating to the fiscal period of the taxing authority, part of which is included within the Term and a part of which extends beyond the Term shall, if Lessee shall not be in default under this Agreement, be apportioned between Lessee and Lessor as of the expiration of the Term of this Agreement.

(d) Lessee, at its sole expense, may contest, after prior written notice to Lessor, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any tax, lien or other imposition on the Real Property, provided that (i) Lessee shall first make all contested payments, under protest if it desires, (ii) neither the Real Property nor any part thereof or interest therein nor any such rents or other sums would be in any danger of being sold, forfeited, lost or interfered with, and (iii) Lessee shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Lessor.

(e) Lessee shall pay or cause to be paid all charges for all public or private utility services and all sprinkler systems and protective services at any time rendered to or in connection with the Real Property or any part thereof, will comply with all contracts relating to any such services, and will do all other things required for the maintenance and continuance of all such services.

SECTION 4

INSURANCE AND INDEMNIFICATION

(a) Lessee shall, at its sole cost and expense, during the Term hereof, obtain or provide and keep in full force for the benefit of Lessor, as an additional named insured (i) general public liability insurance, insuring Lessor against any and all liability or claims or liability arising out of, occasioned by or resulting from any accident or other occurrence in or about the Real Property arising out of any act or omission of Lessee or any officer, employee, agent or contractor of Lessee, for injuries to any person or persons, with limits of not less than Three Million Dollars ($3,000,000.00) for injuries to one person, Five Million Dollars ($5,000,000.00) for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any person or persons, for not less than Five Million Dollars ($5,000,000.00); (ii) insurance with respect to the Improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least One Hundred Percent (100%) of the full replacement value of the Improvements and, in any event, in an amount sufficient to prevent Lessor or Lessee from becoming a co-insurer of any partial loss under the applicable policies, which shall be written on a replacement cost basis; (iii) appropriate workers' compensation or other insurance against liability arising from claims of workers in respect of and during the period of any work on or about the Real Property; and (iv) insurance against such other hazards and in such amounts as is customarily carried by owners and operators of similar properties, and as Lessor may reasonably require for its protection. Lessee shall comply with such other requirements as Lessor, or any mortgagee, may from time to time reasonably request for the protection by insurance of their respective interests. The policy or policies of insurance maintained by Lessee pursuant to this Paragraph shall be of a company or companies

authorized to do business in Ohio and a certificate thereof shall be delivered to Lessor, together with evidence of the payment of the premiums therefor, not less than fifteen (15) days prior to the commencement of the Term hereof or of the date when Lessee shall enter upon the Leased Premises, whichever occurs sooner. At least fifteen (15) days prior to the expiration or termination date of any policy, Lessee shall deliver a certificate of a renewal or replacement policy with proof of the payment of the premium therefor. Any such insurance required by this Paragraph may, at Lessee's option, be provided through a blanket policy or policies.

(b) Lessee shall indemnify Lessor and hold Lessor harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessor, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessee, (ii) any negligent or intentional act or omission of Lessee, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessee of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessee on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessee pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessee's request or this Agreement; provided, however, that Lessee shall not be required to indemnify Lessor for any damages, injury, loss or expense arising out of Lessor's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(c) If Lessor so elects by notice to Lessee, Lessee shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessee and approved by Lessor (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessor may assume, or require that such defense be assumed, by Lessor and counsel selected by Lessor, at the

cost and expense of Lessee if Lessor is for any reason dissatisfied with the defense by Lessee, or believes that its interests would be better served thereby. In any case where Lessee is defending any such claim, Lessor may participate in the defense thereof by counsel selected by it, but at Lessor's expense. Lessee shall not enter into any settlement of any claim without the consent of Lessor, which consent shall not be unreasonably withheld.

(d) Lessor shall indemnify Lessee and hold Lessee harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessee, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessor, (ii) any negligent or intentional act or omission of Lessor, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessor of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessor on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessor pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessor's request or this Agreement; provided, however, that Lessor shall not be required to indemnify Lessee for any damages, injury, loss or expense arising out of Lessee's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(e) If Lessee so elects by notice to Lessor, Lessor shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessor and approved by Lessee (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessee may assume, or require that such defense be assumed, by Lessee and counsel selected by Lessee, at the cost and expense of Lessor if Lessee is for any reason dissatisfied with the defense by Lessor, or believes that its interests would be better served thereby. In any case where Lessor is defending any such claim, Lessee may participate in the defense thereof by counsel selected by it, but at Lessee's expense. Lessor shall not enter into any settlement of any claim without the consent of Lessee, which consent shall not be unreasonably withheld.

(f) Nothing in this Agreement shall be construed so as to authorize or permit any insurer of Lessor or Lessee to be subrogated to any right of Lessor or Lessee against the other. Each of Lessor and Lessee hereby releases the other to the extent of its insurance coverage for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of the other party or persons for whose acts said party is liable.

SECTION 5

REPRESENTATIONS, WARRANTIES AND OTHER OBLIGATIONS

(a) Lessor represents and warrants that:

(i) The execution and performance of this Agreement shall not constitute a breach or violation under any Agreement to which Lessor is a party.

(ii) To the best of Lessor's knowledge, there are no violations of any federal, state, county or municipal law, ordinance, order, regulations or requirement with respect to the Leased Premises, and as of the date of this Agreement, no notice of any kind relating thereto (which would adversely affect the transactions contemplated by this Agreement) has been issued by public authorities having jurisdiction over the Leased Premises.

(iii) No person or party other than Lessor has a right to use the Leased Premises for any purpose which would affect Lessee's right to use the Leased Premises as contemplated hereunder.

(iv) Lessor has not received written notice of pending or contemplated condemnation proceedings affecting the Leased Premises or any part thereof.

(v) To the best of Lessor's knowledge, there is no action, suit or proceeding pending or threatened against or affecting the Leased Premises or any portion thereof and Lessor has not received notice written or otherwise of any litigation affecting or concerning the Leased Premises relating to or arising out of its ownership, management, use or operation. Lessor shall give to Lessee prompt notice of institution of any such proceeding or litigation.

(vi) To the best of Lessor's knowledge, there are presently no proceedings for

overdue real estate taxes assessed against the Leased Premises for any fiscal period.

(vii) Lessor shall promptly advise Lessee in writing of any written notice received from any governmental authority to comply with the terms,

provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or to the maintenance, operation or use thereof.

(viii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessor (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessor, enforceable in accordance with its terms.

(ix) Subject to liens and encumbrances of record, Lessor owns good and marketable title in fee simple to the Real Property on which the Leased Premises are located, and Lessor acknowledges that Lessee is relying upon the foregoing representation and warranty in entering into this Agreement and in expending moneys in connection herewith. Lessor shall not encumber or permit any encumbrances, liens or restrictions on Lessee's Installations, except with the prior written approval of Lessee.

(b) Each party shall comply in all material respects with all local, state and federal laws, statutes, ordinances, rules, regulations, orders and decrees that it knows to be applicable in connection with its activities and operations at the Leased Premises, and Lessor shall require the same representation and warranty from all additional users of the facilities at the Leased Premises.

(c) The parties agree that, during the Term of this Agreement neither party shall intentionally do anything at the Leased Premises which will interfere with or adversely affect the operations of the other party.

(d) In the event that during the Term of this Agreement there shall be an actual condemnation or foreclosure and taking of all of the Leased Premises, or a portion thereof such that it renders the premises unsuitable for broadcasting, this Agreement may be terminated by written notice from either party to the other and thereafter each of the parties shall be relieved of any future liability to the other under this Agreement, except as to obligations accrued and not yet discharged at the date of termination. Following any condemnation or foreclosing order, Lessee may continue to use the property for operations under the terms of this Agreement until Lessee finds and begins to utilize new facilities or until prevented by the condemning or foreclosing authority from utilizing the Leased Premises, whichever occurs first.

(e) Lessee represents and warrants that its Installations to be located on or about the Leased Premises, together with the existence of the equipment of Lessor, and the operation thereof do not and will not result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels With Respect to Human Exposure to Radio

Frequency Electromagnetic Fields, 300 KHz to 100 GHz," issued by the American National Standards Institute ("Acceptable Radio Frequency Radiation Standards").

(f) Lessee covenants that it will not at any time during the Term of this Agreement, transmit, store, handle or dump toxic or hazardous wastes anywhere at or around the Leased Premises.

(g) Lessee shall promptly advise Lessor in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations, and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or the maintenance, operation or use thereof.

(h) Lessee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessee (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessee, enforceable in accordance with its terms.

(i) Lessee warrants unto Lessor that the Improvements (including the radio tower(s) located on the Real Property) are and will remain in material compliance at all times during the Term and any Extension Term with all federal, state, county, municipal, local, administrative and other governmental laws, statutes, ordinances, codes, rules, regulations and orders pertaining thereto, including, without limitation, to the extent applicable, all zoning laws and building codes and all regulations of the Federal Aviation Administration ("FAA") and the Federal Communications Commission ("FCC").

(j) In case of any material damage to or destruction of the Real Property or any part thereof, Lessee shall promptly give written notice thereof to Lessor and any mortgagee, generally describing the nature and extent of such damage or destruction. In case of any damage to or destruction of the Improvements or any parts thereof, Lessee, whether or not the insurance proceeds, if any, on account

of such damage or destruction shall be sufficient for the purpose, at its sole expense, shall promptly commence and complete the restoration, replacement or rebuilding of the Improvements as nearly as possible to their value, condition and character immediately prior to such damage or destruction.

(k) Lessee will execute, acknowledge and deliver to the Lessor, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) no notice has been received by Lessee of any default which has not been cured, except as to defaults specified in said certificate. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Real Property or any part thereof.

(l) Lessor will execute, acknowledge and deliver to the Lessee or any mortgagee, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) whether or not, to the knowledge of Lessor, there are then existing any defaults under this Agreement (and if so, specifying the same). Any such certificate may be relied upon by any prospective purchaser transferee or mortgagee of Lessee's interest under this Agreement.

SECTION 6

EVENTS OF DEFAULT

(a) Any of the following events shall constitute a default on the part of Lessee:

(i) The failure of Lessee to pay rent or additional rent, and continuation of such failure for more than ten (10) days after Lessee's receipt of written notice thereof from Lessor; provided, however, that Lessor shall not be required to provide such written notice to Lessee more than twice in any twelve (12) month period prior to declaring such failure to pay an event of default; or

(ii) The failure of Lessee to cure any other default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessor, provided, however, that if the nature of Lessee's default is such that more than thirty (30) days is required for its cure, then Lessee shall not be deemed to be in default if Lessee has commenced such cure within the thirty (30) day period, demonstrates to Lessor's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion; or

(iii) Lessee is finally and without further right of appeal or review, adjudicated a bankrupt or insolvent, or has a receiver appointed for all or substantially all of its business or assets on the ground of its insolvency, or has a trustee appointed for it after a petition has been filed for Lessee's reorganization under the Bankruptcy Act of the United States, or any future law of the United States having the same general purpose, or if Lessee shall make an assignment for the benefit of its creditors, or if Lessee's interest hereunder shall be levied upon or attached, which levy or attachment shall not be removed within twenty (20) days from the date thereof.

(b) If an event of default on the part of Lessee shall occur at any time, Lessor, at its election, may give Lessee a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessee has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, but Lessee shall remain liable for the payment of rent during the full period which would otherwise constitute the balance of the Term of this Agreement; and without

prejudice to any other right or remedy which it may have hereunder or by law, and notwithstanding any waiver of any prior breach of condition or event of default hereunder, Lessor may re-enter the Leased Premises either by reasonable force or otherwise, or dispossess Lessee, any legal representative of Lessee or other occupant of the Leased Premises by appropriate suit, action or proceeding and remove its effects and hold the Leased Premises as if this Agreement had not been made.

(c) The failure of Lessor to cure any default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessee, shall constitute a default on the part of Lessor; provided, however,

that if the nature of Lessor's default is such that more than thirty (30) days is required for its cure, then Lessor shall not be deemed to be in default if Lessor has commenced such cure within the thirty (30) day period, demonstrates to Lessee's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion.

(d) If an event of default on the part of Lessor shall occur at any time, Lessee, at its election, may give Lessor a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessor has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, and Lessee shall not be liable for payment of rent for any period after such expiration.

SECTION 7

ASSIGNMENT

Lessee shall not assign this Agreement nor sublet any portion of the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Notwithstanding any assignment or sublease, Lessee shall remain primarily liable under this Agreement.

SECTION 8

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT

This Agreement shall not be a lien against the Leased Premises in respect to any mortgages and security agreements placed or hereafter to be placed by Lessor upon the Leased Premises. The recording of such mortgages and security agreements shall have preference and precedence and be superior and prior in lien to this Agreement, irrespective of the date of recording, and Lessee agrees to execute any instruments, without cost, which may be deemed necessary or desirable to further effect the subordination of this Agreement. Lessor shall make a reasonable effort to obtain from any mortgagees or lenders holding an interest in the nature of a mortgage in the Leased Premises an agreement that the mortgagee or lender shall not disturb

Lessee's quiet possession in the event of foreclosure. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Lessor encumbering the Leased Premises, Lessee shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

SECTION 9

NON-LIABILITY OF LESSOR

Lessor shall not be liable for any damages or injury which may be sustained by Lessee or any other person by reason of the failure, breakage, leakage or obstruction of the water, sewer, plumbing, roof, drains, leaders, electrical, air conditioning or any other equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct of Lessee, its agents, employees, contractors, invitees, assignees or successors; or attributable to any interference with or the interruption of or failure of any services, beyond the control of Lessor, to be supplied by Lessor.

SECTION 10

QUIET ENJOYMENT

(a) Lessor agrees that it shall not enforce any unreasonable rules or regulations which would unduly prejudice the conduct of Lessee's business, or which would prevent full and free access to the Leased Premises by Lessee, as herein provided.

(b) Lessor reserves and shall at all times have the right to re-enter the Real Property to inspect the same, to supply any service to be provided by Lessor to Lessee hereunder, and to show the Real Property to prospective purchasers, mortgagees, or lessees, to post notices of non-responsibility, without abatement of rent, provided entrance to the Real Property shall not be denied Lessee.

SECTION 11

SALE OF LEASED PREMISES BY LESSOR

Notwithstanding any of the provisions of this Lease, Lessor (a) may assign, in whole or in part, Lessor's interest in this Lease and (b) may sell all or part of the Real Property. In the event of any sale or exchange of the Leased Premises by Lessor and assignment by Lessor of this Lease, Lessor shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Leased Premises occurring after the consummation of such sale or exchange and assignment, but only upon the condition that, as part of such sale or exchange, Lessor will cause the grantee to agree in writing to assume to carry out any and all of the covenants and obligations of Lessor under this Lease occurring after the consummation of Lessor's assignment of its interest in and to this Lease.

SECTION 12

BROKERAGE

The parties acknowledge and agree that this Agreement has not been brought about as a result of the services of any real estate broker, firm or corporation, and each indemnifies and saves the other harmless from any and all claims from any person(s) claiming to have rendered real estate services in connection with this Agreement.

SECTION 13

SURRENDER OF PREMISES

Upon the expiration of the Term hereof, Lessee shall surrender the Leased Premises, and, at Lessor's option, all interest of the Lessee in and to the Improvements (including the radio towers located on the Land), to Lessor in good order and condition, reasonable wear and tear excepted. Any equipment, fixtures, goods or other property of Lessee not removed within ten (10) days after any quitting, vacating or abandonment of the Leased Premises, or upon Lessee's eviction therefrom, shall be considered abandoned, and Lessor shall have the right, without notice to Lessee, to sell or otherwise dispose of same without having to account to Lessee for any part of the proceeds of such sale.

SECTION 14

NOTICES

All notices, demands, and requests required or permitted to be given hereunder shall be in writing and sent certified mail, return receipt requested, and if to Lessor, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Edward G. Atsinger III, and if Lessee, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting. Either party hereto may change the place for notice to it by sending like written notice to the other party hereto.

SECTION 15

BINDING NATURE

The provisions of this Agreement shall apply to, bind and inure to the benefit of Lessor and Lessee, their respective successors, legal representatives or assigns. The terms of this Agreement and any disputes arising therefrom, shall be governed by the laws of the State of Texas.

SECTION 16

ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties. No representative, agent or employee of Lessor has been authorized to make any representations or promises with reference to the within agreement or to vary, alter or modify the terms hereof. No additions, changes or modifications shall be binding unless reduced to writing and signed by the parties.

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

LESSOR:	LESSEE CARON BROADCASTING, INC.
/s/ EDWARD G. ATSINGER, III	/s/ ERIC H. HALVORSON
EDWARD G. ATSINGER, III	ERIC H. HALVORSON Vice-President

/s/ STUART W. EPPERSON

STUART W. EPPERSON

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<SEQUENCE>83
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EXHIBIT 10.05.02

LEASE AGREEMENT

This Agreement ("Agreement") is made as of the 18th day of July, 1997, by and between EDWARD G. ATSINGER III and STUART W. EPPERSON (collectively referred to herein as "Lessor") and CARON BROADCASTING, INC. ("Lessee").

WHEREAS, Lessor owns certain land (the "Land") and Lessee owns certain improvements thereon (the "Improvements"), which Land and Improvements together comprise certain real property, more particularly described as set forth in Exhibit "A", which is attached hereto and made a part hereof (the "Real Property"); and,

WHEREAS, Lessee desires to use said Real Property in operating its radio station WTSJ(AM), CINCINNATI, OHIO; and,

WHEREAS, the parties are desirous of making a mutually suitable and satisfactory agreement whereby Lessor will lease to Lessee the Real Property (constituting the "Leased Premises") on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the following covenants, agreements, conditions and representations, the parties hereto agree as follows:

SECTION 1

USE OF THE LEASED PREMISES

(a) Lessor, in consideration of the rents to be paid and covenants herein contained, hereby leases to Lessee the Leased Premises.

(b) Lessee may use the Leased Premises for the operation of its radio station, and, in connection therewith, for the installation, repair, maintenance, operation, housing and removal of its Improvements and other related broadcasting equipment (together comprising the "Installations"). Lessee is fully familiar with the physical condition of the Land and has received the same in good order and condition, and agrees that the Land complies in all respects with all requirements of this Agreement. Lessee shall use the Land exclusively for purposes associated with the operation of a radio station.

(c) Lessee shall have the right from time to time to substitute Installations of similar kind and character for those hereinabove specified, provided such changes shall be approved in

advance by Lessor, and Lessor shall not unreasonably delay or withhold its approval. In the event Lessee submits any such changes for Lessor's approval and Lessor does not respond within thirty (30) days after Lessor's receipt

thereof, then such changes shall be deemed approved by Lessor, so long as such changes otherwise comply with this Agreement, five (5) days after Lessor's receipt of notice that it has not responded.

(d) Lessee shall have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, for the purpose of installing, maintaining and repairing its Installations, provided that the contractors performing such work are reasonably acceptable to Lessor.

(e) Lessor shall not be responsible for repairs or maintenance to the Installations, except for repairs occasioned by the negligence of Lessor, its agents, employees or contractors.

(f) During the Term (as hereinafter defined), Lessor and Lessee shall each provide the other with a telephone number which, if called will ring at a location that is staffed by their respective agents twenty-four (24) hours each and every day, seven (7) days each and every week; and Lessor and Lessee shall notify each other promptly in the event of any change in such telephone number.

(g) Lessee shall not use or permit the Leased Premises to be used by any dangerous, toxic, noxious or offensive trade or business, or for any unlawful purpose.

(h) Lessee shall not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Real Property or any part thereof or Lessee's interest therein other than (i) this Agreement, (ii) any lien, including a mortgage on the leasehold interest of Lessee, which may be approved by the Lessor in writing, which approval shall not be unreasonably withheld, (iii) liens for impositions not yet payable, or payable without the addition of any fine, penalty, interest or cost for non-payment, or being contested as permitted by Paragraph 3(d), below, and (iv) liens of mechanics, materialmen, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums which under the terms of the related contracts are not at the time due, provided that adequate provision for the payment thereof shall have been made.

SECTION 2

TERM AND RENT

(a) The term of this Lease (the "Term") shall commence on July 18, 1997 (the "Commencement Date"), and shall expire on June 30, 2007 (the "Expiration Date"). If the Term has been extended as provided in subparagraph (b), below, the Expiration Date shall be the last day of the Term as so extended.

(b) Lessee shall have the option, if Lessee is not at the time in default under this Agreement, to extend the Term of this Agreement for up to two (2) successive periods of five (5) years each (the "Extended Terms"), and, except as set forth in subparagraph (c), below, on the same terms, covenants and conditions herein contained. The word "Term" as used in this Agreement shall be deemed to include the Extended Terms when and if the Agreement is extended. Each option to extend the Term shall be exercised only by Lessee's delivery to Lessor by United States mail on or before ninety (90) days prior to the commencement of the renewal term of written notice of Lessee's election to extend as provided herein.

(c) Lessee agrees to pay rent to Lessor from the Commencement Date through the Expiration Date, or such earlier date as this Agreement is terminated as provided herein, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting, or to such other person or place as Lessor may designate from time to time by notice to Lessee, in the following amounts and in the following manner:

(i) During the first year beginning with the Commencement Date Lessee shall pay a base rent of $24,000 per annum, in equal monthly installments of $2,000 (the "Base Rent") in advance on the first day of each month; and thereafter on each and every Adjustment Date (hereinafter defined) the monthly rent shall be computed according to subparagraph (ii) below.

(ii) The term "Adjustment Date" shall mean the first (1st) day of February following the Commencement Date and each subsequent anniversary of such date this Agreement remains in effect. During the one (1) year period beginning with each Adjustment Date, the monthly rent payable by Lessee shall reflect an adjustment, as herein provided, for the change, if any, from the year in which the Commencement Date falls, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles area [Base Year 1982-84=100] ("CPI") as measured in February and published by the United States Department of Labor, Bureau of Labor Statistics; i.e., during the one (1) year period beginning with the Adjustment Date, the monthly rent shall be the product obtained by multiplying the Base Rent times a fraction, the numerator of which shall be the

CPI for February of the year such Adjustment Date falls and the denominator of which shall be the CPI for February of the year in which the Commencement Date falls. Notwithstanding the results of the foregoing calculation, the amount payable by Lessee hereunder shall not in any event be less than the rental paid during the immediately preceding one (1) year period. In the event that the Bureau of Labor Statistics shall change the base period for the CPI, the new index number shall be substituted for the old index number in making the above computation. In the event the Bureau of Labor Statistics ceases publishing the CPI, or materially changes the method of its computation, Lessor and Lessee shall accept comparable statistics on the purchasing power of the consumer dollar as published at the time of said discontinuation or change by a responsible financial periodical of recognized authority to be chosen by Lessor subject to reasonable consent of Lessee.

(d) Rent and all other sums payable to Lessor hereunder shall be paid without notice, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Agreement

or the Real Property or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of rent or any other sum payable by Lessee hereunder.

SECTION 3

CHARGES AND UTILITIES

(a) Lessee, at its sole expense, shall keep the Real Property and the adjoining streets and ways in good and clean order and condition and will promptly make all necessary or appropriate repairs, replacements and renewals thereof, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. Lessee waives any right created by any law now or hereafter in force to make repairs to the Real Property at Lessor's expense. Lessee, at its sole expense, shall do or cause others to do every act necessary or appropriate for the preservation and safety of the Real Property whether or not the Lessor shall be required by any legal requirement to take such action or be liable for failure to do so.

(b) If not at the time in default under this Agreement, Lessee, at its sole expense, may make reasonable alterations of and additions to the Improvements or any part thereof, provided that any alteration or addition (i) shall not change the general character of the Improvements, or reduce the fair market value thereof below their value immediately before such alteration or addition, or impair their usefulness, (ii) is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements and insurance requirements, (iii) is promptly and fully paid for by Lessee, (iv) is made, in case the estimated cost of such alteration or addition exceeds Ten Thousand Dollars ($10,000), under the supervision of an architect or engineer satisfactory to Lessor and in accordance with plans, specifications and cost estimates approved by Lessor, and (v) does not interfere with Lessor's rights of use under this Agreement.

(c) Subject to subparagraph (d), below, relating to contests, Lessee shall pay all taxes, assessments (including without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term hereof), ground rents, water, sewer or similar rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges in each case, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including all interest and penalties thereof), which at any time during or in respect of the Term hereof may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Real Property or any part thereof or any rent therefrom or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Real Property or any part thereof, other than any income or excess profits tax imposed upon the Lessor's general income or revenues, but excluding any income or excess profits or franchise taxes of Lessor determined on the basis of general income or revenue or any interest or penalties in respect thereof. Lessee shall furnish to Lessor for inspection within thirty (30) days after written request, official receipts of the appropriate taxing authority or other proof satisfactory to Lessor evidencing such payment. If by law any such amount may be paid in installments, Lessee shall be obligated to pay only those installments as they become due from time to time before any

interest, penalty, fine or cost may be added thereto; and any such amount

relating to the fiscal period of the taxing authority, part of which is included within the Term and a part of which extends beyond the Term shall, if Lessee shall not be in default under this Agreement, be apportioned between Lessee and Lessor as of the expiration of the Term of this Agreement.

(d) Lessee, at its sole expense, may contest, after prior written notice to Lessor, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any tax, lien or other imposition on the Real Property, provided that (i) Lessee shall first make all contested payments, under protest if it desires, (ii) neither the Real Property nor any part thereof or interest therein nor any such rents or other sums would be in any danger of being sold, forfeited, lost or interfered with, and (iii) Lessee shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Lessor.

(e) Lessee shall pay or cause to be paid all charges for all public or private utility services and all sprinkler systems and protective services at any time rendered to or in connection with the Real Property or any part thereof, will comply with all contracts relating to any such services, and will do all other things required for the maintenance and continuance of all such services.

SECTION 4

INSURANCE AND INDEMNIFICATION

(a) Lessee shall, at its sole cost and expense, during the Term hereof, obtain or provide and keep in full force for the benefit of Lessor, as an additional named insured (i) general public liability insurance, insuring Lessor against any and all liability or claims or liability arising out of, occasioned by or resulting from any accident or other occurrence in or about the Real Property arising out of any act or omission of Lessee or any officer, employee, agent or contractor of Lessee, for injuries to any person or persons, with limits of not less than Three Million Dollars ($3,000,000.00) for injuries to one person, Five Million Dollars ($5,000,000.00) for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any person or persons, for not less than Five Million Dollars ($5,000,000.00); (ii) insurance with respect to the Improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least One Hundred Percent (100%) of the full replacement value of the Improvements and, in any event, in an amount sufficient to prevent Lessor or Lessee from becoming a co-insurer of any partial loss under the applicable policies, which shall be written on a replacement cost basis; (iii) appropriate workers' compensation or other insurance against liability arising from claims of workers in respect of and during the period of any work on or about the Real Property; and (iv) insurance against such other hazards and in such amounts as is customarily carried by owners and operators of similar properties, and as Lessor may reasonably require for its protection. Lessee shall comply with such other requirements as Lessor, or any mortgagee, may from time to time reasonably request for the protection by insurance of their respective interests. The policy or policies of insurance maintained by Lessee pursuant to this Paragraph shall be of a company or companies

authorized to do business in Ohio and a certificate thereof shall be delivered to Lessor, together with evidence of the payment of the premiums therefor, not less than fifteen (15) days prior to the commencement of the Term hereof or of the date when Lessee shall enter upon the Leased Premises, whichever occurs sooner. At least fifteen (15) days prior to the expiration or termination date of any policy, Lessee shall deliver a certificate of a renewal or replacement policy with proof of the payment of the premium therefor. Any such insurance required by this Paragraph may, at Lessee's option, be provided through a blanket policy or policies.

(b) Lessee shall indemnify Lessor and hold Lessor harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessor, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessee, (ii) any negligent or intentional act or omission of Lessee, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessee of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessee on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessee pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessee's request or this

Agreement; provided, however, that Lessee shall not be required to indemnify Lessor for any damages, injury, loss or expense arising out of Lessor's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(c) If Lessor so elects by notice to Lessee, Lessee shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessee and approved by Lessor (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessor may assume, or require that such defense be assumed, by Lessor and counsel selected by Lessor, at the cost and expense of Lessee if Lessor is for any reason dissatisfied with the defense by Lessee, or believes that its interests would be better served thereby. In any case where Lessee is defending any such claim, Lessor may participate in the defense thereof by counsel selected by it, but at Lessor's expense. Lessee shall not enter into any settlement of any claim without the consent of Lessor, which consent shall not be unreasonably withheld.

(d) Lessor shall indemnify Lessee and hold Lessee harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessee, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessor, (ii) any negligent or intentional act or omission of Lessor, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessor of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessor on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessor pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessor's request or this Agreement; provided, however, that Lessor shall not be required to indemnify Lessee for any damages, injury, loss or expense arising out of Lessee's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(e) If Lessee so elects by notice to Lessor, Lessor shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessor and approved by Lessee (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessee may assume, or require that such defense be assumed, by Lessee and counsel selected by Lessee, at the cost and expense of Lessor if Lessee is for any reason dissatisfied with the defense by Lessor, or believes that its interests would be better served thereby. In any case where Lessor is defending any such claim, Lessee may participate in the defense thereof by counsel selected by it, but at Lessee's expense. Lessor shall not enter into any settlement of any claim without the consent of Lessee, which consent shall not be unreasonably withheld.

(f) Nothing in this Agreement shall be construed so as to authorize or permit any insurer of Lessor or Lessee to be subrogated to any right of Lessor or Lessee against the other. Each of Lessor and Lessee hereby releases the other to the extent of its insurance coverage for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of the other party or persons for whose acts said party is liable.

SECTION 5

REPRESENTATIONS, WARRANTIES AND OTHER OBLIGATIONS

(a) Lessor represents and warrants that:

(i) The execution and performance of this Agreement shall not constitute a breach or violation under any Agreement to which Lessor is a party.

(ii) To the best of Lessor's knowledge, there are no violations of any federal, state, county or municipal law, ordinance, order, regulations or requirement with respect to the Leased Premises, and as of the date of this Agreement, no notice of any kind relating thereto (which would adversely affect the transactions contemplated by this Agreement) has been issued by public authorities having jurisdiction over the Leased Premises.

(iii) No person or party other than Lessor has a right to use the Leased Premises for any purpose which would affect Lessee's right to use the Leased Premises as contemplated hereunder.

(iv) Lessor has not received written notice of pending or contemplated condemnation proceedings affecting the Leased Premises or any part thereof.

(v) To the best of Lessor's knowledge, there is no action, suit or proceeding pending or threatened against or affecting the Leased Premises or any

portion thereof and Lessor has not received notice written or otherwise of any litigation affecting or concerning the Leased Premises relating to or arising out of its ownership, management, use or operation. Lessor shall give to Lessee prompt notice of institution of any such proceeding or litigation.

(vi) To the best of Lessor's knowledge, there are presently no proceedings for

overdue real estate taxes assessed against the Leased Premises for any fiscal period.

(vii) Lessor shall promptly advise Lessee in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or to the maintenance, operation or use thereof.

(viii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessor (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessor, enforceable in accordance with its terms.

(ix) Subject to liens and encumbrances of record, Lessor owns good and marketable title in fee simple to the Real Property on which the Leased Premises are located, and Lessor acknowledges that Lessee is relying upon the foregoing representation and warranty in entering into this Agreement and in expending moneys in connection herewith. Lessor shall not encumber or permit any encumbrances, liens or restrictions on Lessee's Installations, except with the prior written approval of Lessee.

(b) Each party shall comply in all material respects with all local, state and federal laws, statutes, ordinances, rules, regulations, orders and decrees that it knows to be applicable in connection with its activities and operations at the Leased Premises, and Lessor shall require the same representation and warranty from all additional users of the facilities at the Leased Premises.

(c) The parties agree that, during the Term of this Agreement neither party shall intentionally do anything at the Leased Premises which will interfere with or adversely affect the operations of the other party.

(d) In the event that during the Term of this Agreement there shall be an actual condemnation or foreclosure and taking of all of the Leased Premises, or a portion thereof such that it renders the premises unsuitable for broadcasting, this Agreement may be terminated by written notice from either party to the other and thereafter each of the parties shall be relieved of any future liability to the other under this Agreement, except as to obligations accrued and not yet discharged at the date of termination. Following any condemnation or foreclosing order, Lessee may continue to use the property for operations under the terms of this Agreement until Lessee finds and begins to utilize new facilities or until prevented by the condemning or foreclosing authority from utilizing the Leased Premises, whichever occurs first.

(e) Lessee represents and warrants that its Installations to be located on or about the Leased Premises, together with the existence of the equipment of Lessor, and the operation thereof do not and will not result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels With Respect to Human Exposure to Radio

Frequency Electromagnetic Fields, 300 KHz to 100 GHz," issued by the American National Standards Institute ("Acceptable Radio Frequency Radiation Standards").

(f) Lessee covenants that it will not at any time during the Term of this Agreement, transmit, store, handle or dump toxic or hazardous wastes anywhere at or around the Leased Premises.

(g) Lessee shall promptly advise Lessor in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations, and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or the maintenance, operation or use thereof.

(h) Lessee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessee (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessee, enforceable in accordance with its terms.

(i) Lessee warrants unto Lessor that the Improvements (including the radio tower(s) located on the Real Property) are and will remain in material compliance at all times during the Term and any Extension Term with all federal, state, county, municipal, local, administrative and other governmental laws, statutes, ordinances, codes, rules, regulations and orders pertaining thereto, including, without limitation, to the extent applicable, all zoning laws and building codes and all regulations of the Federal Aviation Administration ("FAA") and the Federal Communications Commission ("FCC").

(j) In case of any material damage to or destruction of the Real Property or any part thereof, Lessee shall promptly give written notice thereof to Lessor and any mortgagee, generally describing the nature and extent of such damage or destruction. In case of any damage to or destruction of the Improvements or any parts thereof, Lessee, whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, at its sole expense, shall promptly commence and complete the restoration, replacement or rebuilding of the Improvements as nearly as possible to their value, condition and character immediately prior to such damage or destruction.

(k) Lessee will execute, acknowledge and deliver to the Lessor, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) no notice has been received by Lessee of any default which has not been cured, except as to defaults specified in said certificate. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Real Property or any part thereof.

(l) Lessor will execute, acknowledge and deliver to the Lessee or any mortgagee, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) whether or not, to the knowledge of Lessor, there are then existing any defaults under this Agreement (and if so, specifying the same). Any such certificate may be relied upon by any prospective purchaser transferee or mortgagee of Lessee's interest under this Agreement.

SECTION 6

EVENTS OF DEFAULT

(a) Any of the following events shall constitute a default on the part of Lessee:

(i) The failure of Lessee to pay rent or additional rent, and continuation of such failure for more than ten (10) days after Lessee's receipt of written notice thereof from Lessor; provided, however, that Lessor shall not be required to provide such written notice to Lessee more than twice in any twelve (12) month period prior to declaring such failure to pay an event of default; or

(ii) The failure of Lessee to cure any other default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessor, provided, however, that if the nature of Lessee's default is such that more than thirty (30) days is required for its cure, then Lessee shall not be deemed to be in default if Lessee has commenced such cure within the thirty (30) day period, demonstrates to Lessor's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion; or

(iii) Lessee is finally and without further right of appeal or review, adjudicated a bankrupt or insolvent, or has a receiver appointed for all or substantially all of its business or assets on the ground of its insolvency, or has a trustee appointed for it after a petition has been filed for Lessee's reorganization under the Bankruptcy Act of the United States, or any future law of the United States having the same general purpose, or if Lessee shall make an assignment for the benefit of its creditors, or if Lessee's interest hereunder shall be levied upon or attached, which levy or attachment shall not be removed within twenty (20) days from the date thereof.

(b) If an event of default on the part of Lessee shall occur at any time, Lessor, at its election, may give Lessee a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessee has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to

Lessor, but Lessee shall remain liable for the payment of rent during the full period which would otherwise constitute the balance of the Term of this Agreement; and without

prejudice to any other right or remedy which it may have hereunder or by law, and notwithstanding any waiver of any prior breach of condition or event of default hereunder, Lessor may re-enter the Leased Premises either by reasonable force or otherwise, or dispossess Lessee, any legal representative of Lessee or other occupant of the Leased Premises by appropriate suit, action or proceeding and remove its effects and hold the Leased Premises as if this Agreement had not been made.

(c) The failure of Lessor to cure any default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessee, shall constitute a default on the part of Lessor; provided, however, that if the nature of Lessor's default is such that more than thirty (30) days is required for its cure, then Lessor shall not be deemed to be in default if Lessor has commenced such cure within the thirty (30) day period, demonstrates to Lessee's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion.

(d) If an event of default on the part of Lessor shall occur at any time, Lessee, at its election, may give Lessor a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessor has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, and Lessee shall not be liable for payment of rent for any period after such expiration.

SECTION 7

ASSIGNMENT

Lessee shall not assign this Agreement nor sublet any portion of the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Notwithstanding any assignment or sublease, Lessee shall remain primarily liable under this Agreement.

SECTION 8

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT

This Agreement shall not be a lien against the Leased Premises in respect to any mortgages and security agreements placed or hereafter to be placed by Lessor upon the Leased Premises. The recording of such mortgages and security agreements shall have preference and precedence and be superior and prior in lien to this Agreement, irrespective of the date of recording, and Lessee agrees to execute any instruments, without cost, which may be deemed necessary or desirable to further effect the subordination of this Agreement. Lessor shall make a reasonable effort to obtain from any mortgagees or lenders holding an interest in the nature of a mortgage in the Leased Premises an agreement that the mortgagee or lender shall not disturb

Lessee's quiet possession in the event of foreclosure. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Lessor encumbering the Leased Premises, Lessee shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

SECTION 9

NON-LIABILITY OF LESSOR

Lessor shall not be liable for any damages or injury which may be sustained by Lessee or any other person by reason of the failure, breakage, leakage or obstruction of the water, sewer, plumbing, roof, drains, leaders, electrical, air conditioning or any other equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct of Lessee, its agents, employees, contractors, invitees, assignees or successors; or attributable to any interference with or the interruption of or failure of any services, beyond the control of Lessor, to be supplied by Lessor.

SECTION 10

QUIET ENJOYMENT

(a) Lessor agrees that it shall not enforce any unreasonable rules or regulations which would unduly prejudice the conduct of Lessee's business, or which would prevent full and free access to the Leased Premises by Lessee, as herein provided.

(b) Lessor reserves and shall at all times have the right to re-enter the Real Property to inspect the same, to supply any service to be provided by Lessor to Lessee hereunder, and to show the Real Property to prospective purchasers, mortgagees, or lessees, to post notices of non-responsibility, without abatement of rent, provided entrance to the Real Property shall not be denied Lessee.

SECTION 11

SALE OF LEASED PREMISES BY LESSOR

Notwithstanding any of the provisions of this Lease, Lessor (a) may assign, in whole or in part, Lessor's interest in this Lease and (b) may sell all or part of the Real Property. In the event of any sale or exchange of the Leased Premises by Lessor and assignment by Lessor of this Lease, Lessor shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Leased Premises occurring after the consummation of such sale or exchange and assignment, but only upon the condition that, as part of such sale or exchange, Lessor will cause the grantee to agree in writing to assume to carry out any and all of the covenants and obligations of Lessor under this Lease occurring after the consummation of Lessor's assignment of its interest in and to this Lease.

SECTION 12

BROKERAGE

The parties acknowledge and agree that this Agreement has not been brought about as a result of the services of any real estate broker, firm or corporation, and each indemnifies and saves the other harmless from any and all claims from any person(s) claiming to have rendered real estate services in connection with this Agreement.

SECTION 13

SURRENDER OF PREMISES

Upon the expiration of the Term hereof, Lessee shall surrender the Leased Premises, and, at Lessor's option, all interest of the Lessee in and to the Improvements (including the radio towers located on the Land), to Lessor in good order and condition, reasonable wear and tear excepted. Any equipment, fixtures, goods or other property of Lessee not removed within ten (10) days after any quitting, vacating or abandonment of the Leased Premises, or upon Lessee's eviction therefrom, shall be considered abandoned, and Lessor shall have the right, without notice to Lessee, to sell or otherwise dispose of same without having to account to Lessee for any part of the proceeds of such sale.

SECTION 14

NOTICES

All notices, demands, and requests required or permitted to be given hereunder shall be in writing and sent certified mail, return receipt requested, and if to Lessor, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Edward G. Atsinger III, and if Lessee, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting. Either party hereto may change the place for notice to it by sending like written notice to the other party hereto.

SECTION 15

BINDING NATURE

The provisions of this Agreement shall apply to, bind and inure to the benefit of Lessor and Lessee, their respective successors, legal representatives or assigns. The terms of this Agreement and any disputes arising therefrom, shall be governed by the laws of the State of Texas.

SECTION 16

ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties. No representative, agent or employee of Lessor has been authorized to make any representations or promises with reference to the within agreement or to vary, alter or modify the terms hereof. No additions, changes or modifications shall be binding unless reduced to writing and signed by the parties.

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

LESSOR:	LESSEE CARON BROADCASTING, INC.
/s/ Edward G. Atsinger, III	/s/ Eric H. Halvorson
EDWARD G. ATSINGER, III	ERIC H. HALVORSON Vice-President
/s/ Stuart W. Epperson	
STUART W. EPPERSON	

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EXHIBIT 10.05.03

LEASE AGREEMENT

This Agreement ("Agreement") is made as of the 19th day of February, 1997, by and between EDWARD G. ATSINGER III and STUART W. EPPERSON (collectively referred to herein as "Lessor") and CARON BROADCASTING, INC. ("Lessee").

WHEREAS, Lessor owns certain land (the "Land") and Lessee owns certain improvements thereon (the "Improvements"), which Land and Improvements together comprise certain real property, more particularly described as set forth in Exhibit "A", which is attached hereto and made a part hereof (the "Real Property"); and,

WHEREAS, Lessee desires to use said Real Property in operating its radio station WTOF(FM), CANTON, OHIO; and,

WHEREAS, the parties are desirous of making a mutually suitable and satisfactory agreement whereby Lessor will lease to Lessee the Real Property (constituting the "Leased Premises") on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the following covenants, agreements, conditions and representations, the parties hereto agree as follows:

SECTION 1

USE OF THE LEASED PREMISES

(a) Lessor, in consideration of the rents to be paid and covenants herein contained, hereby leases to Lessee the Leased Premises.

(b) Lessee may use the Leased Premises for the operation of its radio station, and, in connection therewith, for the installation, repair, maintenance, operation, housing and removal of its Improvements and other related broadcasting equipment (together comprising the "Installations"). Lessee is fully familiar with the physical condition of the Land and has received the same in good order and condition, and agrees that the Land complies in all respects with all requirements of this Agreement. Lessee shall use the Land exclusively for purposes associated with the operation of a radio station.

(c) Lessee shall have the right from time to time to substitute Installations of similar kind and character for those hereinabove specified, provided such changes shall be approved in

advance by Lessor, and Lessor shall not unreasonably delay or withhold its approval. In the event Lessee submits any such changes for Lessor's approval and Lessor does not respond within thirty (30) days after Lessor's receipt thereof, then such changes shall be deemed approved by Lessor, so long as such changes otherwise comply with this Agreement, five (5) days after Lessor's receipt of notice that it has not responded.

(d) Lessee shall have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, for the purpose of installing, maintaining and repairing its Installations, provided that the contractors performing such work are reasonably acceptable to Lessor.

(e) Lessor shall not be responsible for repairs or maintenance to the Installations, except for repairs occasioned by the negligence of Lessor, its agents, employees or contractors.

(f) During the Term (as hereinafter defined), Lessor and Lessee shall each provide the other with a telephone number which, if called will ring at a location that is staffed by their respective agents twenty-four (24) hours each and every day, seven (7) days each and every week; and Lessor and Lessee shall notify each other promptly in the event of any change in such telephone number.

(g) Lessee shall not use or permit the Leased Premises to be used by any dangerous, toxic, noxious or offensive trade or business, or for any unlawful purpose.

(h) Lessee shall not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Real Property or any part thereof or Lessee's interest therein other than (i) this Agreement, (ii) any lien, including a mortgage on the leasehold interest of Lessee, which may be approved by the Lessor in writing, which approval shall not be unreasonably withheld, (iii) liens for impositions not yet payable, or payable without the addition of any fine, penalty, interest or cost for non-payment, or being contested as permitted by Paragraph 3(d), below, and (iv) liens of mechanics, materialmen, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums which under the terms of the related contracts are not at the time due, provided that adequate provision for the payment thereof shall have been made.

SECTION 2

TERM AND RENT

(a) The term of this Lease (the "Term") shall commence on February 19, 1997 (the "Commencement Date"), and shall expire on June 30, 2007 (the "Expiration Date"). If the Term has been extended as provided in subparagraph (b), below, the Expiration Date shall be the last day of the Term as so extended.

(b) Lessee shall have the option, if Lessee is not at the time in default under this Agreement, to extend the Term of this Agreement for up to two (2) successive periods of five (5) years each (the "Extended Terms"), and, except as set forth in subparagraph (c), below, on the same terms, covenants and conditions herein contained. The word "Term" as used in this Agreement shall be deemed to include the Extended Terms when and if the Agreement is extended. Each option to extend the Term shall be exercised only by Lessee's delivery to Lessor by United States mail on or before ninety (90) days prior to the commencement of the renewal term of written notice of Lessee's election to extend as provided herein.

(c) Lessee agrees to pay rent to Lessor from the Commencement Date through the Expiration Date, or such earlier date as this Agreement is terminated as provided herein, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn:

Accounting, or to such other person or place as Lessor may designate from time to time by notice to Lessee, in the following amounts and in the following manner:

(i) During the first year beginning with the Commencement Date Lessee shall pay a base rent of $12,000 per annum, in equal monthly installments of $1,000 (the "Base Rent") in advance on the first day of each month; and thereafter on each and every Adjustment Date (hereinafter defined) the monthly rent shall be computed according to subparagraph (ii) below.

(ii) The term "Adjustment Date" shall mean the first (1st) day of February following the Commencement Date and each subsequent anniversary of such date this Agreement remains in effect. During the one (1) year period beginning with each Adjustment Date, the monthly rent payable by Lessee shall reflect an adjustment, as herein provided, for the change, if any, from the year in which the Commencement Date falls, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles area [Base Year 1982-84=100] ("CPI") as measured in February and published by the United States Department of Labor, Bureau of Labor Statistics; i.e., during the one (1) year period beginning with the Adjustment Date, the monthly rent shall be the product obtained by multiplying the Base Rent times a fraction, the numerator of which shall be the CPI for February of the year such Adjustment Date falls and the denominator of which shall be the CPI for February of the year in which the Commencement Date falls. Notwithstanding the results of the foregoing calculation, the amount payable by Lessee hereunder shall not in any event be less than the rental paid during the immediately preceding one (1) year period. In the event that the Bureau of Labor Statistics shall change the base period for the CPI, the new index number shall be substituted for the old index number in making the above computation. In the event the Bureau of Labor Statistics ceases publishing the CPI, or materially changes the method of its computation, Lessor and Lessee shall accept comparable statistics on the purchasing power of the consumer dollar as published at the time of said discontinuation or change by a responsible financial periodical of recognized authority to be chosen by Lessor subject to reasonable consent of Lessee.

(d) Rent and all other sums payable to Lessor hereunder shall be paid without notice, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Agreement

or the Real Property or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of rent or any other sum payable by Lessee hereunder.

SECTION 3

CHARGES AND UTILITIES

(a) Lessee, at its sole expense, shall keep the Real Property and the adjoining streets and ways in good and clean order and condition and will promptly make all necessary or appropriate repairs, replacements and renewals thereof, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. Lessee waives any right created by any law now or hereafter in force to make repairs to the Real Property at Lessor's expense. Lessee, at its sole expense, shall do or cause others to do every act necessary or appropriate for the preservation and safety of the Real Property whether or not the Lessor shall be required by any legal requirement to take such action or be liable for failure to do so.

(b) If not at the time in default under this Agreement, Lessee, at its sole expense, may make reasonable alterations of and additions to the Improvements or any part thereof, provided that any alteration or addition (i) shall not change the general character of the Improvements, or reduce the fair market value thereof below their value immediately before such alteration or addition, or impair their usefulness, (ii) is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements and insurance requirements, (iii) is promptly and fully paid for by Lessee, (iv) is made, in case the estimated cost of such alteration or addition exceeds Ten Thousand Dollars ($10,000), under the supervision of an architect or engineer satisfactory to Lessor and in accordance with plans, specifications and cost estimates approved by Lessor, and (v) does not interfere with Lessor's rights of use under this Agreement.

(c) Subject to subparagraph (d), below, relating to contests, Lessee shall pay all taxes, assessments (including without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term hereof), ground rents, water, sewer or similar rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges in each case, whether general or special, ordinary or

extraordinary, foreseen or unforeseen, of every character (including all interest and penalties thereof), which at any time during or in respect of the Term hereof may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Real Property or any part thereof or any rent therefrom or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Real Property or any part thereof, other than any income or excess profits tax imposed upon the Lessor's general income or revenues, but excluding any income or excess profits or franchise taxes of Lessor determined on the basis of general income or revenue or any interest or penalties in respect thereof. Lessee shall furnish to Lessor for inspection within thirty (30) days after written request, official receipts of the appropriate taxing authority or other proof satisfactory to Lessor evidencing such payment. If by law any such amount may be paid in installments, Lessee shall be obligated to pay only those installments as they become due from time to time before any

interest, penalty, fine or cost may be added thereto; and any such amount relating to the fiscal period of the taxing authority, part of which is included within the Term and a part of which extends beyond the Term shall, if Lessee shall not be in default under this Agreement, be apportioned between Lessee and Lessor as of the expiration of the Term of this Agreement.

(d) Lessee, at its sole expense, may contest, after prior written notice to Lessor, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any tax, lien or other imposition on the Real Property, provided that (i) Lessee shall first make all contested payments, under protest if it desires, (ii) neither the Real Property nor any part thereof or interest therein nor any such rents or other sums would be in any danger of being sold, forfeited, lost or interfered with, and (iii) Lessee shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Lessor.

(e) Lessee shall pay or cause to be paid all charges for all public or private utility services and all sprinkler systems and protective services at any time rendered to or in connection with the Real Property or any part thereof, will comply with all contracts relating to any such services, and will do all other things required for the maintenance and continuance of all such services.

SECTION 4

INSURANCE AND INDEMNIFICATION

(a) Lessee shall, at its sole cost and expense, during the Term hereof, obtain or provide and keep in full force for the benefit of Lessor, as an additional named insured (i) general public liability insurance, insuring Lessor against any and all liability or claims or liability arising out of, occasioned by or resulting from any accident or other occurrence in or about the Real Property arising out of any act or omission of Lessee or any officer, employee, agent or contractor of Lessee, for injuries to any person or persons, with limits of not less than Three Million Dollars ($3,000,000.00) for injuries to one person, Five Million Dollars ($5,000,000.00) for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any person or persons, for not less than Five Million Dollars ($5,000,000.00); (ii) insurance with respect to the Improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least One Hundred Percent (100%) of the full replacement value of the Improvements and, in any event, in an amount sufficient to prevent Lessor or Lessee from becoming a co-insurer of any partial loss under the applicable policies, which shall be written on a replacement cost basis; (iii) appropriate workers' compensation or other insurance against liability arising from claims of workers in respect of and during the period of any work on or about the Real Property; and (iv) insurance against such other hazards and in such amounts as is customarily carried by owners and operators of similar properties, and as Lessor may reasonably require for its protection. Lessee shall comply with such other requirements as Lessor, or any mortgagee, may from time to time reasonably request for the protection by insurance of their respective interests. The policy or policies of insurance maintained by Lessee pursuant to this Paragraph shall be of a company or companies

authorized to do business in Ohio and a certificate thereof shall be delivered to Lessor, together with evidence of the payment of the premiums therefor, not less than fifteen (15) days prior to the commencement of the Term hereof or of the date when Lessee shall enter upon the Leased Premises, whichever occurs sooner. At least fifteen (15) days prior to the expiration or termination date of any policy, Lessee shall deliver a certificate of a renewal or replacement policy with proof of the payment of the premium therefor. Any such insurance required by this Paragraph may, at Lessee's option, be provided through a blanket policy or policies.

(b) Lessee shall indemnify Lessor and hold Lessor harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessor, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessee, (ii) any negligent or intentional act or omission of Lessee, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessee of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessee on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessee pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessee's request or this Agreement; provided, however, that Lessee shall not be required to indemnify Lessor for any damages, injury, loss or expense arising out of Lessor's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(c) If Lessor so elects by notice to Lessee, Lessee shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessee and approved by Lessor (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessor may assume, or require that such defense be assumed, by Lessor and counsel selected by Lessor, at the cost and expense of Lessee if Lessor is for any reason dissatisfied with the defense by Lessee, or believes that its interests would be better served thereby. In any case where Lessee is defending any such claim, Lessor may participate in the defense thereof by counsel selected by it, but at Lessor's expense. Lessee shall not enter into any settlement of any claim without the consent of Lessor, which consent shall not be unreasonably withheld.

(d) Lessor shall indemnify Lessee and hold Lessee harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessee, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessor, (ii) any negligent or intentional act or omission of Lessor, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessor of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessor on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessor pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessor's request or this Agreement; provided, however, that Lessor shall not be required to indemnify Lessee for any damages, injury, loss or expense arising out of Lessee's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(e) If Lessee so elects by notice to Lessor, Lessor shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessor and approved by Lessee (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessee may assume, or require that such defense be assumed, by Lessee and counsel selected by Lessee, at the cost and expense of Lessor if Lessee is for any reason dissatisfied with the defense by Lessor, or believes that its interests would be better served thereby. In any case where Lessor is defending any such claim, Lessee may participate in the defense thereof by counsel selected by it, but at Lessee's expense. Lessor shall not enter into any settlement of any claim without the consent of Lessee, which consent shall not be unreasonably withheld.

(f) Nothing in this Agreement shall be construed so as to authorize or permit any insurer of Lessor or Lessee to be subrogated to any right of Lessor or Lessee against the other. Each of Lessor and Lessee hereby releases the other to the extent of its insurance coverage for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of the other party or persons for whose acts said party is liable.

SECTION 5

REPRESENTATIONS, WARRANTIES AND OTHER OBLIGATIONS

(a) Lessor represents and warrants that:

(i) The execution and performance of this Agreement shall not constitute a breach or violation under any Agreement to which Lessor is a party.

(ii) To the best of Lessor's knowledge, there are no violations of any federal, state, county or municipal law, ordinance, order, regulations or requirement with respect to the Leased Premises, and as of the date of this Agreement, no notice of any kind relating thereto (which would adversely affect the transactions contemplated by this Agreement) has been issued by public authorities having jurisdiction over the Leased Premises.

(iii) No person or party other than Lessor has a right to use the Leased Premises for any purpose which would affect Lessee's right to use the Leased Premises as contemplated hereunder.

(iv) Lessor has not received written notice of pending or contemplated condemnation proceedings affecting the Leased Premises or any part thereof.

(v) To the best of Lessor's knowledge, there is no action, suit or proceeding pending or threatened against or affecting the Leased Premises or any portion thereof and Lessor has not received notice written or otherwise of any litigation affecting or concerning the Leased Premises relating to or arising out of its ownership, management, use or operation. Lessor shall give to Lessee prompt notice of institution of any such proceeding or litigation.

(vi) To the best of Lessor's knowledge, there are presently no proceedings for

overdue real estate taxes assessed against the Leased Premises for any fiscal period.

(vii) Lessor shall promptly advise Lessee in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or to the maintenance, operation or use thereof.

(viii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessor (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessor, enforceable in accordance with its terms.

(ix) Subject to liens and encumbrances of record, Lessor owns good and marketable title in fee simple to the Real Property on which the Leased Premises are located, and Lessor acknowledges that Lessee is relying upon the foregoing representation and warranty in entering into this Agreement and in expending moneys in connection herewith. Lessor shall not encumber or permit any encumbrances, liens or restrictions on Lessee's Installations, except with the prior written approval of Lessee.

(b) Each party shall comply in all material respects with all local, state and federal laws, statutes, ordinances, rules, regulations, orders and decrees that it knows to be applicable in connection with its activities and operations at the Leased Premises, and Lessor shall require the same representation and warranty from all additional users of the facilities at the Leased Premises.

(c) The parties agree that, during the Term of this Agreement neither party shall intentionally do anything at the Leased Premises which will interfere with or adversely affect the operations of the other party.

(d) In the event that during the Term of this Agreement there shall be an actual condemnation or foreclosure and taking of all of the Leased Premises, or a portion thereof such that it renders the premises unsuitable for broadcasting, this Agreement may be terminated by written notice from either party to the other and thereafter each of the parties shall be relieved of any future liability to the other under this Agreement, except as to obligations accrued and not yet discharged at the date of termination. Following any condemnation or foreclosing order, Lessee may continue to use the property for operations under the terms of this Agreement until Lessee finds and begins to utilize new facilities or until prevented by the condemning or foreclosing authority from utilizing the Leased Premises, whichever occurs first.

(e) Lessee represents and warrants that its Installations to be located on or about the Leased Premises, together with the existence of the equipment of Lessor, and the operation thereof do not and will not result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels With Respect to Human Exposure to Radio

Frequency Electromagnetic Fields, 300 KHz to 100 GHz," issued by the American National Standards Institute ("Acceptable Radio Frequency Radiation Standards").

(f) Lessee covenants that it will not at any time during the Term of this Agreement, transmit, store, handle or dump toxic or hazardous wastes anywhere at or around the Leased Premises.

(g) Lessee shall promptly advise Lessor in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations, and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or the maintenance, operation or use thereof.

(h) Lessee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessee (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessee, enforceable in accordance with its terms.

(i) Lessee warrants unto Lessor that the Improvements (including the radio tower(s) located on the Real Property) are and will remain in material compliance at all times during the Term and any Extension Term with all federal, state, county, municipal, local, administrative and other governmental laws, statutes, ordinances, codes, rules, regulations and orders pertaining thereto, including, without limitation, to the extent applicable, all zoning laws and building codes and all regulations of the Federal Aviation Administration ("FAA") and the Federal Communications Commission ("FCC").

(j) In case of any material damage to or destruction of the Real Property or any part thereof, Lessee shall promptly give written notice thereof to Lessor and any mortgagee, generally describing the nature and extent of such damage or destruction. In case of any damage to or destruction of the Improvements or any parts thereof, Lessee, whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, at its sole expense, shall promptly commence and complete the restoration, replacement or rebuilding of the Improvements as nearly as possible to their value, condition and character immediately prior to such damage or destruction.

(k) Lessee will execute, acknowledge and deliver to the Lessor, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) no notice has been received by Lessee of any default which has not been cured, except as to defaults specified in said certificate. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Real Property or any part thereof.

(l) Lessor will execute, acknowledge and deliver to the Lessee or any mortgagee, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) whether or not, to the knowledge of Lessor, there are then existing any defaults under this Agreement (and if so, specifying the same). Any such certificate may be relied upon by any prospective purchaser transferee or mortgagee of Lessee's interest under this Agreement.

SECTION 6

EVENTS OF DEFAULT

(a) Any of the following events shall constitute a default on the part of Lessee:

(i) The failure of Lessee to pay rent or additional rent, and continuation of such failure for more than ten (10) days after Lessee's receipt of written notice thereof from Lessor; provided, however, that Lessor shall not be required to provide such written notice to Lessee more than twice in any twelve (12) month period prior to declaring such failure to pay an event of default; or

(ii) The failure of Lessee to cure any other default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessor, provided, however, that if the nature of Lessee's default is such that more than thirty (30) days is required for its cure, then Lessee shall not be deemed to be in default if Lessee has commenced such cure within the thirty (30) day period, demonstrates to Lessor's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion; or

(iii) Lessee is finally and without further right of appeal or review, adjudicated a bankrupt or insolvent, or has a receiver appointed for all or substantially all of its business or assets on the ground of its insolvency, or has a trustee appointed for it after a petition has been filed for Lessee's reorganization under the Bankruptcy Act of the United States, or any future law of the United States having the same general purpose, or if Lessee shall make an assignment for the benefit of its creditors, or if Lessee's interest hereunder shall be levied upon or attached, which levy or attachment shall not be removed within twenty (20) days from the date thereof.

(b) If an event of default on the part of Lessee shall occur at any time, Lessor, at its election, may give Lessee a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessee has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, but Lessee shall remain liable for the payment of rent during the full period which would otherwise constitute the balance of the Term of this Agreement; and without

prejudice to any other right or remedy which it may have hereunder or by law, and notwithstanding any waiver of any prior breach of condition or event of default hereunder, Lessor may re-enter the Leased Premises either by reasonable force or otherwise, or dispossess Lessee, any legal representative of Lessee or other occupant of the Leased Premises by appropriate suit, action or proceeding and remove its effects and hold the Leased Premises as if this Agreement had not been made.

(c) The failure of Lessor to cure any default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessee, shall constitute a default on the part of Lessor; provided, however, that if the nature of Lessor's default is such that more than thirty (30) days is required for its cure, then Lessor shall not be deemed to be in default if Lessor has commenced such cure within the thirty (30) day period, demonstrates to Lessee's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion.

(d) If an event of default on the part of Lessor shall occur at any time, Lessee, at its election, may give Lessor a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessor has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, and Lessee shall not be liable for payment of rent for any period after such expiration.

SECTION 7

ASSIGNMENT

Lessee shall not assign this Agreement nor sublet any portion of the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Notwithstanding any assignment or sublease, Lessee shall remain primarily liable under this Agreement.

SECTION 8

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT

This Agreement shall not be a lien against the Leased Premises in respect to any mortgages and security agreements placed or hereafter to be placed by Lessor upon the Leased Premises. The recording of such mortgages and security agreements shall have preference and precedence and be superior and prior in lien to this Agreement, irrespective of the date of recording, and Lessee agrees to execute any instruments, without cost, which may be deemed necessary or desirable to further effect the subordination of this Agreement. Lessor shall make a reasonable effort to obtain from any mortgagees or lenders holding an interest in the nature of a mortgage in the Leased Premises an agreement that the mortgagee or lender shall not disturb

Lessee's quiet possession in the event of foreclosure. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Lessor encumbering the Leased Premises, Lessee shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

SECTION 9

NON-LIABILITY OF LESSOR

Lessor shall not be liable for any damages or injury which may be sustained by Lessee or any other person by reason of the failure, breakage, leakage or obstruction of the water, sewer, plumbing, roof, drains, leaders, electrical, air conditioning or any other equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct of Lessee, its agents, employees, contractors, invitees, assignees or successors; or attributable to any interference with or the interruption of or failure of any services, beyond the control of Lessor, to be supplied by Lessor.

SECTION 10

QUIET ENJOYMENT

(a) Lessor agrees that it shall not enforce any unreasonable rules or regulations which would unduly prejudice the conduct of Lessee's business, or which would prevent full and free access to the Leased Premises by Lessee, as herein provided.

(b) Lessor reserves and shall at all times have the right to re-enter the Real Property to inspect the same, to supply any service to be provided by Lessor to Lessee hereunder, and to show the Real Property to prospective purchasers, mortgagees, or lessees, to post notices of non-responsibility, without abatement of rent, provided entrance to the Real Property shall not be denied Lessee.

SECTION 11

SALE OF LEASED PREMISES BY LESSOR

Notwithstanding any of the provisions of this Lease, Lessor (a) may assign, in whole or in part, Lessor's interest in this Lease and (b) may sell all or part of the Real Property. In the event of any sale or exchange of the Leased Premises by Lessor and assignment by Lessor of this Lease, Lessor shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Leased Premises occurring after the consummation of such sale or exchange and assignment, but only upon the condition that, as part of such sale or exchange, Lessor will cause the grantee to agree in writing to assume to carry out any and all of the covenants and obligations of Lessor under this Lease occurring after the consummation of Lessor's assignment of its interest in and to this Lease.

SECTION 12

BROKERAGE

The parties acknowledge and agree that this Agreement has not been brought about as a result of the services of any real estate broker, firm or corporation, and each indemnifies and saves the other harmless from any and all claims from any person(s) claiming to have rendered real estate services in connection with this Agreement.

SECTION 13

SURRENDER OF PREMISES

Upon the expiration of the Term hereof, Lessee shall surrender the Leased Premises, and, at Lessor's option, all interest of the Lessee in and to the Improvements (including the radio towers located on the Land), to Lessor in good order and condition, reasonable wear and tear excepted. Any equipment, fixtures, goods or other property of Lessee not removed within ten (10) days after any quitting, vacating or abandonment of the Leased Premises, or upon Lessee's eviction therefrom, shall be considered abandoned, and Lessor shall have the right, without notice to Lessee, to sell or otherwise dispose of same without having to account to Lessee for any part of the proceeds of such sale.

SECTION 14

NOTICES

All notices, demands, and requests required or permitted to be given hereunder

shall be in writing and sent certified mail, return receipt requested, and if to Lessor, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Edward G. Atsinger III, and if Lessee, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting. Either party hereto may change the place for notice to it by sending like written notice to the other party hereto.

SECTION 15

BINDING NATURE

The provisions of this Agreement shall apply to, bind and inure to the benefit of Lessor and Lessee, their respective successors, legal representatives or assigns. The terms of this Agreement and any disputes arising therefrom, shall be governed by the laws of the State of Texas.

SECTION 16

ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties. No representative, agent or employee of Lessor has been authorized to make any representations or promises with reference to the within agreement or to vary, alter or modify the terms hereof. No additions, changes or modifications shall be binding unless reduced to writing and signed by the parties.

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

LESSOR:	LESSEE CARON BROADCASTING, INC.
/s/ EDWARD G. ATSINGER, III	/s/ ERIC H. HALVORSON
EDWARD G. ATSINGER, III	ERIC H. HALVORSON Vice-President

/s/ STUART W. EPPERSON

STUART W. EPPERSON

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EXHIBIT 10.05.04

LEASE AGREEMENT

This Agreement ("Agreement") is made as of the 6th day of December, 1996, by and between EDWARD G. ATSINGER III and STUART W. EPPERSON (collectively referred to herein as "Lessor") and COMMON GROUND BROADCASTING, INC. ("Lessee").

WHEREAS, Lessor owns certain land (the "Land") and Lessee owns certain improvements thereon (the "Improvements"), which Land and Improvements together comprise certain real property, more particularly described as set forth in Exhibit "A", which is attached hereto and made a part hereof (the "Real Property"); and,

WHEREAS, Lessee desires to use said Real Property in operating its radio station KKMS(AM), MINNEAPOLIS, MINNESOTA; and,

WHEREAS, the parties are desirous of making a mutually suitable and satisfactory agreement whereby Lessor will lease to Lessee the Real Property (constituting the "Leased Premises") on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the following covenants, agreements, conditions and representations, the parties hereto agree as follows:

SECTION 1

USE OF THE LEASED PREMISES

(a) Lessor, in consideration of the rents to be paid and covenants herein contained, hereby leases to Lessee the Leased Premises.

(b) Lessee may use the Leased Premises for the operation of its radio station, and, in connection therewith, for the installation, repair, maintenance, operation, housing and removal of its Improvements and other related broadcasting equipment (together comprising the "Installations"). Lessee is fully familiar with the physical condition of the Land and has received the same in good order and condition, and agrees that the Land complies in all respects with all requirements of this Agreement. Lessee shall use the Land exclusively for purposes associated with the operation of a radio station.

(c) Lessee shall have the right from time to time to substitute Installations of similar kind and character for those hereinabove specified, provided such changes shall be approved in

advance by Lessor, and Lessor shall not unreasonably delay or withhold its approval. In the event Lessee submits any such changes for Lessor's approval and Lessor does not respond within thirty (30) days after Lessor's receipt thereof, then such changes shall be deemed approved by Lessor, so long as such changes otherwise comply with this Agreement, five (5) days after Lessor's receipt of notice that it has not responded.

(d) Lessee shall have access to the Leased Premises twenty-four (24) hours per day, seven (7) days per week, for the purpose of installing, maintaining and repairing its Installations, provided that the contractors performing such work are reasonably acceptable to Lessor.

(e) Lessor shall not be responsible for repairs or maintenance to the Installations, except for repairs occasioned by the negligence of Lessor, its agents, employees or contractors.

(f) During the Term (as hereinafter defined), Lessor and Lessee shall each provide the other with a telephone number which, if called will ring at a location that is staffed by their respective agents twenty-four (24) hours each and every day, seven (7) days each and every week; and Lessor and Lessee shall notify each other promptly in the event of any change in such telephone number.

(g) Lessee shall not use or permit the Leased Premises to be used by any dangerous, toxic, noxious or offensive trade or business, or for any unlawful purpose.

(h) Lessee shall not directly or indirectly create or permit to be created or to remain, and will discharge any mortgage, lien, security interest, encumbrance or charge on, pledge of or conditional sale or other title retention agreement with respect to the Real Property or any part thereof or Lessee's interest therein other than (i) this Agreement, (ii) any lien, including a mortgage on the leasehold interest of Lessee, which may be approved by the Lessor in writing, which approval shall not be unreasonably withheld, (iii) liens for impositions not yet payable, or payable without the addition of any fine, penalty, interest or cost for non-payment, or being contested as permitted by Paragraph 3(d), below, and (iv) liens of mechanics, materialmen, suppliers or vendors, or rights thereto, incurred in the ordinary course of business for sums which under the terms of the related contracts are not at the time due, provided that adequate provision for the payment thereof shall have been made.

SECTION 2

TERM AND RENT

(a) The term of this Lease (the "Term") shall commence on December 6, 1996 (the "Commencement Date"), and shall expire on November 1, 2006 (the "Expiration Date"). If the Term has been extended as provided in subparagraph (b), below, the Expiration Date shall be the last day of the Term as so extended.

(b) Lessee shall have the option, if Lessee is not at the time in default under this Agreement, to extend the Term of this Agreement for up to two (2) successive periods of five (5) years each (the "Extended Terms"), and, except as set forth in subparagraph (c), below, on the same terms, covenants and conditions herein contained. The word "Term" as used in this Agreement shall be deemed to include the Extended Terms when and if the Agreement is extended. Each

option to extend the Term shall be exercised only by Lessee's delivery to Lessor by United States mail on or before ninety (90) days prior to the commencement of the renewal term of written notice of Lessee's election to extend as provided herein.

(c) Lessee agrees to pay rent to Lessor from the Commencement Date through the Expiration Date, or such earlier date as this Agreement is terminated as provided herein, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting, or to such other person or place as Lessor may designate from time to time by notice to Lessee, in the following amounts and in the following manner:

(i) During the first year beginning with the Commencement Date Lessee shall pay a base rent of $133,200 per annum, in equal monthly installments of $11,100 (the "Base Rent") in advance on the first day of each month; and thereafter on each and every Adjustment Date (hereinafter defined) the monthly rent shall be computed according to subparagraph (ii) below.

(ii) The term "Adjustment Date" shall mean the first (1st) day of February following the Commencement Date and each subsequent anniversary of such date this Agreement remains in effect. During the one (1) year period beginning with each Adjustment Date, the monthly rent payable by Lessee shall reflect an adjustment, as herein provided, for the change, if any, from the year in which the Commencement Date falls, in the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles area [Base Year 1982-84=100] ("CPI") as measured in February and published by the United States Department of Labor, Bureau of Labor Statistics; i.e., during the one (1) year period beginning with the Adjustment Date, the monthly rent shall be the product obtained by multiplying the Base Rent times a fraction, the numerator of which shall be the CPI for February of the year such Adjustment Date falls and the denominator of which shall be the CPI for February of the year in which the Commencement Date falls. Notwithstanding the results of the foregoing calculation, the amount payable by Lessee hereunder shall not in any event be less than the rental paid during the immediately preceding one (1) year period. In the event that the Bureau of Labor Statistics shall change the base period for the CPI, the new index number shall be substituted for the old index number in making the above computation. In the event the Bureau of Labor Statistics ceases publishing the CPI, or materially changes the method of its computation, Lessor and Lessee shall accept comparable statistics on the purchasing power of the consumer dollar as published at the time of said discontinuation or change by a responsible financial periodical of recognized authority to be chosen by Lessor subject to reasonable consent of Lessee.

(d) Rent and all other sums payable to Lessor hereunder shall be paid without notice, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. Except as expressly provided herein, Lessee waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Agreement

or the Real Property or any part thereof, or to any abatement, suspension, deferment, diminution or reduction of rent or any other sum payable by Lessee hereunder.

SECTION 3

CHARGES AND UTILITIES

(a) Lessee, at its sole expense, shall keep the Real Property and the adjoining streets and ways in good and clean order and condition and will promptly make all necessary or appropriate repairs, replacements and renewals thereof, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. Lessee waives any right created by any law now or hereafter in force to make repairs to the Real Property at Lessor's expense. Lessee, at its sole expense, shall do or cause others to do every act necessary or appropriate for the preservation and safety of the Real Property whether or not the Lessor shall be required by any legal requirement to take such action or be liable for failure to do so.

(b) If not at the time in default under this Agreement, Lessee, at its sole expense, may make reasonable alterations of and additions to the Improvements or any part thereof, provided that any alteration or addition (i) shall not change the general character of the Improvements, or reduce the fair market value thereof below their value immediately before such alteration or addition, or impair their usefulness, (ii) is effected with due diligence, in a good and workmanlike manner and in compliance with all legal requirements and insurance requirements, (iii) is promptly and fully paid for by Lessee, (iv) is made, in case the estimated cost of such alteration or addition exceeds Ten Thousand Dollars ($10,000), under the supervision of an architect or engineer satisfactory to Lessor and in accordance with plans, specifications and cost

estimates approved by Lessor, and (v) does not interfere with Lessor's rights of use under this Agreement.

(c) Subject to subparagraph (d), below, relating to contests, Lessee shall pay all taxes, assessments (including without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term hereof), ground rents, water, sewer or similar rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges in each case, whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character (including all interest and penalties thereof), which at any time during or in respect of the Term hereof may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon the Real Property or any part thereof or any rent therefrom or any estate, right or interest therein, or any occupancy, use or possession of or activity conducted on the Real Property or any part thereof, other than any income or excess profits tax imposed upon the Lessor's general income or revenues, but excluding any income or excess profits or franchise taxes of Lessor determined on the basis of general income or revenue or any interest or penalties in respect thereof. Lessee shall furnish to Lessor for inspection within thirty (30) days after written request, official receipts of the appropriate taxing authority or other proof satisfactory to Lessor evidencing such payment. If by law any such amount may be paid in installments, Lessee shall be obligated to pay only those installments as they become due from time to time before any

interest, penalty, fine or cost may be added thereto; and any such amount relating to the fiscal period of the taxing authority, part of which is included within the Term and a part of which extends beyond the Term shall, if Lessee shall not be in default under this Agreement, be apportioned between Lessee and Lessor as of the expiration of the Term of this Agreement.

(d) Lessee, at its sole expense, may contest, after prior written notice to Lessor, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any tax, lien or other imposition on the Real Property, provided that (i) Lessee shall first make all contested payments, under protest if it desires, (ii) neither the Real Property nor any part thereof or interest therein nor any such rents or other sums would be in any danger of being sold, forfeited, lost or interfered with, and (iii) Lessee shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by Lessor.

(e) Lessee shall pay or cause to be paid all charges for all public or private utility services and all sprinkler systems and protective services at any time rendered to or in connection with the Real Property or any part thereof, will comply with all contracts relating to any such services, and will do all other things required for the maintenance and continuance of all such services.

SECTION 4

INSURANCE AND INDEMNIFICATION

(a) Lessee shall, at its sole cost and expense, during the Term hereof, obtain or provide and keep in full force for the benefit of Lessor, as an additional named insured (i) general public liability insurance, insuring Lessor against any and all liability or claims or liability arising out of, occasioned by or resulting from any accident or other occurrence in or about the Real Property arising out of any act or omission of Lessee or any officer, employee, agent or contractor of Lessee, for injuries to any person or persons, with limits of not less than Three Million Dollars ($3,000,000.00) for injuries to one person, Five Million Dollars ($5,000,000.00) for injuries to more than one person, in any one accident or occurrence, and for loss or damage to the property of any person or persons, for not less than Five Million Dollars ($5,000,000.00); (ii) insurance with respect to the Improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least One Hundred Percent (100%) of the full replacement value of the Improvements and, in any event, in an amount sufficient to prevent Lessor or Lessee from becoming a co-insurer of any partial loss under the applicable policies, which shall be written on a replacement cost basis; (iii) appropriate workers' compensation or other insurance against liability arising from claims of workers in respect of and during the period of any work on or about the Real Property; and (iv) insurance against such other hazards and in such amounts as is customarily carried by owners and operators of similar properties, and as Lessor may reasonably require for its protection. Lessee shall comply with such other requirements as Lessor, or any mortgagee, may from time to time reasonably request for the protection by insurance of their respective interests. The policy or policies of insurance maintained by Lessee pursuant to this Paragraph

shall be of a company or companies

authorized to do business in Ohio and a certificate thereof shall be delivered to Lessor, together with evidence of the payment of the premiums therefor, not less than fifteen (15) days prior to the commencement of the Term hereof or of the date when Lessee shall enter upon the Leased Premises, whichever occurs sooner. At least fifteen (15) days prior to the expiration or termination date of any policy, Lessee shall deliver a certificate of a renewal or replacement policy with proof of the payment of the premium therefor. Any such insurance required by this Paragraph may, at Lessee's option, be provided through a blanket policy or policies.

(b) Lessee shall indemnify Lessor and hold Lessor harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessor, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessee, (ii) any negligent or intentional act or omission of Lessee, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessee of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessee on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessee pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessee's request or this Agreement; provided, however, that Lessee shall not be required to indemnify Lessor for any damages, injury, loss or expense arising out of Lessor's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(c) If Lessor so elects by notice to Lessee, Lessee shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessee and approved by Lessor (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessor may assume, or require that such defense be assumed, by Lessor and counsel selected by Lessor, at the cost and expense of Lessee if Lessor is for any reason dissatisfied with the defense by Lessee, or believes that its interests would be better served thereby. In any case where Lessee is defending any such claim, Lessor may participate in the defense thereof by counsel selected by it, but at Lessor's expense. Lessee shall not enter into any settlement of any claim without the consent of Lessor, which consent shall not be unreasonably withheld.

(d) Lessor shall indemnify Lessee and hold Lessee harmless from and against all claims, actions, losses, damages, liabilities and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessee, whether during or after the Term of this Agreement, including by reason of personal injury, loss of life, or damage to property, caused by or resulting from in whole or any material part, (i) any breach of this Agreement by Lessor, (ii) any negligent or intentional act or omission of Lessor, its employees, agents, invitees or contractors, whether in, on, about or with respect to the Leased Premises or otherwise, (iii) the use by Lessor of any part of the Leased Premises, (iv) any work undertaken by or at the request of Lessor on or about the Leased Premises, (v) any other activity undertaken by or at the request of Lessor pursuant to or in connection with this Agreement, or (vi) the presence of any individuals on the Leased Premises as a result of Lessor's request or this Agreement; provided, however, that Lessor shall not be required to indemnify Lessee for any damages, injury, loss or expense arising out of Lessee's or its agents', employees', invitees' or contractors' negligent acts or omissions.

(e) If Lessee so elects by notice to Lessor, Lessor shall have the obligation of defending, at its sole cost and expense, by counsel selected by Lessor and approved by Lessee (such approval not to be unreasonably withheld), against any claim to which the foregoing indemnity may apply. Lessee may assume, or require that such defense be assumed, by Lessee and counsel selected by Lessee, at the cost and expense of Lessor if Lessee is for any reason dissatisfied with the defense by Lessor, or believes that its interests would be better served thereby. In any case where Lessor is defending any such claim, Lessee may participate in the defense thereof by counsel selected by it, but at Lessee's expense. Lessor shall not enter into any settlement of any claim without the consent of Lessee, which consent shall not be unreasonably withheld.

(f) Nothing in this Agreement shall be construed so as to authorize or permit any insurer of Lessor or Lessee to be subrogated to any right of Lessor or Lessee against the other. Each of Lessor and Lessee hereby releases the other to the extent of its insurance coverage for any loss or damage caused by fire or any of the extended coverage casualties, even if such fire or other casualty shall be brought about by the fault or negligence of the other party or persons for whose acts said party is liable.

SECTION 5

REPRESENTATIONS, WARRANTIES AND OTHER OBLIGATIONS

(a) Lessor represents and warrants that:

(i) The execution and performance of this Agreement shall not constitute a breach or violation under any Agreement to which Lessor is a party.

(ii) To the best of Lessor's knowledge, there are no violations of any federal, state, county or municipal law, ordinance, order, regulations or requirement with respect to the Leased Premises, and as of the date of this Agreement, no notice of any kind relating thereto (which would adversely affect the transactions contemplated by this Agreement) has been issued by public authorities having jurisdiction over the Leased Premises.

(iii) No person or party other than Lessor has a right to use the Leased Premises for any purpose which would affect Lessee's right to use the Leased Premises as contemplated hereunder.

(iv) Lessor has not received written notice of pending or contemplated condemnation proceedings affecting the Leased Premises or any part thereof.

(v) To the best of Lessor's knowledge, there is no action, suit or proceeding pending or threatened against or affecting the Leased Premises or any portion thereof and Lessor has not received notice written or otherwise of any litigation affecting or concerning the Leased Premises relating to or arising out of its ownership, management, use or operation. Lessor shall give to Lessee prompt notice of institution of any such proceeding or litigation.

(vi) To the best of Lessor's knowledge, there are presently no proceedings for

overdue real estate taxes assessed against the Leased Premises for any fiscal period.

(vii) Lessor shall promptly advise Lessee in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or to the maintenance, operation or use thereof.

(viii) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessor (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessor, enforceable in accordance with its terms.

(ix) Subject to liens and encumbrances of record, Lessor owns good and marketable title in fee simple to the Real Property on which the Leased Premises are located, and Lessor acknowledges that Lessee is relying upon the foregoing representation and warranty in entering into this Agreement and in expending moneys in connection herewith. Lessor shall not encumber or permit any encumbrances, liens or restrictions on Lessee's Installations, except with the prior written approval of Lessee.

(b) Each party shall comply in all material respects with all local, state and federal laws, statutes, ordinances, rules, regulations, orders and decrees that it knows to be applicable in connection with its activities and operations at the Leased Premises, and Lessor shall require the same representation and warranty from all additional users of the facilities at the Leased Premises.

(c) The parties agree that, during the Term of this Agreement neither party shall intentionally do anything at the Leased Premises which will interfere with or adversely affect the operations of the other party.

(d) In the event that during the Term of this Agreement there shall be an actual condemnation or foreclosure and taking of all of the Leased Premises, or a portion thereof such that it renders the premises unsuitable for broadcasting, this Agreement may be terminated by written notice from either party to the other and thereafter each of the parties shall be relieved of any future liability to the other under this Agreement, except as to obligations accrued and not yet discharged at the date of termination. Following any condemnation or foreclosing order, Lessee may continue to use the property for operations under the terms of this Agreement until Lessee finds and begins to utilize new facilities or until prevented by the condemning or foreclosing authority from utilizing the Leased Premises, whichever occurs first.

(e) Lessee represents and warrants that its Installations to be located on or about the Leased Premises, together with the existence of the equipment of Lessor, and the operation thereof do not and will not result in exposure of workers or the general public to levels of radio frequency radiation in excess of the "Radio Frequency Protection Guides" recommended in "American National Standard Safety Levels With Respect to Human Exposure to Radio

Frequency Electromagnetic Fields, 300 KHz to 100 GHz," issued by the American

National Standards Institute ("Acceptable Radio Frequency Radiation Standards").

(f) Lessee covenants that it will not at any time during the Term of this Agreement, transmit, store, handle or dump toxic or hazardous wastes anywhere at or around the Leased Premises.

(g) Lessee shall promptly advise Lessor in writing of any written notice received from any governmental authority to comply with the terms, provisions and requirements of any local, state and federal laws, ordinances, directives, orders, regulations, and requirements which apply to any portion of the Leased Premises or to any adjacent street or other public area or the maintenance, operation or use thereof.

(h) Lessee represents and warrants that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary actions on the part of Lessee (none of which actions have been modified or rescinded and all of which actions are in full force and effect). This Agreement constitutes a valid and binding agreement and obligation of Lessee, enforceable in accordance with its terms.

(i) Lessee warrants unto Lessor that the Improvements (including the radio tower(s) located on the Real Property) are and will remain in material compliance at all times during the Term and any Extension Term with all federal, state, county, municipal, local, administrative and other governmental laws, statutes, ordinances, codes, rules, regulations and orders pertaining thereto, including, without limitation, to the extent applicable, all zoning laws and building codes and all regulations of the Federal Aviation Administration ("FAA") and the Federal Communications Commission ("FCC").

(j) In case of any material damage to or destruction of the Real Property or any part thereof, Lessee shall promptly give written notice thereof to Lessor and any mortgagee, generally describing the nature and extent of such damage or destruction. In case of any damage to or destruction of the Improvements or any parts thereof, Lessee, whether or not the insurance proceeds, if any, on account of such damage or destruction shall be sufficient for the purpose, at its sole expense, shall promptly commence and complete the restoration, replacement or rebuilding of the Improvements as nearly as possible to their value, condition and character immediately prior to such damage or destruction.

(k) Lessee will execute, acknowledge and deliver to the Lessor, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) no notice has been received by Lessee of any default which has not been cured, except as to defaults specified in said certificate. Any such certificate may be relied upon by any prospective purchaser or mortgagee of the Real Property or any part thereof.

(l) Lessor will execute, acknowledge and deliver to the Lessee or any mortgagee, promptly upon request, a certificate certifying that (i) this Agreement is unmodified and in full force and effect (or, if there have been modifications, that the Agreement is in full force and effect, as modified, and stating the modifications), (ii) the dates, if any, to which rent and other sums payable hereunder have been paid, and (iii) whether or not, to the knowledge of Lessor, there are then existing any defaults under this Agreement (and if so, specifying the same). Any such certificate may be relied upon by any prospective purchaser transferee or mortgagee of Lessee's interest under this Agreement.

SECTION 6

EVENTS OF DEFAULT

(a) Any of the following events shall constitute a default on the part of Lessee:

(i) The failure of Lessee to pay rent or additional rent, and continuation of such failure for more than ten (10) days after Lessee's receipt of written notice thereof from Lessor; provided, however, that Lessor shall not be required to provide such written notice to Lessee more than twice in any twelve (12) month period prior to declaring such failure to pay an event of default; or

(ii) The failure of Lessee to cure any other default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessor, provided, however, that if the nature of Lessee's default is such that more than thirty (30) days is required for its cure, then Lessee shall not be deemed to be in default if Lessee has commenced such cure

within the thirty (30) day period, demonstrates to Lessor's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion; or

(iii) Lessee is finally and without further right of appeal or review, adjudicated a bankrupt or insolvent, or has a receiver appointed for all or substantially all of its business or assets on the ground of its insolvency, or has a trustee appointed for it after a petition has been filed for Lessee's reorganization under the Bankruptcy Act of the United States, or any future law of the United States having the same general purpose, or if Lessee shall make an assignment for the benefit of its creditors, or if Lessee's interest hereunder shall be levied upon or attached, which levy or attachment shall not be removed within twenty (20) days from the date thereof.

(b) If an event of default on the part of Lessee shall occur at any time, Lessor, at its election, may give Lessee a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessee has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, but Lessee shall remain liable for the payment of rent during the full period which would otherwise constitute the balance of the Term of this Agreement; and without

prejudice to any other right or remedy which it may have hereunder or by law, and notwithstanding any waiver of any prior breach of condition or event of default hereunder, Lessor may re-enter the Leased Premises either by reasonable force or otherwise, or dispossess Lessee, any legal representative of Lessee or other occupant of the Leased Premises by appropriate suit, action or proceeding and remove its effects and hold the Leased Premises as if this Agreement had not been made.

(c) The failure of Lessor to cure any default under the terms hereof, and continuation of such failure to cure for more than thirty (30) days after notice by Lessee, shall constitute a default on the part of Lessor; provided, however, that if the nature of Lessor's default is such that more than thirty (30) days is required for its cure, then Lessor shall not be deemed to be in default if Lessor has commenced such cure within the thirty (30) day period, demonstrates to Lessee's reasonable satisfaction that such default is curable and thereafter diligently prosecutes such cure to completion.

(d) If an event of default on the part of Lessor shall occur at any time, Lessee, at its election, may give Lessor a notice of termination specifying a day not less than thirty (30) days thereafter on which the Term of this Agreement shall end, unless such default shall be cured within said period, or, if the default is such that more than thirty (30) days is required for its cure, unless Lessor has commenced such cure within said period. If such notice is given, the Agreement shall expire on the day so specified as fully and completely as if that day were the day herein originally fixed for such expiration, and Lessee shall then quit and surrender the Leased Premises to Lessor, and Lessee shall not be liable for payment of rent for any period after such expiration.

SECTION 7

ASSIGNMENT

Lessee shall not assign this Agreement nor sublet any portion of the Leased Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. Notwithstanding any assignment or sublease, Lessee shall remain primarily liable under this Agreement.

SECTION 8

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT

This Agreement shall not be a lien against the Leased Premises in respect to any mortgages and security agreements placed or hereafter to be placed by Lessor upon the Leased Premises. The recording of such mortgages and security agreements shall have preference and precedence and be superior and prior in lien to this Agreement, irrespective of the date of recording, and Lessee agrees to execute any instruments, without cost, which may be deemed necessary or desirable to further effect the subordination of this Agreement. Lessor shall make a reasonable effort to obtain from any mortgagees or lenders holding an interest in the nature of a mortgage in the Leased Premises an agreement that

the mortgagee or lender shall not disturb

Lessee's quiet possession in the event of foreclosure. If any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Lessor encumbering the Leased Premises, Lessee shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

SECTION 9

NON-LIABILITY OF LESSOR

Lessor shall not be liable for any damages or injury which may be sustained by Lessee or any other person by reason of the failure, breakage, leakage or obstruction of the water, sewer, plumbing, roof, drains, leaders, electrical, air conditioning or any other equipment; or by reason of the elements; or resulting from the carelessness, negligence or improper conduct of Lessee, its agents, employees, contractors, invitees, assignees or successors; or attributable to any interference with or the interruption of or failure of any services, beyond the control of Lessor, to be supplied by Lessor.

SECTION 10

QUIET ENJOYMENT

(a) Lessor agrees that it shall not enforce any unreasonable rules or regulations which would unduly prejudice the conduct of Lessee's business, or which would prevent full and free access to the Leased Premises by Lessee, as herein provided.

(b) Lessor reserves and shall at all times have the right to re-enter the Real Property to inspect the same, to supply any service to be provided by Lessor to Lessee hereunder, and to show the Real Property to prospective purchasers, mortgagees, or lessees, to post notices of non-responsibility, without abatement of rent, provided entrance to the Real Property shall not be denied Lessee.

SECTION 11

SALE OF LEASED PREMISES BY LESSOR

Notwithstanding any of the provisions of this Lease, Lessor (a) may assign, in whole or in part, Lessor's interest in this Lease and (b) may sell all or part of the Real Property. In the event of any sale or exchange of the Leased Premises by Lessor and assignment by Lessor of this Lease, Lessor shall be and is hereby relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Leased Premises occurring after the consummation of such sale or exchange and assignment, but only upon the condition that, as part of such sale or exchange, Lessor will cause the grantee to agree in writing to assume to carry out any and all of the covenants and obligations of Lessor under this Lease occurring after the consummation of Lessor's assignment of its interest in and to this Lease.

SECTION 12

BROKERAGE

The parties acknowledge and agree that this Agreement has not been brought about as a result of the services of any real estate broker, firm or corporation, and each indemnifies and saves the other harmless from any and all claims from any person(s) claiming to have rendered real estate services in connection with this Agreement.

SECTION 13

SURRENDER OF PREMISES

Upon the expiration of the Term hereof, Lessee shall surrender the Leased Premises, and, at Lessor's option, all interest of the Lessee in and to the Improvements (including the radio towers located on the Land), to Lessor in good

order and condition, reasonable wear and tear excepted. Any equipment, fixtures, goods or other property of Lessee not removed within ten (10) days after any quitting, vacating or abandonment of the Leased Premises, or upon Lessee's eviction therefrom, shall be considered abandoned, and Lessor shall have the right, without notice to Lessee, to sell or otherwise dispose of same without having to account to Lessee for any part of the proceeds of such sale.

SECTION 14

NOTICES

All notices, demands, and requests required or permitted to be given hereunder shall be in writing and sent certified mail, return receipt requested, and if to Lessor, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Edward G. Atsinger III, and if Lessee, at 4880 Santa Rosa Road, Suite 300, Camarillo, CA 93012, Attn: Accounting. Either party hereto may change the place for notice to it by sending like written notice to the other party hereto.

SECTION 15

BINDING NATURE

The provisions of this Agreement shall apply to, bind and inure to the benefit of Lessor and Lessee, their respective successors, legal representatives or assigns. The terms of this Agreement and any disputes arising therefrom, shall be governed by the laws of the State of Texas.

SECTION 16

ENTIRE AGREEMENT

This Agreement contains the entire understanding and agreement between the parties. No representative, agent or employee of Lessor has been authorized to make any representations or promises with reference to the within agreement or to vary, alter or modify the terms hereof. No additions, changes or modifications shall be binding unless reduced to writing and signed by the parties.

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

LESSOR:	LESSEE
	COMMON GROUND BROADCASTING, INC.
/s/ Edward G. Atsinger, III	/s/ Eric H. Halvorson
EDWARD G. ATSINGER, III	ERIC H. HALVORSON Vice-President
/s/ Stuart W. Epperson	
STUART W. EPPERSON	

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<SEQUENCE>86
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<TEXT>

EXHIBIT 10.07.02

AMENDMENT TO TOWER PURCHASE AGREEMENT

This Amendment to the Tower Purchase Agreement ("Amendment") is made this 10th day of November, 1997 by and between SALEM COMMUNICATIONS CORPORATION ("Seller"), and SONSINGER BROADCASTING COMPANY OF HOUSTON, LP. ("Buyer").

WHEREAS Buyer and Seller entered into that certain Tower Purchase Agreement dated the 22nd day of August, 1997 (the "Agreement");

WHEREAS Seller and Buyer desire to modify the terms of the Agreement as set

forth herein;

WHEREAS each capitalized term not otherwise defined herein shall have the meaning ascribed to said term by the Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein, Seller and Buyer hereby agree as follows:

1. Section 2.4 of the Agreement shall be deleted in its entirety and replaced with the following language: "PAYMENT OF THE PURCHASE PRICE. In lieu of a cash payment at closing, Buyer shall execute a promissory note ("Note") for the Purchase Price, substantially in the form of Exhibit "A" hereto."

2. Section 5.1 of the Agreement shall be deleted in its entirety and replaced with the following language: "TIME. The closing (the "Closing") shall take place on or before December 25, 1997."

3. Section 5.2 and Section 5.3 of the Agreement shall be modified to provide that each party shall execute and deliver to the other the Note, substantially in the form of Exhibit "A" hereto.

4. Except as expressly provided herein, the terms of the Agreement shall remain in full force and effect and shall remain unmodified.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed as of the date first written above.

SONSINGER BROADCASTING COMPANY OF HOUSTON, LP.	SALEM COMMUNICATIONS CORPORATION
By: Sonsinger Management, Inc., Its General Partner	
By: /s/ Eric H. Halvorson	By: /s/ Eric H. Halvorson
Eric H. Halvorson Vice President	Eric H. Halvorson Executive Vice President

EXHIBIT "A"

PRINCIPAL AMOUNT: REVOLVING DATE: -
INTEREST RATE: AFR

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, SONSINGER BROADCASTING COMPANY OF HOUSTON, L.P. ("Maker") and SALEM COMMUNICATIONS CORPORATION ("Payee") agree as follows:

1. Payee agrees to lend to Maker, from time to time, at the discretion of Payee, such amounts as requested by Maker. Maker promises to pay to Payee at 4880 Santa Rosa Road, Suite 300, Camarillo, California, or at such other place as Payee shall direct, the amounts borrowed by Maker pursuant to this paragraph. Interest shall accrue on the unpaid principal amount due hereunder at the applicable federal rate for short term loans as published monthly by the United States Internal Revenue Service (the "Interest Rate"). On or before _______________, Maker shall make a payment to Payee of the unpaid principal amount of this Note, together with all interest accrued thereon and owing Payee hereunder.

2. The unpaid principal amount of this Note, together with all interest accrued thereon shall, at the option of Payee, become immediately due and payable in case any one of the following events occur (an "Event of Default"):

2.1. Maker shall commence any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, composition, arrangement, readjustment of debt, dissolution, liquidation of relief or debtors.

2.2. Maker shall commence any case, proceeding or other action seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets; or (ii) Maker shall make a general assignment for the benefit of its creditors; or (iii) there shall be commenced against Maker any case, proceeding or other action of a nature referred to in clause (i), above, which (A) results in an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unhanded for a period of sixty (60) days; or (iv) there shall be commenced against Maker any case, proceeding or other action seeking issuance of a warrant

of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order or any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (b) Maker shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii) or (iv) above; or (vi) Maker shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vii) Maker shall conceal, remove, or permit to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or make or suffer a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar

law, or shall make any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings which is not vacated within sixty (60) days from the date thereof.

3. No delay or omission on the part of Payee in exercising any right or option herein given to it shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder.

4. Maker waives presentment, demand, notice of dishonor and protest and consents to any and all extensions and renewals hereof without notice.

5. This instrument shall be construed in accordance with the laws of the State of California.

6. This instrument may be prepaid in whole or in part at any time without penalty.

7. Maker, its directors, officers, employees, members, and agents will have no personal liability for any deficiency under this instrument.

8. In the event a suit or action is filed to enforce this Note or with respect to this Note, the prevailing party shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorneys' fees at the trial level and on appeal.

IN WITNESS WHEREOF, the parties have executed this instrument as of this _____ day of ________________, 1997.

PAYEE:	MAKER:
SALEM COMMUNICATIONS CORPORATION	SONSINGER BROADCASTING COMPANY OF HOUSTON, L.P.
	BY SONSINGER MANAGEMENT, INC. ITS GENERAL PARTNER
- ---------------------------------	---------------------------------
Eric H. Halvorson Vice President	Eric H. Halvorson Vice President

</TEXT>
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<TYPE>EX-10.07.03
<SEQUENCE>87
<DESCRIPTION>PROMISSORY NOTES DATED 11/11/97
<TEXT>

EXHIBIT 10.07.03

Principal Amount: Revolving — Date: November 11, 1997
Interest Rate: AFR

PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, SONSINGER BROADCASTING COMPANY OF HOUSTON, L.P. ("Maker") and SALEM COMMUNICATIONS CORPORATION ("Payee") agree as follows:

1. Payee agrees to lend to Maker, from time to time, at the discretion of Payee, such amounts as requested by Maker. Maker promises to pay to Payee at 4880 Santa Rosa Road, Suite 300, Camarillo, California, or at such other place as Payee shall direct, the amounts borrowed by Maker pursuant to this paragraph. Interest shall accrue on the unpaid principal amount due hereunder at the applicable federal rate for short term loans as published monthly by the United States Internal Revenue Service (the "Interest Rate"). On or before NOVEMBER 10, 1998, Maker shall make a payment to Payee of the unpaid principal amount of this

Note, together with all interest accrued thereon and owing Payee hereunder.

2. The unpaid principal amount of this Note, together with all interest accrued thereon shall, at the option of Payee, become immediately due and payable in case any one of the following events occur (an "Event of Default"):

2.1. Maker shall commence any case, proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, composition, arrangement, readjustment of debt, dissolution, liquidation of relief or debtors.

2.2. Maker shall commence any case, proceeding or other action seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets; or (ii) Maker shall make a general assignment for the benefit of its creditors; or (iii) there shall be commenced against Maker any case, proceeding or other action of a nature referred to in clause (i), above, which (A) results in an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unhanded for a period of sixty (60) days; or (iv) there shall be commenced against Maker any case, proceeding or other action seeking issuance of a warrant of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order or any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (b) Maker shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii) or (iv) above; or (vi) Maker shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vii) Maker shall conceal, remove, or permit to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or make or suffer a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law, or shall make any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or

permit, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings which is not vacated within sixty (60) days from the date thereof.

3. No delay or omission on the part of Payee in exercising any right or option herein given to it shall impair such right or option or be considered as a waiver thereof or acquiescence in any default hereunder.

4. Maker waives presentment, demand, notice of dishonor and protest and consents to any and all extensions and renewals hereof without notice.

5. This instrument shall be construed in accordance with the laws of the State of California.

6. This instrument may be prepaid in whole or in part at any time without penalty.

7. Maker, its directors, officers, employees, members, and agents will have no personal liability for any deficiency under this instrument.

8. In the event a suit or action is filed to enforce this Note or with respect to this Note, the prevailing party shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorneys' fees at the trial level and on appeal.

IN WITNESS WHEREOF, the parties have executed this instrument as of this 11th day of November, 1997.

PAYEE:	MAKER:
SALEM COMMUNICATIONS CORPORATION	SONSINGER BROADCASTING COMPANY OF HOUSTON, L.P.
	BY SONSINGER MANAGEMENT, INC. ITS GENERAL PARTNER
/s/ Eric H. Halvorson	/s/ Eric H. Halvorson
Eric H. Halvorson Vice President	Eric H. Halvorson Vice President

</TEXT>
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<TYPE>EX-10.08.01
<SEQUENCE>88
<DESCRIPTION>LOCAL PROGRAMMING AND MARKETING AGREEMENT
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EXHIBIT 10.08.01

LOCAL PROGRAMMING AND MARKETING AGREEMENT

This Local Programming and Marketing Agreement (the "Agreement"), dated as of June 13, 1997, is entered into by and between SONSINGER, INC. (the "Licensee"), the licensee of radio station KKOL(AM), Seattle, Washington (the "Station"), pursuant to authorizations issued by the Federal Communications Commission (the "FCC"), and INSPIRATION MEDIA, INC. (the "Programmer").

WHEREAS, the Licensee has available broadcasting time and is engaged in the business of radio broadcasting on the Station; and

WHEREAS, the Programmer desires to avail itself of Station's broadcast time for the presentation of a programming service, including the sale of program and advertising time, in accordance with procedures and policies approved by the FCC;

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto have agreed and do agree as follows:

1. PURCHASE OF AIR TIME AND BROADCAST OF THE PROGRAMMING. The Licensee agrees to make the broadcasting transmission facilities of the Station available to the Programmer and to broadcast on the Station, or cause to be broadcast, the Programmer's programs for up to 24 hours a day, seven days a week (the "Programming"). The studio facilities and the transmitting equipment of the Licensee relating to the Station, including any equipment owned by the Licensee not currently in service, shall be made available to the Programmer for its use during the term of this Agreement.

2. CONSIDERATION. The terms and conditions of payment to the Licensee for the broadcasting of the Programming during the term of this Agreement shall be as set forth in Schedule 2.

3. TERM. This Agreement shall commence at 12:00:01 a.m. on June 13, 1997 ("Commencement Date"). Unless earlier terminated as provided by this Agreement, the term of this Agreement shall terminate on the tenth (10th) anniversary of the Commencement Date; provided that either party hereto may terminate this Agreement on thirty (30) days written notice. In the event that either party receives formal or informal notice from the FCC that this Agreement or any of its terms is contrary to the public interest or violates any FCC statute, regulation, rule or policy, either party shall have the right to terminate this Agreement immediately by written notice to the other party.

4. STATION FACILITIES.

4.1 OPERATION OF STATION. Throughout the term of this Agreement, the Licensee shall make the Station available to the Programmer for operation with the maximum authorized facilities, as defined below, for up to 24 hours a day, seven days a week, except for downtime occasioned by routine maintenance which will be performed between the hours of 12

midnight and 6:00 a.m. Any maintenance work affecting the operation of the Station at full power shall be scheduled upon at least 48 hours prior notice with the agreement of the Programmer, such agreement not to be unreasonably withheld. For purposes of this Agreement, the term "maximum authorized facilities" is used with reference to the Station's signal as of the date of commencement of this Agreement.

4.2 INTERRUPTION OF NORMAL OPERATIONS. If the Station suffers loss or damage of any nature to its transmission facilities which results in the interruption of service or the inability of the Station to operate with its maximum authorized facilities, the Licensee shall immediately notify the Programmer, and shall undertake such repairs as necessary to restore the full-time operation of the Station with its maximum authorized facilities as quickly as reasonably practicable, but in no event more than seven (7) days from the occurrence of such loss or damage.

5. HANDLING OF MAIL. The Programmer shall provide to the Licensee the original or a copy of any correspondence which it receives from a member of the public relating to the Programming to enable the Licensee to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file (which shall at all times remain the responsibility of the

Licensee).

6. PROGRAMMING AND OPERATIONS STANDARDS. All programs supplied by the Programmer shall be in good taste and shall meet in all material respects all requirements of the Communications Act of 1934 and all applicable rules, regulations and policies of the FCC and the policies of the Station. All advertising spots and promotional material or announcements shall comply with all applicable federal, state and local regulations and Station policies. If, in the judgment of the Licensee or the Station's General Manager, any portion of the Programming presented by the Programmer does not meet such standards, the Licensee may suspend or cancel any such portion of the Programming.

7. RESPONSIBILITY FOR EMPLOYEES AND RELATED EXPENSES.

7.1 PROGRAMMER EMPLOYEES. The Programmer shall furnish or cause to be furnished the personnel and material for the production of the Programming to be provided by this Agreement. The Programmer shall not pay or reimburse the salaries or other costs associated with any employees of Station that Licensee may be required to employ or may elect to employ on or after the date of commencement of this Agreement.

7.2 LICENSEE EMPLOYEES. The Licensee will provide and have responsibility for the Station personnel necessary for the broadcast transmission of Programmer's programs and compliance with other requirements of the Licensee as set forth by the FCC and will be responsible for the salaries, taxes, insurance and related costs for all such Station personnel.

8. OPERATION OF THE STATION.

8.1 VERIFICATION OF LICENSEE CONTROL AND RIGHTS OF LICENSEE. Notwithstanding anything to the contrary in this Agreement, the Licensee shall have full authority and power over the operation of the Station during the period of this Agreement. The Licensee

shall retain control over the polices, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements which the Licensee deems unsuitable or contrary to the public interest; the right to preempt any programs in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest; and the right to take any other actions necessary for compliance with the laws of the United States, the rules, regulations, and policies of the FCC (including the prohibition on unauthorized transfers of control), and the rules, regulations and policies of other federal, state or local governmental authorities, including the Federal Trade Commission and the Department of Justice. The Licensee agrees that it shall carry its own public service programming at such times as the parties may agree based on the reasonable programming needs of the Programmer. With respect to the operation of the Station, the Licensee shall at all times be solely responsible for meeting all of the FCC's requirements with respect to the broadcast and nature of any public service programming, for maintaining the political and public inspection files and the Station log, and for the preparation of all programs/issues lists. The Licensee expressly acknowledges that its duty to maintain the Station's public inspection file is non-delegable and that Licensee retains sole responsibility for maintenance of such file. The Licensee verifies that it shall maintain the ultimate control over the Station's facilities, including specifically control over the finances with respect to its operation of the Station, over the personnel operating the Station, and over the programming to be broadcast by the Station.

8.2. VERIFICATION BY PROGRAMMER AND OBLIGATIONS OF PROGRAMMER. The Programmer will, during the term of this Agreement, provide local news and public affairs programming relevant to the Station's community to assist Licensee in satisfying its obligations to respond to the needs of its community. Programmer will also forward to Licensee within twenty-four (24) hours of receipt by Programmer, any letter from a member of the general public addressing Station programming or documentation which comes into its custody which is required to be included in the Station's public file or which is reasonably requested by Licensee. The Programmer shall furnish within the Programming on behalf of the Licensee all Station Identification Announcements required by the FCC rules, and shall, upon request by the Licensee, provide monthly documentation with respect to such of the Programmer's programs which are responsive to the public needs and interests of the area served by the Station in order to assist the Licensee in the preparation of any required programming reports, and will provide upon request other information to enable the Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies.

9. PAYOLA. The Programmer will provide to the Station in advance of broadcast any information known to the Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to the Licensee by the Programmer for broadcast on the Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Should the Station determine that an announcement is required by Section 317 of the Communications Act of 1934 and related FCC rules, the Programmer will insert that announcement in the Programming. The Programmer will obtain from its employees responsible for the Programming appropriate anti-payola/plugola affidavits. Commercial matter with obvious sponsorship identification will not require disclosure beyond the sponsorship identification

contained in the commercial copy. The Programmer will at all times comply, and seek to have its employees comply, in all material respects with the requirements of Sections 317 and 507 of the Communications Act of 1934, as amended, and the related rules and regulations of the FCC.

10. COMPLIANCE WITH LAW. The Programmer will comply in all material respects with all laws and regulations applicable to the broadcast of programming by the Station.

11. INDEMNIFICATION: RIGHTS OF THE LICENSEE. The Programmer will indemnify and hold the Licensee, its officers, directors, stockholders, partners and employees harmless from and against all liability for libel, slander, illegal competition or trade practice, violation of rights of privacy, and infringement of copyrights or other proprietary rights and violations of the Communications Act of 1934 or FCC rules resulting from the broadcast of Programming furnished by the Programmer. Such indemnification shall apply to any and all claims, damages, liability, forfeitures, costs and expenses, including reasonable attorneys' fees, arising from the broadcasting of any programs supplied by the Programmer and shall survive the termination of this Agreement.

12. EVENTS OF DEFAULT: CURE PERIODS AND REMEDIES.

12.1 EVENTS OF DEFAULT. The following shall constitute Events of Default under this Agreement:

12.1.1. NON-PAYMENT. If Programmer shall fail to pay, within five business days of the date when due, the fees payable in accordance with Schedule 2, hereof.

12.1.2 DEFAULT IN COVENANTS OR ADVERSE LEGAL ACTION. The default by either party in the performance of any material covenant, condition or undertaking contained in this Agreement and such default is not cured within thirty (30) days after receipt of notice of default.

12.1.3 BREACH OF REPRESENTATION. If any material representation or warranty made by either party to this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, shall prove to have been false or misleading in any material respect as of the time made or furnished, and such misrepresentation or breach of warranty is not cured within thirty (30) days after receipt of notice of misrepresentation or breach.

12.2. TERMINATION UPON DEFAULT. Upon the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement, provided that it is not also in material default under this Agreement.

12.3. LIABILITIES UPON TERMINATION. The Programmer shall be responsible for all of its liabilities, debts and obligations accrued from the purchase of broadcast time and transmission facilities of the Station, including, without limitation, indemnification pursuant to Section 16 hereof; accounts payable, barter agreements and unaired advertisements, but not for the Licensee's federal, state, and local tax liabilities associated with Programmer's payments to

Licensee as provided for herein, or for any other obligations or liabilities of the Licensee or the Station unless specifically assumed by the Programmer under this Agreement. Upon termination, the Programmer shall return to the Licensee any equipment or property of the Station used by the Programmer, its employees or agents, in substantially the same condition as such equipment existed on the date of this Agreement, ordinary wear and tear excepted, provided that the Programmer shall have no liability to the Licensee for any property of the Licensee which through ordinary use became obsolete or unusable, and any equipment purchased by the Programmer, whether or not in replacement of any obsolete or unusable equipment of the Licensee, shall remain the property of the Programmer.

13. TERMINATION UPON ORDER OF JUDICIAL OR GOVERNMENTAL AUTHORITY. If any court of competent jurisdiction or any federal, state or local governmental authority designates a hearing with respect to the continuation or renewal of any license or authorization held by the Licensee for the operation of the Station, advises any party to this Agreement of its intention to investigate or to issue a challenge to or a complaint concerning the activities permitted by this Agreement, or orders the termination of this Agreement and/or the curtailment in any manner material to the relationship between the parties to this Agreement of the provision of programming by the Programmer, the Programmer shall have the option to seek administrative or judicial appeal of or relief from such order(s) (in which event the Licensee shall cooperate with the Programmer provided that the Programmer shall be responsible for legal fees incurred in such proceedings) or the Programmer shall notify the Licensee that the Agreement will be terminated in accordance with such order(s). If the FCC designates the renewal application of the Station for a hearing as a consequence of this Agreement or for any other reason, the Licensee shall be responsible for its expenses incurred as a consequence of the FCC proceeding; provided, however, that the Programmer shall cooperate and comply with any reasonable request of the Licensee to assemble and provide to the FCC information relating to the Programmer's performance under this Agreement. Upon termination following such governmental order(s), the Programmer shall pay to the Licensee any fees due but unpaid as of the date of termination as may be permitted by such order(s), and the Licensee shall reasonably cooperate with the Programmer to the extent permitted to enable the Programmer to fulfill advertising or other programming contracts then outstanding. Thereafter, neither party shall have any liability to the other.

14. MODIFICATION AND WAIVER. No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific.

15. NO WAIVER: REMEDIES CUMULATIVE. No failure or delay on the part of the Licensee or the Programmer in exercising any right or power under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies which either may otherwise have.

16. CONSTRUCTION. This Agreement shall be construed in accordance with the laws of the Station is located. The obligations of the parties to this Agreement are subject to all federal, state or local laws or regulations, including those of the FCC, now or hereafter in force.

17. HEADINGS. The headings contained in this Agreement are included for convenience only and shall not in any way alter the meaning of any provision.

18. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

19. ENTIRE AGREEMENT. This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof.

20. SEVERABILITY. The event that any of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable shall not affect any other provision hereof; and this Agreement shall be construed as if such

invalid, illegal or unenforceable provisions had not been contained herein.

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

SONSINGER, INC.

By: /s/ Eric H. Halvorson
Eric H. Halvorson
Vice President

INSPIRATION MEDIA, INC.

By: /s/ Eric H. Halvorson
Eric H. Halvorson
Vice President

SCHEDULE 2

CALCULATION OF LMA FEE

BASE FEE

1. CALCULATION. The Licensee shall be paid, in advance on the first day of each month, a base monthly fee equal to the sum of:

(a) ______________, and

(b) The operational costs of the Station paid by Licensee. Operational costs under this Subsection (b) shall include without limitation any rental expenses associated with studio and transmitter locations, music license fees, maintenance and utilities and any other expenses associated with operation of the Station which, by virtue of existing contracts with Licensee or otherwise, must continue to be paid directly by Licensee during the term of this Agreement. Operational costs shall not include professional fees or any principal or interest payments on notes payable. All other operational costs of the Station shall be paid directly by the Programmer.

</TEXT>
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EXHIBIT 10.08.02

LOCAL PROGRAMMING AND MARKETING AGREEMENT

AND

PUT/CALL AGREEMENT

This Local Programming and Marketing Agreement and Put/Call Agreement (the "Agreement"), dated as of October 23, 1997, is entered into by and between CHEROKEE BROADCASTING CO., INC. ("Licensee"), the owner of certain assets relating to radio station WGST(FM) 105.7MHz, Canton, Georgia (the "Station"), and SALEM MEDIA OF GEORGIA, INC. (the "Programmer").

WHEREAS, in accordance with procedures and policies approved by the Federal Communications Commission ("FCC"), the Programmer desires to avail itself of Station's broadcast time for the presentation of a programming service, including the sale of program and advertising time; and

WHEREAS, in accordance with procedures and policies approved by the FCC, Licensee desires to provide to Programmer the Station's broadcast time for the presentation of a programming service, including the sale of program and advertising time; and

WHEREAS, Programmer is not willing to commit to the presentation of a programming service without securing an option to purchase the Station; and

WHEREAS, pursuant to a Time Brokerage Agreement ("TBA") dated as of September 30, 1993, by and between Licensee, Jacor Broadcasting of Atlanta, Inc. ("JBA") and Jacor Communications, Inc., Licensee granted JBA a right of first refusal to purchase the Station pursuant to the terms of any offer Licensee is willing to accept, provided JBA exercises said right within forty-five (45) days of its receipt of said offer;

NOW, THEREFORE, for and in consideration of the mutual covenants herein

contained, the parties hereto have agreed and do agree as follows:

1. PURCHASE OF AIR TIME AND BROADCAST OF THE PROGRAMMING. Subject to the provisions of Section 4 hereof, Licensee agrees to make the broadcasting transmission facilities of the Station available to the Programmer and to broadcast on the Station, or cause to be broadcast, the Programmer's programs for up to 24 hours a day, seven days a week (the "Programming"), except for the broadcast of Licensee's public service programming as provided in Section 10.1 of this Agreement ("Licensee Programming"). The facilities and the transmitting equipment of Licensee relating to the Station, including any equipment owned by Licensee not currently in service, shall be made available to the Programmer for its use during the term of this Agreement; provided, however, that Licensee shall not be required to provide any studio equipment or make any improvements to the studios of the Station.

2. CONSIDERATION. The terms and conditions of payment ("Consideration") to Licensee for the broadcasting of the Programming during the term of this Agreement shall be as set forth in Schedule 2.

3. TERM.

3.1 COMMENCEMENT/TERMINATION DATE. This Agreement shall commence at 12:01 a.m. Eastern time on the earlier of (i) October 1, 1998, or (ii) such earlier date that the Station becomes available for programming by Programmer; provided that Programmer shall have been given not less than one hundred twenty (120) days prior written notice of such earlier date that the Station shall become available (the "Commencement Date"). Unless earlier terminated as provided by this Agreement, the term of this Agreement shall end upon the last to occur of (i) 11:59 p.m. Eastern time on September 30, 2003 or (ii) if Programmer shall have acquired the Station pursuant to Section 21 hereof, the Closing Date, as defined in the Asset Purchase Agreement described in Section 21 hereof.

3.2 TERMINATION BY FCC. In the event that either party receives formal or informal notice from the FCC that this Agreement or any of its terms are contrary to the public interest or violative of any FCC statute, regulation, rule or policy, either party shall have the right to terminate this Agreement (except to the extent the provisions of Section 21 shall survive as provided therein) immediately by written notice to the other party; provided, however, that upon such termination Licensee shall repay to Programmer a prorated share of the prepaid Consideration.

4. THE PROGRAMMING. The Programmer shall furnish programming to Licensee for up to 24 hours a day, seven days a week, except for the broadcast of Licensee's Programming. The nature of the program service to be provided by the Programmer will be determined by Programmer subject to applicable FCC rules and regulations and subject further to the requirement that Programming will serve the public interest.

5. STATION FACILITIES.

5.1 OPERATION OF STATION. Throughout the term of this Agreement, Licensee shall make the Station available to the Programmer as provided in this Agreement, except for Licensee's Programming and downtime occasioned by routine maintenance which will be performed between the hours of 12 midnight and 6:00 a.m. Except for maintenance work and other improvements to the Station or the Station's equipment performed by or at the direction of Programmer, any maintenance work affecting the operation of the Station at full power, except such emergency maintenance as is required to maintain compliance with the Station's license or FCC regulations, rules or policies, shall be scheduled upon at least 48 hours prior notice with the agreement of the Programmer.

5.2 INTERRUPTION OF NORMAL OPERATIONS. Except for maintenance work and other improvements to the Station or the Station's equipment performed by or at the direction of Programmer, if the Station suffers loss or damage of any nature to its transmission facilities which results in the interruption of service or the inability of the Station to operate with its maximum authorized facilities, Programmer shall immediately notify Licensee, and Licensee shall undertake such repairs as necessary to restore the fulltime operation of the

Station with its maximum authorized (i.e. as set forth on it license) facilities as quickly as reasonably practicable. Except as may be the direct result of any act or action of Programmer, if the Station is incapable of operating with its maximum authorized facilities, Licensee shall pay Programmer a prorated share of the Consideration proportionate to the amount of time the Station was so impaired as follows: (a) if

the effective radiated power ("ERP") of the Station is 50% or less of the maximum ERP as set forth on the Station's license, the Consideration will be abated 100% for each day, or any portion thereof, the Station so operates; and, (b) if the ERP of the Station is 90% to 51% of the maximum ERP as set forth on the Station's license, the Consideration will be abated in proportion to the percentage loss in ERP, for each day, or any portion thereof, the Station so operates; and, (c) if the ERP of the Station is 91% or more of the maximum ERP as set forth on the Station's license, the Consideration will not be abated. If the required repairs necessary to return the Station to operation with its full authorized maximum facilities are not made within seven (7) days, the Programmer may terminate this Agreement upon 10 days notice to Licensee, any other provision of this Agreement notwithstanding; provided, however, in the event (x) the required repairs cannot reasonably be completed with seven (7) days, (y) Licensee has commenced the required repairs within seven (7) days, and (z) Licensee is diligently proceeding to effectuate said required repairs, Programmer may not terminate this Agreement pursuant to this Section 5.

6. HANDLING OF MAIL. The Programmer shall provide to Licensee the original or a copy of any correspondence which it receives from a member of the public relating to the Programming to enable Licensee to comply with FCC rules and policies, including those regarding the maintenance of the public inspection file (which shall at all times remain the responsibility of Licensee).

7. PROGRAMMING AND OPERATIONS STANDARDS. All programs supplied by the Programmer shall be in good taste and shall meet in all material respects all requirements of the Communications Act of 1934 and all applicable rules, regulations and policies of the FCC and the policies of the Station described in Schedule 7. All advertising spots and promotional material or announcements shall comply with all applicable federal, state and local regulations and Station policies. If, in the reasonable judgment of Licensee or the Station's General Manager, any portion of the Programming presented by the Programmer does not meet such standards, Licensee may suspend or cancel any such portion of the Programming.

8. RESPONSIBILITY FOR EMPLOYEES AND RELATED EXPENSES.

8.1 PROGRAMMER EMPLOYEES. The Programmer shall furnish (or cause to be furnished) the personnel and material for the production of the Programming to be provided by this Agreement. The Programmer shall employ and be responsible for the salaries, taxes, insurance and related costs for all personnel used in the production of Programming (including sales people, traffic personnel and programming staff). The Programmer shall not pay or reimburse the salaries or other costs associated with any employees of Station that Licensee may be required to employ or may elect to employ on or after the date of commencement of this Agreement.

8.2 LICENSEE EMPLOYEES. Licensee will provide and have responsibility for the Station personnel necessary for the broadcast transmission of Programmer's programs and compliance with other requirements of Licensee as set forth by the FCC (which personnel shall be the Station General Manager, Chief Operator and Receptionist), and will be responsible for the salaries, taxes, insurance and related costs for all such Station personnel. The parties acknowledge and agree that the duties of the Station General Manager and the Chief Operator may be performed by the same person.

8.3 EMPLOYEE OVERSIGHT. Whenever on the Station's premises, all personnel shall be subject to the supervision and the direction of the Station's General Manager and/or the Station's Chief Operator.

9. ADVERTISING AND PROGRAMMING REVENUES. During the Programming it delivers to the Station, the Programmer shall have full authority to sell for its own account commercial spot advertising and block programming time on the Station and to retain all revenues from the sale of such advertising and programming. The parties agree that the Programmer shall have complete discretion to deal as it deems appropriate with all advertising and programming

accounts relating to advertising and programming sold by it; *provided, however*, the Programmer shall deal with political candidate and supporter advertising as required by law. Programmer shall prepare and supply to Licensee a Political Advertising Disclosure Statement setting forth the manner in which Programmer sells program and spot time and informing political advertisers of their rights and obligations. The Political Advertising Disclosure Statement shall be subject to the approval of Licensee, which approval shall not unreasonably be withheld.

10. OPERATION OF THE STATION.

10.1 VERIFICATION OF LICENSEE'S CONTROL AND RIGHTS OF LICENSEE. Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority and power over the operation of the Station during the period of this Agreement. Licensee shall provide and pay for the General Manager, Chief Operator and Receptionist of the Station, who shall report and be accountable solely to Licensee, shall be responsible for the direction of the day-to-day operation of the Station, and shall maintain the Station's studio and transmission equipment and facilities, including the tower, antenna, transmitter and transmission line, and Station's studio transmitter link. Licensee shall retain control over the policies, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements which Licensee deems unsuitable or contrary to the public interest; the right to preempt any programs in order to broadcast a program deemed by Licensee to be of greater national, regional, or local interest; and the right to take any other actions necessary for compliance with the laws of the United States, the State of Georgia, the rules, regulations, and policies of the FCC (including the prohibition on unauthorized transfers of control), and the rules, regulations and policies of other federal governmental authorities, including the Federal Trade Commission and the Department of Justice. Licensee reserves the right to refuse to broadcast any program containing matter which is, or in the reasonable opinion of Licensee may be, violative of any right of any third party or which may constitute a "personal attack" (as that term is defined by the FCC). Licensee agrees that it shall carry its own public service programming at such times as the parties may agree based on the reasonable programming needs of the Programmer. With respect to the operation of the Station, Licensee shall at all times be solely responsible for meeting all of the FCC's requirements with respect to the broadcast and nature of any public service programming, for maintaining the political and public inspection files and the Station log, and for the preparation of all programs/issues lists. Licensee expressly acknowledges that its duty to maintain the Station's public inspection file is non-delegable and that Licensee retains sole responsibility for maintenance of such file. Licensee verifies that it shall maintain the ultimate control over the Station's facilities, including control over the finances with respect to its operation of the Station, over the personnel operating the Station, and over the programming to be broadcast by the Station.

10.2. VERIFICATION BY PROGRAMMER AND OBLIGATIONS OF PROGRAMMER. The Programmer will, during the term of this Agreement, provide local news and public affairs programming relevant to the Station's community to assist Licensee in satisfying its obligations to respond to the needs of its community. Programmer will also forward to Licensee within twenty-four (24) hours of receipt by Programmer, any letter from a member of the general public addressing Station programming or documentation which comes into its custody which is required to be included in the Station's public file or which is reasonably requested by Licensee. The Programmer shall furnish within the Programming on behalf of Licensee all station identification announcements required by the FCC rules, and shall, upon request by Licensee, provide monthly documentation with respect to such of the Programmer's programs which are responsive to the public needs and interests of the area served by the Station in order to assist Licensee in the preparation of any required programming reports, and will provide upon request other information to enable Licensee to prepare other records, reports and logs required by the FCC or other local, state or federal governmental agencies. Programmer shall cause the Station to transmit any required tests of the Emergency Alert System at such times as are required by FCC rule.

11. STATION CALL LETTERS.

(a) The Programmer shall submit to Licensee any promotional material which will identify the Station by call letters or frequency for approval by Licensee at least two (2) days prior to use of such promotional material by the Programmer. Licensee shall have the right to approve or reject such promotional material, such approval to not be unreasonably withheld. All documentary materials used by the Programmer containing the call letters of the Station, including stationery, bills, rate cards, etc., shall contain a notation that Licensee holds the license for operation of the Station.

(b) Programmer shall, at Programmer's sole cost and expense, have the right, subject to Licensee's reasonable consent, to cause Licensee to change the call letters of the Station to call letters of Programmer's choosing (the "Call Letters"). License agrees that in the event a closing of the transactions contemplated by the Asset Purchase Agreement described in Section 21.1 hereof does not occur, Licensee shall permit Programmer to use the Call Letters on any radio station of Programmer's choosing. Programmer shall pay all costs and filing fees associated with any change in Station call letters requested by Programmer.

12. SPECIAL EVENTS. Licensee shall have the right, in its reasonable discretion, to preempt any of the broadcasts of the Programming referred to herein, and to use part or all of the hours of operation of the Station for the broadcast of events of special importance. In all such cases, Licensee will use its best efforts to give the Programmer reasonable advance notice of its intention to preempt any regularly scheduled programming, and, in the event of such preemption, the Programmer shall receive a payment credit for any programming which would have been supplied by it during the time of such broadcasts by Licensee.

13. RIGHT TO USE THE PROGRAMMING. The right to use the Programming produced by the Programmer and to authorize its use in any manner and in any media whatsoever shall be at all times be vested solely in the Programmer except as authorized by this Agreement.

14. PAYOLA. The Programmer will provide to Licensee in advance of broadcast any

information known to the Programmer regarding any money or other consideration which has been paid or accepted, or has been promised to be paid or to be accepted, for the inclusion of any matter as a part of any programming or commercial material to be supplied to Licensee by the Programmer for broadcast on the Station, unless the party making or accepting such payment is identified in the program as having paid for or furnished such consideration in accordance with FCC requirements. Should the Station determine that an announcement is required by Section 317 of the Communications Act of 1934 and related FCC rules, the Programmer will insert that announcement in the Programming. The Programmer will obtain from its employees responsible for the Programming appropriate anti-payola/plugola affidavits. Commercial matters with obvious sponsorship identification will not require disclosure beyond the sponsorship identification contained in the commercial copy. The Programmer will at all times comply, and seek to have its employees comply, in all material respects with the requirements of Sections 317 and 507 of the Communications Act of 1934, as amended, and the related rules and regulations of the FCC.

15. COMPLIANCE WITH LAW. The Programmer will comply in all material respects with all laws and regulations applicable to the broadcast of programming by the Station.

16. INDEMNIFICATION. Each party hereto shall indemnify and hold the other, its officers, directors, stockholders, partners, affiliates and employees harmless from and against any and all claims, damages, liability, forfeitures, costs and expenses, including reasonable attorneys' fees, arising out of: (i) any breach or non-performance by said party of any of its representations, warranties, covenants or agreements set forth in this Agreement; (ii) any libel, slander, illegal competition or trade practice, violation of rights of privacy, and infringement of copyrights or other proprietary rights; and (iii) any violations of the Communications Act of 1934 or FCC rules resulting from said party's operation of the Station or its programming broadcast thereon.

17. EVENTS OF DEFAULT; CURE PERIODS AND REMEDIES.

17.1 EVENTS OF DEFAULT. The following shall constitute Events of Default under this Agreement:

17.1.1 NON-PAYMENT. The Programmer's failure to pay the Consideration within ten (10) days after written notice of a failure to pay said amount when due.

17.1.2 DEFAULT IN COVENANTS OR ADVERSE LEGAL ACTION. The default by either party in the performance of any material covenant, condition or undertaking contained in this Agreement, and such default is not cured within thirty (30) days after receipt of notice of default, or if either party shall

make a general assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy, for reorganization, or for the appointment of a receiver, trustee or similar creditors' representative for the property or assets of such party under any federal or state insolvency law, which, if filed against such party, has not been dismissed or discharged within 30 days thereafter.

17.1.3 BREACH OF REPRESENTATION. If any material representation or warranty made by either party in this Agreement, or in any certificate or document furnished by either party to the other pursuant to the provisions of this Agreement, shall prove to have been false or misleading in any material respect as of the time made or furnished, and such misrepresentation or breach of

warranty is not cured within thirty (30) days after receipt of notice of misrepresentation or breach.

17.2 TERMINATION UPON DEFAULT. Upon the occurrence of an Event of Default, the non-defaulting party may terminate this Agreement (except to the extent the provisions of Section 21 shall survive as provided therein), provided that it is not also in material default under this Agreement. If the Programmer has defaulted in the performance of its obligations, all amounts accrued or payable to Licensee up to the date of termination which have not been paid, less any payment credits outstanding in favor of the Programmer, shall immediately become due and payable, and Licensee shall be under no further obligation to make available to the Programmer any broadcast time or broadcast transmission facilities and Licensee shall not be required to return any portion of the Consideration, provided that Licensee agrees, for a period of time not to exceed ninety (90) days, to cooperate reasonably with the Programmer to discharge any remaining obligations of the Programmer in the form of air time following the effective date of termination. Licensee shall retain all revenue for programming, spots, announcements, or features broadcast on the Station after the termination of this Agreement pursuant to this Section 17.2. If Licensee has defaulted in the performance of its obligations, Programmer shall be entitled to cure the default of Licensee, at Licensee's sole cost, and shall be entitled to deduct the cost of said cure from any Consideration which is or may become due; provided, however, that in the event Programmer shall elect to terminate this Agreement, all Consideration paid to Licensee which relates to periods after termination shall immediately become due and payable by Licensee to Programmer.

17.3 LIABILITIES UPON TERMINATION. The Programmer shall be responsible broadcast time and transmission facilities of the Station, including, without limitation, indemnification pursuant to Section 16 hereof, accounts payable, barter agreements and unaired advertisements, but not for Licensee's federal, state, and local tax liabilities associated with Programmer's payments to Licensee as provided for herein, or for any other obligations or liabilities of Licensee or the Station unless specifically assumed by the Programmer under this Agreement. Upon termination, the Programmer shall return to Licensee any equipment or property of the Station used by the Programmer, its employees or agents, in substantially the same condition as such equipment existed on the date of this Agreement, ordinary wear and tear excepted, provided that the Programmer shall have no liability to Licensee for any property of Licensee which through ordinary use became obsolete or unusable, and any equipment purchased by the Programmer, whether or not in replacement of any obsolete or unusable equipment of Licensee, shall remain the property of the Programmer. Provided Programmer is not in default hereof, in the event this Agreement shall terminate as set forth in Section 3.2, Licensee shall pay Programmer a prorated share of the Consideration.

18. OPTION TO TERMINATE. The Programmer shall have the right, at its option, to terminate this Agreement (except to the extent the provisions of Section 22 shall survive as provided therein) at any time if Licensee preempts or substitutes other programming for that supplied by the Programmer during ten percent or more of the total hours of operation of the Station in any seven consecutive days. The Programmer shall give Licensee five (5) days written notice of such termination. Each party shall have the right, at its option, to terminate this Agreement upon termination of the Asset Purchase Agreement described in Section 21.

19. TERMINATION UPON ORDER OF JUDICIAL OR GOVERNMENTAL AUTHORITY.

19.1 CONDUCT OF THE PARTIES. If any court of competent jurisdiction or any federal, state or local governmental authority designates a hearing with respect to the continuation or renewal of any license or authorization held by Licensee for the operation of the Station, advises any party to this Agreement of its intention to investigate or to issue a challenge to or a complaint concerning the activities permitted by this Agreement, or orders the termination of this Agreement and/or the curtailment in any manner material to the relationship between the parties to this Agreement of the provision of programming by Programmer, each party shall have the option to seek administrative or judicial appeal of or relief from such order(s) (in which event the other party shall cooperate with the party seeking relief from such order and each party shall be responsible for legal fees they have incurred in such proceedings). Notwithstanding the foregoing:

19.1.1 OF LICENSEE. Licensee is responsible for all costs of defending the license of the Station to the extent any court of competent jurisdiction or any federal, state or local governmental authority designates a hearing with respect to the continuation or renewal of any license or authorization held by Licensee for the operation of the Station, advises any party to this Agreement of its intention to investigate or to issue a challenge to or a complaint concerning the activities permitted by this Agreement, or orders the termination of this Agreement and/or the curtailment in any manner material to the relationship between the parties to this Agreement of the provision of programming by Programmer, as a result of the conduct or programming of Licensee.

19.1.1 OF PROGRAMMER. Programmer is responsible for all costs of defending the license of the Station to the extent any court of competent jurisdiction or any federal, state or local governmental authority designates a hearing with respect to the continuation or renewal of any license or authorization held by Licensee for the operation of the Station, advises any party to this Agreement of its intention to investigate or to issue a challenge to or a complaint concerning the activities permitted by this Agreement, or orders the termination of this Agreement and/or the curtailment in any manner material to the relationship between the parties to this Agreement of the provision of programming by Programmer, as a result of the conduct or programming of Programmer.

19.2 EXISTENCE OF THE LMA. If the FCC designates the renewal application of the Station for a hearing as a consequence of the existence of this Agreement per se or for any reason other than as a result of the conduct or programming of Programmer, Licensee shall be responsible for its expenses incurred as a consequence of the FCC proceeding; provided, however, that the Programmer shall cooperate and comply with any reasonable request of Licensee to assemble and provide to the FCC information relating to the Programmer's performance under this Agreement. Upon termination following such governmental order(s), Licensee shall reasonably cooperate with the Programmer to the extent permitted to enable the Programmer to fulfill advertising or other programming contracts then outstanding. Licensee shall retain all revenue for programming, spots, announcements, or features broadcast on the Station after the termination of this Agreement pursuant to such governmental order(s).

20. REPRESENTATIONS AND WARRANTIES.

20.1 MUTUAL REPRESENTATIONS AND WARRANTIES. Each of Licensee and the Programmer represents to the other that (a) it is, or as of the Commencement Date will be, an entity legally qualified and in good standing in all applicable jurisdictions and is or, as of the Commencement Date will be, qualified to do business and in good standing with the State of Georgia (b) it is fully qualified, empowered, and able to enter into this Agreement, (c) this Agreement has been approved by all necessary corporate and partnership action and that this Agreement constitutes the valid and binding obligation of such party, enforceable in accordance with the terms of this Agreement subject only to applicable bankruptcy, reorganization, insolvency or similar laws affecting creditors' rights generally; and (d) the execution, delivery and performance hereof does not constitute a breach or violation of any agreement, contract or other obligation to which such party is subject or by which it is bound.

20.2 REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSEE. Licensee makes the following additional representations, warranties and covenants:

20.2.1 AUTHORIZATIONS. Licensee owns and holds all licenses and other permits and authorizations necessary for the operation of the Station as presently conducted (including licenses, permits and authorizations issued by

the FCC), and such licenses, permits and authorizations will be in full force and effect for the entire term, unimpaired by any acts or omissions of Licensee, its principals, employees or agents. There is not now pending or, to Licensee's best knowledge, threatened, any action by the FCC or other party to revoke, cancel, suspend, refuse to renew or modify adversely any of such licenses, permits or authorizations, and, to Licensee's best knowledge, no event has occurred that allows or, after notice or lapse of time or both, would allow, the revocation or termination of such license, permits or authorizations or the imposition of any restriction thereon of such a nature that may limit the operation of the Station as presently conducted. Licensee has no reason to believe that any such license, permit or authorization will not be renewed during the term of this Agreement in its ordinary course. Licensee is not in violation of any statute, ordinance, rule, regulation, order or decree of any federal, state, local or foreign governmental agency, court or authority having jurisdiction over it or over any part of its operations or assets, which default or violation would have an adverse effect on Licensee or its assets or on its ability to perform this Agreement.

20.2.2 FILINGS. All material reports and applications required to be filed with the FCC or any other governmental agency, department or body in respect of the Station have been, and in the future will be, filed in a timely manner and are and will be true and complete and accurately present the information contained therein. All such reports and documents, to the extent required to be kept in the public inspection files of the Station, are and will be kept in such files. Upon request by Licensee, Programmer shall provide in a timely manner any such information in its possession which will enable Licensee to prepare, file or maintain the records and reports required by the FCC.

20.2.3 FACILITIES. Subject to the terms hereof, the Station's facilities will be maintained at the expense of Licensee and will comply and be operated, in all material respects, in accordance with the maximum facilities permitted by the FCC authorizations for the Station and

with good engineering standards necessary to deliver a high quality technical signal to the area served by the Station, and with all applicable laws and regulations (including the requirements of the Communications Act of 1934 and the rules, regulations, policies and procedures of the FCC promulgated thereunder). All capital expenditures reasonably required to maintain the quality of the Station's signal shall be made promptly at the expense of Licensee, subject to prompt reimbursement by Programmer if such expenditures are undertaken in furtherance of the improved or continued delivery of Programmer's Programming over the Station and Programmer has consented to such reimbursement in advance.

20.2.4 TITLE TO PROPERTIES. Licensee has, and will throughout the term hereof maintain, good and marketable title to all of the assets and properties including, without limitation, real property, used in the operation of the Station, free and clear of any liens, claims or security interests that would affect adversely Licensee's performance hereunder or the business and operations of Programmer permitted hereby. Licensee will not dispose of, transfer, assign or pledge any such asset, except with the prior written consent of Programmer, if such action would affect adversely Licensee's performance hereunder or the business and operations of Programmer permitted hereby.

20.2.5 PAYMENT OF OBLIGATIONS. Licensee shall pay in a timely fashion all of its debts, assessments and obligations, including without limitation tax liabilities and payments attributable to the operations of the Station, as they come due from and after the effective date of this Agreement, to the extent failure to do so will affect Programmer's rights under this Agreement.

20.2.6 INSURANCE. Licensee will maintain in full force and effect throughout the term of this Agreement insurance with responsible and reputable insurance companies fire and extended coverage and liability insurance and such other insurance as may be required by law. Except as otherwise permitted by the Purchase Agreement, any insurance proceeds received by Licensee in respect of damaged property will be used to repair or replace such property so that the operations of the Station conform with this Agreement.

20.3. PROGRAMMER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

20.3.1 COMPLIANCE WITH 47 C.F.R. SEC. 73.3555(a)(2)(ii). Programmer hereby verifies that this Agreement complies with the FCC's restrictions on local and national multiple station ownership set out in Section 73.3555(a)(1) and (e)(1) of the FCC Rules.

20.3.2 COMPLIANCE WITH APPLICABLE LAW. Programmer's performance of its obligations under the Agreement and its furnishing of Programming will be in compliance with, and will not violate, any applicable laws or any applicable rules, regulations, or orders of the FCC or any other governmental agency.

20.3.3 FCC QUALIFICATIONS. Programmer has no knowledge after due inquiry of any facts concerning Programmer or any other person with an attributable interest in Programmer (as such term is defined under the Rules and Regulations of the FCC) which, under present law (including the Communications Act of 1934, as amended ("the Act")) and the Rules and Regulations of the FCC, would disqualify Programmer from being the holder of the FCC Licenses, the owner of the Sale Assets or the operator of the Station upon consummation of the

transactions contemplated by this Agreement; or raise a substantial and material question of fact (within the meaning of Section 309(e) of the Act) respecting Programmer's qualifications.

20.3.4 COMPLIANCE WITH COPYRIGHT ACT. Programmer represents and warrants that Programmer has full authority to broadcast its programming on the Station and the Programmer shall not broadcast any material in violation of any law, rule, regulation or the Copyright Act. Programmer acknowledges that it is solely responsible for payment of any public performance music license fees or royalties for music contained in the Programming, spots, announcements, features or any other programming of Programmer including, without limitation, fees payable to ASCAP, BMI and/or SESAC.

21. PUT AND CALL RIGHTS FOR THE STATION.

21.1 PUT RIGHT. At any time after September 30, 1999 that Programmer is programming the Station pursuant to this Agreement and Licensee is not in default under this Agreement, Licensee may require Programmer to purchase the assets of the Station ("the Put Right") on the terms and conditions set forth in the Asset Purchase Agreement attached hereto as Exhibit "A" and incorporated herein by reference (the "Asset Purchase Agreement").

21.2 CALL RIGHT. At any time after May 31, 2003 and on or before September 30, 2003, and provided Programmer is not in default under this Agreement, Programmer may purchase the assets of the Station ("the Call Right") on the terms and conditions set forth in the Asset Purchase Agreement.

21.3 EXERCISE OF PUT OR CALL. The Put Right may only be exercised by the Licensee's delivery to the Programmer of written notice of exercise of the Put Right and the Call Right may only be exercised by Programmer's delivery to the Licensee of written notice of exercise of the Call Right (in either case, the "Exercise Notice"). The Exercise Notice shall state that the Put Right or Call Right, as the case may be, is exercised without condition or qualification other than (i) the receipt by Programmer of updated schedules to the Asset Purchase Agreement reasonably satisfactory to Programmer, (ii) the receipt of any required approval of the FCC for the assignment of the Station's FCC licenses pursuant hereto, and (iii) the satisfaction of all conditions set forth in the Asset Purchase Agreement. Within five (5) business days following delivery of the Exercise Notice, Licensee shall deliver updated schedules to the Asset Purchase Agreement to Programmer, and Programmer shall have five (5) business days thereafter to review such schedules. In the event (y) the updated schedules discloses information that Programmer reasonably determines would have a material adverse effect on the Station after Programmer's acquisition of the station and (z) the information (i) was not known by Programmer at the time of entering into this Agreement or (ii) discloses a change in the Station caused by Licensee; the Programmer may elect not to proceed with the purchase; provided however, that Programmer's election not to proceed may be made only after Licensee has been given a reasonable period of time to remedy or cure the matters at issue and such matters cannot be remedied or cured to the reasonable satisfaction of Programmer. If Programmer elects to proceed with the purchase, Licensee and Programmer shall execute the Asset Purchase Agreement and diligently proceed pursuant to the provisions contained therein.

21.4 SURVIVAL OF PUT/CALL RIGHTS UPON TERMINATION OF PROGRAMMING ARRANGEMENT.

(a) In the event Programmer's right to program the Station under this Agreement is terminated prior to September 30, 2002 for any reason

other than the fault or default of Programmer, (i) the Put Right shall terminate, and (ii) Programmer may, within thirty (30) days following such termination, give notice, pursuant to Section 21.3 hereof, of its intention to purchase the assets of the Station on the terms and conditions set forth in the Asset Purchase Agreement; provided, however, in no event shall the closing of the purchase occur earlier than January 2, 2000. In the event Programmer does not give such notice within such thirty (30) day period, the Call Right shall terminate.

(b) In the event Programmer's right to program the Station under this Agreement is terminated prior to September 30, 2002 by reason of the fault or default of Programmer, (i) the Call Right shall terminate, and (ii) Licensee may, within thirty (30) days following such termination, give notice, pursuant to Section 21.3 hereof, of its intention to require Programmer to purchase the assets of the Station on the terms and conditions set forth in the Asset Purchase Agreement; provided, however, in no event shall the closing of the purchase occur earlier than January 2, 2002. In the event Licensee does not give such notice within such thirty (30) day period, the Put Right shall terminate.

21.5 LICENSEE'S WARRANTIES. Licensee warrants and represents to Programmer that:

(a) At Closing (as defined in the Asset Purchase Agreement) Licensee will have, good, marketable and indefeasible title to and full power of disposition over the Sale Assets (as defined in the Asset Purchase Agreement), and the full right to sell and transfer to Programmer all of the Sale Assets without the requirement of obtaining the consent or approval of any other person, entity, agency or authority except the FCC.

(b) Except for any liens created by the recording of this Agreement, the Sale Assets will be free of all liens, claims, debts or other encumbrances at Closing.

21.6. LICENSEE'S COVENANTS. Licensee covenants that, commencing on the Commencement Date hereof and continuing through the term of the Put Right and the Call Right, the Station shall be operated in accordance with the covenants set forth in Section 5.1 of the Asset Purchase Agreement, which covenants are incorporated herein by reference.

22. RIGHT OF FIRST REFUSAL/DUE DILIGENCE.

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall be non-binding on the parties hereto in the event JBA exercises its right of first refusal as set forth in the TBA; provided, however, in the event JBA does not exercise its right of first refusal as set forth in the TBA, this Agreement shall be fully effective and binding on the parties hereto. Licensee agrees to deliver a fully executed copy of this Agreement to JBA within two (2) business days of the joint execution of this Agreement. Licensee shall promptly deliver to Programmer

written notice ("Exercise Notice") of JBA's exercise of its right of first refusal or its failure to exercise its right of first refusal as set forth in the TBA.

(b) Notwithstanding anything in this Agreement to the contrary, Programmer shall have forty-five (45) calendar days ("Diligence Period") from the date of Programmer's receipt of the Exercise Notice notifying Programmer that JBA has failed to exercise its right of first refusal to conduct any due diligence it requires. Should Programmer determine, in Programmer's sole and absolute discretion and within the aforementioned Diligence Period, that the Station is not acceptable for any reason, Programmer shall, on or before the expiration of the Diligence Period, notify Licensee in writing of Programmer's decision to terminate this Agreement ("Diligence Notice"), in which event this Agreement shall be canceled with no further obligation of any party hereto. Notwithstanding anything in this Agreement or the Asset Purchase Agreement to the contrary, Programmer's failure to deliver the Diligence Notice within the Diligence period shall not constitute a waiver of or otherwise diminish the enforceability of any warranty of Licensee hereunder or under the Asset Purchase Agreement.

23. MODIFICATION AND WAIVER. No modification or waiver of any provision of this Agreement shall be effective unless made in writing and signed by the party adversely affected, and any such waiver and consent shall be effective only in the specific instance and for the purpose for which such consent was given.

24. NO WAIVER: REMEDIES CUMULATIVE. No failure or delay on the part of Licensee or the Programmer in exercising any right or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties to this Agreement are cumulative and are not exclusive of any right or remedies which either may otherwise have.

25. CONSTRUCTION. This Agreement shall be construed in accordance with the laws of the State of Georgia. The obligations of the parties to this Agreement are subject to all federal, state or local laws or regulations, including those of the FCC, now or hereafter in force.

26. HEADINGS. The headings contained in this Agreement are included for convenience only and shall not in any way alter the meaning of any provision.

27. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, except that Programmer may assign its rights and obligations, or any of them, to an entity controlled directly or indirectly by Edward G. Atsinger III and Stuart W. Epperson without the prior written consent of Licensee.

28. COUNTERPART SIGNATURES. This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original and be binding on the parties to this Agreement.

29. NOTICES. Any notice required hereunder shall be in writing and shall be sufficiently given if delivered by overnight delivery service or sent by registered or certified mail, first class postage prepaid, or by telegram, facsimile or similar means of communication, addressed as follows:

If to Licensee, to:

Cherokee Broadcasting, Inc.
1353 13th Avenue
Columbus, Georgia 31901
Attn: Mr. Charles McClure, Sr.
Telephone: (706) 324-0338
Facsimile:

Copy to:

Mr. John E. Griffin, Esq.
Fortson, Bently & Griffin, P.A.
440 College Avenue North, Suite 220
Atlanta, Georgia 30613
Telephone: (706) 548-1151
Facsimile: (706) 548-8113

If to the Programmer, to:

c/o Salem Communications Corporation
4800 Santa Rosa Road
Suite 300
Camarillo, CA 9301230613
Telephone: (805) 987-0400
Facsimile No.: (805) 482-7290
Attention: Eric H. Halvorson
Executive Vice President

Copy to:

Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Telephone: (805) 987-0400
Facsimile No.: (805) 482-7290
Attention: Jonathan L. Block, Esq.
Corporate Counsel

30. EXPENSES; ATTORNEY'S FEES. In the event any action is filed with respect to this Agreement, the prevailing party shall be reimbursed by the other

party for all costs and expenses incurred in connection with the action, including without limitation reasonable attorney's fees.

31. ENTIRE AGREEMENT. This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between them with respect to the subject matter hereof.

32. SPECIFIC PERFORMANCE. Licensee acknowledges that the Station is of a special, unique, and extraordinary character, and that any breach of this Agreement by Licensee could not be compensated for by damages. Accordingly, if Licensee shall breach its obligations under this Agreement, Programmer shall be entitled, in addition to any of the remedies that it may have, to enforcement of this Agreement (subject to obtaining any required approval of the FCC) by decree of specific performance or injunctive relief requiring Licensee to fulfill its obligations under this Agreement. In any action by Programmer to equitably enforce the provisions of this Agreement, Licensee shall waive the defense that there is an adequate remedy at law or equity and agrees that Programmer shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security.

33. BROKERAGE FEES. Any and all commissions, fees, costs, and expenses and related amounts due Questcom Media Brokerage and any other broker, agent, finder or other similarly situated party arising out of the transactions set forth in this Agreement, shall be paid and borne exclusively by Licensee.

34. TIME OF THE ESSENCE. Time is of the essence with respect to all rights and obligations of this Agreement.

35. RESOLUTION OF CLAIMS AND DISPUTES.

Regardless of the place of execution, this Agreement shall be deemed to be a contract made in Atlanta, Georgia and shall be interpreted as a contract to be performed wholly in the State of Georgia . The law of the State of Georgia shall be applied without regard to the principles of conflicts of laws. Each party expressly waives any presumption or rule, if any, which requires this Agreement and/or any other Agreement to be construed against the drafting party. Any claims or disputes arising out of or relating to this Agreement shall be resolved only by mediation or, if mediation does not resolve the claim or dispute within ten (10) days of notice demanding mediation, by arbitration in accordance with the Rules of Procedure for Commercial Arbitration of the American Arbitration Association and any award therefrom shall be rendered by the arbitrators as a judgment in any trial court having jurisdiction in the city of Atlanta, Georgia, or of any other court having competent jurisdiction.

{Signatures on following page.}

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

"LICENSEE"	"PROGRAMMER"
CHEROKEE BROADCASTING, INC.	SALEM MEDIA OF GEORGIA, INC.
By: /s/ C.A. McClure Jr.	By: /s/ Eric H. Halvorson
Name: C.A. McClure Jr.	Eric H. Halvorson
Title: President	Vice President

GUARANTY

Salem Communications Corporation ("Guarantor"), as the sole shareholder of Salem Media of Georgia, Inc. ("Programmer"), hereby absolutely and unconditionally guarantees the following (the "Guaranteed Obligations"):

(a) the punctual and full payment when due of all the obligations of Programmer in connection with the Agreement and all documents and agreements executed in connection with the Agreement (collectively, the "Agreements"); it being the intention of Guarantor that this guaranty be an absolute and unconditional guarantee of payment; and

(b) the performance and observance by Programmer of all its obligations and covenants under the Agreements.

Guarantor further agrees that the guaranty will not be discharged or affected by the fact that the Guaranteed Obligations or any of them shall be invalid or unenforceable for any reason. The guaranty shall be liberally construed in favor of Licensee. Guarantor hereby waives any right to require payment of the Guaranteed Obligations by Programmer, or to require Licensee to proceed against any collateral or escrow for the Guaranteed Obligations, or to require any action or proceeding against Programmer on the Guaranteed Obligations, or otherwise to require Licensee to exhaust any and all remedies against Programmer or any other person before proceeding against Guarantor on the guaranty.

SALEM COMMUNICATIONS CORPORATION

By: /s/ Eric H. Halvorson

Eric H. Halvorson
Executive Vice President

SCHEDULE 2

FEES

(a) On or before the first day of each month commencing on the Commencement Date, Programmer shall pay Licensee a fee of $206,666.67.

(b) From and after the Commencement Date, Programmer shall pay Licensee a facility fee for all costs and expenses associated with or arising out of the operation of the Station ("Station Expenses") including the cost to maintain the station's transmitter and antennas, premiums for insurance, and the cost and expense of all utilities for the operation of the Station. Notwithstanding the preceding sentence, "Station Expenses" shall not include any cost or expenses associated with employment, including salaries, taxes, insurance and related costs, of employees unless the FCC shall require Licensee to employ employees in addition to those currently employed. All Station Expenses shall be due and payable not later than fifteen (15) days after Programmer's receipt of written itemizations of said expenses.

SCHEDULE 7

The Programmer agrees to cooperate with Licensee in the broadcasting of programs in a manner consistent with the standards of Licensee, as set forth below:

1. ELECTION PROCEDURES. At least 90 days before the start of any primary or regular election campaign, the Programmer will coordinate with Licensee's General Manager the rate the Programmer will charge for time to be sold to candidates for public office and/or their supporters to make certain that the rate charged conforms to all applicable laws and Station policy. Throughout a campaign, the Programmer will comply with all applicable laws and rules concerning political candidacy broadcasts and will promptly notify Licensee's General Manager of any disputes concerning either the treatment of or rate charged a candidate or supporter.

2. REQUIRED ANNOUNCEMENTS. The Programmer shall broadcast (i) an announcement in a form satisfactory to Licensee at the beginning of each hour to identify the Station, (ii) an announcement at the beginning and end of each program, and hourly, as appropriate, to indicate that program time has been purchased by the Programmer, and (iii) any other announcement that may be required by law, regulation, or Station policy.

3. COMMERCIAL RECORDKEEPING. The Programmer shall maintain such records of the receipt of, and provide such disclosure to Licensee of, any consideration, whether in money, goods, services, or otherwise, which is paid or promised to be paid, either directly or indirectly, by any person or company for the presentation of any programming over the Station as are required by Sections 317 and 507 of the Communications Act and the rules and regulations of the FCC.

4. NO ILLEGAL ANNOUNCEMENTS. No announcements or promotion prohibited by federal or state law or regulation of any lottery, game or contest shall be made

over the Station.

5. LICENSEE DISCRETION PARAMOUNT. In accordance with Licensee's responsibility under the Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission, Licensee reserves the right to reject or terminate any advertising or other programming proposed to be presented or being presented over the Station which is in conflict with law, regulation, Station policy or which in the reasonable judgment of Licensee or its General Manager would not serve the public interest.

6. INDECENCY HOAXES. No programming violative of applicable laws and rules concerning indecency or hoaxes will be broadcast over the Station.

7. CONTROVERSIAL ISSUES. Any broadcast over the Station concerning controversial issues of public importance shall comply with the then current FCC rules and policies.

8. SPOT COMMERCIALS. The Programmer will provide, for attachment to the Station logs, a list of all commercial announcements carried during its programming.

Licensee may waive any of the foregoing regulations in specific instances if, in its reasonable opinion, good broadcasting in the public interest will be served thereby. In any case where questions of policy or interpretation arise, the Programmer shall notify Licensee before making any commitments to broadcast any programming affected by such issues.

EXHIBIT "A" TO THE
LOCAL PROGRAMMING AND MARKETING
AGREEMENT AND PUT/CALL
AGREEMENT

ASSET PURCHASE AGREEMENT

(WGST-FM, Canton, Georgia)

This AGREEMENT (the "Agreement") is dated as of _______________, by and between CHEROKEE BROADCASTING CO., INC. ("Seller") and SALEM MEDIA OF GEORGIA, INC. ("Buyer").

RECITALS:

1. Seller owns and operates radio station WGST-FM licensed to Canton, Georgia (the "Station"), and holds the licenses and authorizations issued by the FCC for the operation of the Station.

2. Buyer desires to acquire certain assets of the Station, and Seller is willing to convey such assets to Buyer.

3. The acquisition of the Station is subject to prior approval of the FCC.

NOW THEREFORE, in consideration of the mutual covenants contained herein, Seller and Buyer hereby agree as follows:

ARTICLE 1

TERMINOLOGY

1.1 Act. The Communications Act of 1934, as amended.

1.2 Adjustment Amount. As provided in Section 2.7(b), the amount by which Buyer's account is to be credited or charged, as reflected on the Adjustment List.

1.3 Adjustment List. As provided in Section 2.7(b), an itemized list of all sums to be credited or charged against the account of Buyer, with a brief explanation in reasonable detail of the credits or charges.

1.4 Assumed Obligations. Such term shall have the meaning defined in Section 2.3.

1.5 Business Day. Any calendar day, excluding Saturdays and Sundays, on which federally chartered banks in the city of Camarillo, California, are regularly open for business.

1.6 Buyer's Threshold Limitation. As provided in Section 9.3(b), the threshold dollar amount for the aggregate of claims, liabilities, damages, losses, costs and expenses that must be incurred by Buyer before Seller shall be obligated to indemnify Buyer. The Buyer's Threshold Limitation shall be Ten Thousand Dollars ($10,000).

1.7 Closing. The closing with respect to the transactions contemplated by this Agreement.

1.8 Closing Date. The date determined as the Closing Date as provided in Section 8.1.

1.9 Documents. This Agreement and all Exhibits and Schedules hereto, and each other agreement, certificate, or instrument delivered pursuant to or in connection with this Agreement, including amendments thereto that are expressly permitted under the terms of this Agreement.

1.10 Earnest Money. The amount of Seven Hundred Fifty Thousand Dollars ($750,000).

1.11 Environmental Assessment. Such term shall have the meaning defined in Section 5.10.

1.12 Environmental Laws. The Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Clean Air Act and the Toxic Substances Control Act, each as amended, and any other applicable federal, state and local laws, statutes, rules or regulations concerning the treating, producing, handling, storing, releasing, spilling, leaking, pumping, pouring, emitting or dumping of Hazardous Materials.

1.13 Escrow Agent. (To be determined.)

1.14 Escrow Agreement. The Escrow Agreement in the form attached as Exhibit A which Seller, Buyer and the Escrow Agent have entered into concurrently with the execution of this Agreement relating to the deposit, holding, investment and disbursement of the Earnest Money.

1.15 Excluded Assets. Such term shall have the meaning defined in Section 2.2.

1.16 FCC. Federal Communications Commission.

1.17 FCC Licenses. The licenses, permits and authorizations of the FCC for the operation of the Station as listed on Schedule 3.8.

1.18 FCC Order. An action, order or decision of the FCC granting its consent to the assignment of the FCC Licenses to Buyer.

1.19 Final Action. An action of the FCC that has not been reversed, stayed, enjoined, set aside, annulled or suspended; with respect to which no timely petition for reconsideration or administrative or judicial appeal or sua sponte action of the FCC with comparable effect is pending and as to which the

time for filing any such petition or appeal (administrative or judicial) or for the taking of any such sua sponte action of the FCC has expired.

1.20 Hazardous Materials. Toxic materials, hazardous wastes, hazardous substances, pollutants or contaminants, asbestos or asbestos-related products, polychlorinated biphenyls ("PCBs"), petroleum, crude oil or any fraction or distillate thereof (as such terms are defined in any applicable federal, state or local laws, ordinances, rules and regulations, and including any other terms which are or may be used in any applicable environmental laws to define prohibited or regulated substances).

1.21 Indemnified Party. Any party described in Section 9.3(a) or 9.4(a) against which any claim or liability may be asserted by a third party which would give rise to a claim for indemnification under the provisions of this Agreement by such party.

1.22 Indemnifying Party. The party to the Agreement (not the Indemnified Party) that, in the event of a claim or liability asserted by a third party against the Indemnified Party which would give rise to a claim for indemnification under the provisions of this Agreement, may at its own expense, and upon written notice to the Indemnified Party, compromise or defend such claim.

1.23 Lien. Any mortgage, deed of trust, pledge, hypothecation, security interest, encumbrance, lien, lease or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, affecting any assets or property, including any written or oral agreement to give or grant any of the foregoing, any conditional sale or other title retention agreement, and the filing of or agreement to give any financing statement with respect to any assets or property under the Uniform Commercial Code or comparable law of any jurisdiction.

1.24 LMA. The Local Programming and Marketing Agreement by and between Buyer and Seller relative to the programming of the Station.

1.25 Material Adverse Condition. A condition which would materially restrict, limit, increase the cost or burden of or otherwise adversely affect or materially impair the right of Buyer to the ownership, use, control, enjoyment or operation of the Station or the proceeds therefrom; provided, however, that any condition which requires that the Station be operated in accordance with a condition similar to those contained in the present FCC licenses issued for operation of the Station shall not be deemed a Material Adverse Condition.

1.26 OSHA Laws. The Occupational Safety and Health Act of 1970, as amended, and all other federal, state or local laws or ordinances, including orders, rules and regulations thereunder, regulating or otherwise affecting health and safety of the workplace.

1.27 Permitted Encumbrances. For purposes hereof, "Permitted Encumbrances" shall mean (i) easements, restrictions, and other similar matters which will not adversely affect the use of the Real Property in the ordinary course of business; (ii) liens for taxes not due and payable or, that are being contested in good faith by appropriate proceedings; (iii) mechanics, materialmen's, carriers', warehousemen's, landlords' or other similar liens in the ordinary course of business for sums not yet due or being contested in good faith by appropriate proceedings; (iv) deposits or pledges to secure the performance of bids, tenders, contracts (other than for borrowed money), leases, statutory obligations, surety or appeal bonds or other deposits or pledges for purposes of a like general nature made or given in the ordinary course of business: and (v) liens or mortgages that will be released at Closing; (vi) zoning ordinances and regulations, including statutes and ordinances relating to the liens of streets and to other municipal improvements, which will not adversely affect the use of the Real Property in the ordinary course of business.

1.28 Permitted Lien. Any statutory lien which secures a payment not yet due that arises, and is customarily discharged, in the ordinary course of Seller's business; any easement, right-of-way or similar imperfection in the Seller's title to its assets or properties that, individually and in the aggregate, are not material in character or amount and do not and are not reasonably expected to materially impair the value or materially interfere with the use of any asset or property of the Seller material to the operation of its business as it has been and is now conducted.

1.29 Purchase Price. The consideration to be paid by Buyer to Seller for purchase of the Sale Assets in an amount equal to Thirty One Million Dollars ($31,000,000).

1.30 Real Property. Such term shall have the meaning defined in Section 3.7.

1.31 Rules and Regulations. The rules of the FCC as set forth in Volume 47 of the Code of Federal Regulations, as well as such other policies of the Commission, whether contained in the Code of Federal Regulations, or not, that apply to the Station.

1.32 Sale Assets. All of the tangible and intangible assets to be transferred by Seller to Buyer as set forth in Section 2.1.

1.33 Seller's Threshold Limitation. As provided in Section 9.4(b), the threshold dollar amount for the aggregate of claims, liabilities, damages, losses, costs and expenses that must be incurred by Seller before Buyer shall be obligated to indemnify Seller. The Seller's Threshold Limitation shall be Ten Thousand Dollars ($10,000).

1.34 Station Agreements. The agreements, commitments, contracts, leases and other items described in Section 2.1(d) which relate to operation of the Station.

1.35 Survival Period. The term following the Closing Date during which all representations, warranties, covenants and agreements of the parties under this Agreement shall survive. The term shall be twelve (12) months.

1.36 Tangible Personal Property. The personal property described in Section 2.1(a).

1.37 Tower Coordinates. Such term shall have the meaning defined in Section 3.15 hereof.

ARTICLE II

PURCHASE AND SALE

2.1 Sale Assets. On the Closing Date, Seller will sell, transfer, assign and convey to Buyer, and Buyer will purchase from Seller, free and clear of all Liens, except Permitted Liens, all of Seller's right, title and interest, legal and equitable, in and to the tangible and intangible assets (except Excluded Assets) used or useful in the operation of the Station as specifically set forth in the following:

(a) Tangible Personal Property. All equipment, parts, supplies, furniture, fixtures and other tangible personal property now or hereinafter owned by Seller and used in the operation of the Station including, but not limited to the tangible personal property listed on Schedule 3.6, together with such modifications, replacements, improvements and additional items, and subject to such deletions therefrom, made or acquired between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement;

(b) Real Property. Except as provided on Schedule 3.7, Seller's interests in the Real Property including, without limitation, all right, title and interest of Seller in and to the Station's transmitting facilities;

(c) Licenses and Permits. The FCC Licenses and all other assignable or transferable governmental permits, licenses and authorizations (and any

renewals, extensions, amendments or modifications thereof) now held by Seller or hereafter obtained by Seller between the date hereof and the Closing Date, to the extent such other permits, licenses and authorizations pertain to or are used in the operation of the Station;

(d) Station Agreements. All agreements which are listed on Schedule 3.9 as agreements which Buyer elects to assume; any renewals, extensions, amendments or modifications of those agreements being assumed which are made in the ordinary course of Seller's operation of the Station and in accordance with the terms and provisions of this Agreement;

(e) Records. True and complete copies of all of the books, records, accounts, files, logs, ledgers, reports of engineers and other consultants or independent contractors, pertaining to or used in the operation of the Station (other than corporate records);

(f) Miscellaneous Assets. Any other tangible or intangible asset, properties or rights of any kind or nature not otherwise described in this Section 2.1 and now or hereinafter owned or used by Seller in the operation of the Station including, but not limited to, goodwill, call letters, slogans and other intellectual property of the Station.

2.2 Excluded Assets. Notwithstanding any provision of this Agreement to the contrary, Seller shall not transfer, convey or assign to Buyer, but shall retain all of its right, title and interest in and to, the following assets owned or held by it on the Closing Date ("Excluded Assets"):

(a) Any and all cash, cash equivalents, cash deposits to secure contract obligations (except to the extent Seller receives a credit therefor under Section 2.7, in which event the deposit shall be included as part of the Sale Assets), all inter-company receivables from any affiliate of Seller and all other accounts receivable, bank deposits and securities held by Seller in respect of the Station at the Closing Date.

(b) Any and all claims of Seller with respect to transactions prior to the Closing including, without limitation, claims for tax refunds and refunds of fees paid to the FCC.

(c) All prepaid expenses (except to the extent Seller receives a credit therefor under Section 2.7, in which event the prepaid expense shall be included as part of the Sale Assets).

(d) All contracts of insurance and claims against insurers.

(e) All employee benefit plans and the assets thereof and all employment contracts.

(f) All contracts that are terminated in accordance with the terms and provisions of this Agreement or have expired prior to the Closing Date in the ordinary course of business; and all loans and loan agreements.

(g) All tangible personal property disposed of or consumed between the date hereof and the Closing Date in accordance with the terms and provisions of this Agreement; all tangible personal property not specifically assumed by Buyer pursuant to Section 2.1(a) above.

(h) Seller's corporate records except to the extent such records pertain to or are used in the operation of the Station, in which case Seller shall deliver accurate copies thereof to Buyer.

(i) All commitments, contracts and agreements not specifically assumed by Buyer pursuant to Section 2.1(d), above.

(j) All real property not specifically assumed by Buyer pursuant to Section 2.1(b) above.

2.3 Assumption of Liabilities.

(a) At the Closing, Buyer shall assume and agree to perform, without duplication of Seller's performance, the following liabilities and obligations of Seller (the "Assumed Obligations"):

(i) Current liabilities of Seller for which Buyer receives a credit pursuant to Section 2.7, but not in excess of the amount of such credit.

(ii) Liabilities and obligations arising under the Station Agreements, if any, assumed by and transferred to Buyer in accordance with this Agreement, but only to the extent such liabilities and obligations relate to any period of time after the Closing Date.

(b) Except for the Assumed Obligations, Buyer shall not assume or in any manner be liable for any duties, responsibilities, obligations or liabilities of Seller of any kind or nature, whether express or implied, known or unknown, contingent or absolute, including, without limitation, any liabilities to or in connection with Seller's employees whether arising in connection with the transaction contemplated hereunder or otherwise.

2.4 Earnest Money.

(a) Concurrently with the execution of this Agreement, Buyer has deposited with Escrow Agent under the Escrow Agreement, in immediately available funds, the Earnest Money. The Escrow Agent shall hold the Earnest Money under the terms of the Escrow Agreement in trust for the benefit of the parties hereto. Interest and other earnings on the Earnest Money shall be distributed by the Escrow Agent to Buyer from time to time upon the request of Buyer.

(b) If Closing does not occur, the Earnest Money shall be delivered to Seller or returned to Buyer in accordance with Section 10.2, and if Closing does occur, the Earnest Money shall be applied to payment of the Purchase Price at Closing as provided in Section 2.5.

2.5 Payments.

(a) The Purchase Price shall be paid by Buyer as follows:

(i) At the Closing, the Earnest Money shall, subject to execution and delivery of the closing documents described in Section 8.2, become the property of Seller and shall, pursuant to the Escrow Agreement, be disbursed to Seller by cashier's check or wire transfer of immediately available funds.

(ii) At the Closing the Purchase Price, less the amount of the Earnest Money disbursed to Seller, shall be paid to Seller at Closing by wire transfer of immediately available funds.

(b) Buyer shall pay to Seller, or Seller shall pay to Buyer, the Adjustment Amount in accordance with Section 2.7.

2.6 Allocation of the Purchase Price. Prior to Closing, Buyer and Seller shall agree to an allocation of the Purchase Price. Buyer and Seller shall use such allocation for all reporting purposes in connection with federal, state and local income and, to the extent permitted under applicable law, franchise taxes. Buyer and Seller agree to report such allocation to the Internal Revenue Service in the form required by Treasury Regulation (S) 1.1060-1T. Seller and Buyer acknowledge that the allocation will be the result of arms length bargaining regarding the fair value of the Sale Assets; not materially different in result from the results of an independent appraisal undertaken by Seller at its expense.

2.7 Adjustment of Purchase Price.

(a) Except as provided in the LMA, all operating income and operating expenses of the Station shall be adjusted and allocated between Seller and Buyer, and an adjustment in the Purchase Price shall be made as provided in this Section, to the extent necessary to reflect the principle that all such income and expenses attributable to the operation of the Station on or before the Closing Date shall be for the account of Seller, and all income and expenses attributable to the operation of the Station after the closing Date shall be for the account of Buyer.

(b) To the extent not inconsistent with the express provisions of this Agreement, the allocations made pursuant to this Section 2.7 shall be made in accordance with generally accepted accounting principles.

(c) For purposes of making the adjustments pursuant to this Section, Buyer shall prepare and deliver the Adjustment List to Seller within thirty (30)

days following the Closing Date, or such earlier or later date as shall be mutually agreed to by Seller and Buyer. The Adjustment List shall set forth the Adjustment Amount. If the Adjustment Amount is a credit to the account of Buyer, Seller shall pay such amount to Buyer, and if the Adjustment Amount is a charge to the account of Buyer, Buyer shall pay such amount to Seller. In the event Seller disagrees with the Adjustment Amount determined by Buyer or with any other matter arising out of this subsection, and Buyer and Seller cannot within sixty (60) days resolve the disagreement themselves, the parties will refer the disagreement to a firm of independent certified public accountants, mutually acceptable to Seller and Buyer, whose decision shall be final and whose fees and expenses shall be allocated between and paid by Seller and Buyer, respectively, to the extent that such party does not prevail on the disputed matters decided by the accountants.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

3.1 Organization and Good Standing. Seller is a corporation, validly existing and in good standing under the laws of the State of Georgia. Seller has all requisite power to own, operate and lease its properties and carry on its business as it is now being conducted and as the same will be conducted until the Closing.

3.2 Authorization and Binding Effect of Documents. The execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents by Seller, and the consummation by Seller of the transactions contemplated hereby and thereby, have been duly authorized and approved by all

necessary corporate action on the part of Seller. Seller has the power and authority to execute, deliver and perform its obligations under this Agreement and each of the other Documents and to consummate the transactions hereby and thereby contemplated. This Agreement and each of the other Documents have been, or at or prior to the Closing will be, duly executed by Seller. This Agreement constitutes (and each of the other Documents, when so executed and delivered, will constitute) legal and valid obligations of Seller enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights or remedies 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).

3.3 Absence of Conflicts. The execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents by Seller, and the consummation by Seller of the transactions contemplated hereby and thereby:

(a) do not in any material respect (with or without the giving of notice or the passage of time or both) violate (or result in the creation of any Lien other than a Permitted Lien on any of the Sale Assets under), any provision of law, rule or regulation or any order, judgment, injunction, decree or ruling applicable to Seller;

(b) do not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default or give rise to a right of termination or acceleration under the Articles of Incorporation or Bylaws of Seller or pursuant to any lease, agreement, commitment or other instrument which Seller is a party to, or bound by, or by which any of the Sale Assets may be bound, or result in the creation of any Lien, other than a Permitted Lien, upon any of the Sale Assets.

3.4 Governmental Consents and Consents of Third Parties. Except for such consents as are required by the FCC and as are disclosed on Schedule 3.9, to Seller's actual knowledge, the execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents by Seller, and the consummation by Seller of the transactions contemplated hereby and thereby, do not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration of filing with, any court or public agency or other authority, or the consent of any person under any agreement, arrangement or commitment of a nature to which Seller is a party or by which it is bound or by which the Sale Assets are bound or to which they are subject to, the failure of which to obtain would have a material adverse effect on the Sale Assets or the operation of the Station.

3.5 Sale Assets. The Sale Assets include all of the assets, properties and rights of every type and description, real, personal and mixed, tangible and intangible,

that are used to a material extent in the conduct of the business of owning and operating the Station in the manner in which that business is now conducted, with the exception of the Excluded Assets and any asset owned by Buyer and used in the operation of the Station pursuant to the LMA.

3.6 Tangible Personal Property. Except for supplies and other incidental items which in the aggregate are not of material value and studio equipment, the list of Tangible Personal Property set forth on Schedule 3.6 is a complete and correct list of all of the items of tangible personal property (other than Excluded Assets and any asset owned by Buyer and used in the operation of the Station pursuant to the LMA) used to a material extent in the operation of the Station in the manner in which it is now operated. Except as set forth on Schedule 3.6:

(a) Seller has good, marketable and valid title to all of the items of Tangible Personal Property free and clear of all Liens except Permitted Liens, and including the right to transfer same.

(b) The Tangible Personal Property has been maintained in accordance with industry practices and is in good operating condition subject to ordinary wear and tear.

(c) The Tangible Personal Property complies with applicable rules and regulations of the FCC and the terms of the FCC Licenses.

(d) Seller has no knowledge of any defect in the condition or operation of any item of the Tangible Personal Property which is reasonably likely to have a material adverse effect on the operation of the Station.

3.7 Real Property.

(a) The real property described on Schedule 3.7 constitutes a complete and correct summary description in all material respects of all of the interests in real estate (other than any real property leased by Seller pursuant to a lease described in Schedule 3.9) used to any extent in the operation of the Station in the manner in which it has been and is now operated. Said real property, together with all improvements affixed thereto, is herein defined as the "Real Property."

(b) Seller does not owe any money to any architect, contractor, subcontractor or materialman for labor or materials performed, rendered or supplied to or in connection with the Real Property within the past four (4) months which shall not be paid in full on or before Closing. There is no work being done at or materials being supplied to the Real Property at the date hereof other than routine maintenance projects having an aggregate cost through completion thereof of no more than Ten Thousand Dollars ($10,000).

(c) To the best of Seller's knowledge the present use of the Real Property is in compliance with all applicable zoning codes in effect as of the date hereof, and Seller has not received any notices of uncorrected violations of the applicable housing, building, safety or fire ordinances. The Real Property is served by electricity and water in capacities adequate for the present use of the Real Property and improvements thereon. Except as set forth on Section 3.9, Seller has not made any other agreement for the sale or lease of, or given any other person an option to purchase or lease or a right of first refusal to purchase or lease, all or any part of the Real Property, and Seller has not subjected the Real Property to any liens (other than Permitted Liens), easements, rights, duties, obligations, convenants, conditions, restrictions, limitations or agreements not of record.

3.8 FCC Licenses. Seller is the holder of the FCC Licenses listed on Schedule 3.8, and except as set forth on such Schedule, the FCC Licenses (i) are valid, in good standing and in full force and effect and constitute all of the licenses, permits and authorizations required by the Act, the Rules and Regulations or the FCC for, or used in, the operation of the Station in all material respects as now operated, and (ii) constitute all the current licenses

and authorizations issued by the FCC to Seller for or in connection with the current operation of the Station. Seller has no knowledge of any condition imposed by the FCC as part of any FCC License which is neither set forth on the face thereof as issued by the FCC nor contained in the Rules and Regulations applicable generally to stations of the type, nature, class or location of the Station. The Station is being operated at full authorized power, in accordance with the terms and conditions of the FCC Licenses applicable to it and in accordance with the Rules and Regulations. No proceedings are pending or, to the knowledge of the Seller, are threatened which may result in the revocation, modification, non-renewal or suspension of any of the FCC Licenses, the denial of any pending applications, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to the Station or its operation, other than proceedings affecting the radio broadcasting industry in general. Seller has complied in all material respects with all requirements to file reports, applications and other documents with the FCC with respect to the Station, and all such reports, applications and documents are complete and correct in all material respects. Seller has no knowledge of any matters (i) which could reasonably be expected to result in the suspension or revocation of or the refusal to renew any of the FCC Licenses or the imposition of any fines or forfeitures by the FCC, or (ii) against Seller which could reasonably be expected to result in the FCC's refusal to grant approval of the assignment to Buyer of the FCC Licenses or the imposition of any Material Adverse Condition in connection with approval of such assignment. There are not any unsatisfied or otherwise outstanding citations issued by the FCC with respect to the Station or its operation. Complete and accurate copies of all FCC Licenses are attached as a part of Schedule 3.8. The "Public Inspection File" of the Station is complete and in substantial and material compliance with Section 73.3526 of the Rules and Regulations.

3.9 Station Agreements.

(a) Schedule 3.9 sets forth an accurate and complete list of all material agreements, contracts, arrangements or commitments in effect as of the date hereof, including all amendments, modifications and supplements thereto which the Station or its assets or properties are bound by, except (A) employee benefit plans and employment contracts, (B) contracts for the sale of time on the Station, and (C) contracts which are cancelable by Seller or its assignee without breach or penalty on not more than sixty (60) days' notice. Complete and correct copies of all such agreements, contracts, arrangements or commitments that are in writing, including all amendments, modifications and supplements thereto, have been delivered to Buyer.

(b) Except as set forth in the Schedules, and with respect to all Station Agreements being assumed by Buyer, (i) all Station Agreements are legal, valid and enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in any proceeding at law or in equity; (ii) neither Seller nor, to the knowledge of Seller, any other party thereto, is in material breach of or in material default under any Station Agreements; (iii) to the knowledge of Seller, there has not occurred any event which, after the giving of notice or the lapse of time or both, would constitute a material default under, or result in the material breach of, any Station Agreements which are, individually or in the aggregate, material to the operation of the Station; and (iv) Seller holds the right to enforce and receive the benefits under all of the Station Agreements, free and clear of all Liens (other than Permitted Liens) but subject to the terms and provision of each such agreement.

(c) Schedule 3.9 indicates, for each Station Agreement listed thereon which is being assumed by Buyer, whether consent or approval by any party thereto is required thereunder for consummation of the transactions contemplated hereby.

3.10 Litigation. There are no claims, investigations or administrative, arbitration or other proceedings pending or, to the actual knowledge of Seller, threatened against Seller which would, individually or in the aggregate if adversely determined, have a material adverse effect on the Sale Assets or the operation of the Station, or which would give any third party the right to enjoin the transactions contemplated by this Agreement. To the actual knowledge of Seller, there is no basis for any such claim, investigation, action, suit or proceeding which would, individually or in the aggregate if adversely determined, have a material adverse effect on the Sale Assets or operation of the Station. There are no existing or, to the actual knowledge of Seller, pending orders, judgments or decrees of any court or governmental agency affecting Seller, the Station or any of the Sale Assets.

3.11 Labor Matters.

(a) Seller is not a party to any collective bargaining agreement, and there is no collective bargaining agreement that determines the terms and conditions of employment of any employees of Seller.

(b) With respect to the Station:

(i) There is no labor strike, dispute, slow-down or stoppage pending or, to the knowledge of Seller, threatened against the Station;

(ii) There are neither pending nor, to the actual knowledge of Seller threatened, any suits, actions, administrative proceedings, union organizing activities, arbitrations, grievances or other proceedings between Seller and any employees of the Station or any union representing such employees; and there are no existing labor or employment or other controversies or grievances involving employees of the Station which have had or are reasonably likely to have a material adverse effect on the operation of the Station;

(iii) (A) Seller is in compliance in all material respects with all laws, rules and regulations relating to the employment of labor and all employment contractual obligations, including those relating to wages, hours, collective bargaining, affirmative action, discrimination, sexual harassment, wrongful discharge and the withholding and payment of taxes and contributions except for such non-compliance which individually or in the aggregate would not have a material adverse effect on the business or financial condition of the Station; (B) Seller has withheld all amounts required by law or agreement to be withheld from the wages or salaries of its employees; and (C) Seller is not liable to any present or former employees or any governmental authority for damages, arrears of wages or any tax or penalty for failure to comply with the foregoing except for such liability which individually or in the aggregate would not have a material adverse effect on the business or financial condition of the Station;

(iv) Buyer's consummation of the transactions contemplated by this Agreement in accordance with the terms hereof shall not, as a result of or in connection with the transactions contemplated hereby, impose upon Buyer the obligation to pay any severance or termination pay under any agreement, plan or arrangement binding upon Seller.

3.12 Employee Benefit Plans. Buyer's consummation of the transactions contemplated by this Agreement in accordance with the terms hereof shall not, as a result of or in connection with the transactions contemplated hereby, impose upon Buyer any obligation under any benefit plan, contract or arrangement (regardless of whether they are written or unwritten and funded or unfunded) covering employees or former employees

of Seller in connection with their employment by Seller. For purposes of the Agreement, "benefit plans" shall include without limitation employee benefit plans within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, vacation benefits, employment and severance contracts, stock option plans, bonus programs and plans of deferred compensation.

3.13 Compliance with Law. The operation of the Station complies in all material respects with the applicable rules and regulations of the FCC and all federal, state, local or other laws, statutes, ordinances, regulations, and any applicable order, writ, injunction or decree of any court, commission, board, agency or other instrumentality.

3.14 Environmental Matters; OSHA.

(a) Seller has obtained all material, environmental, health and safety permits necessary or required for either the operation of the Station as currently operated or the ownership of the Sale Assets and all such permits are in full force and effect and Seller is in compliance with all material terms and conditions of such permits.

(b) There is no proceeding pending or, to Seller's actual knowledge, threatened which may result in the reversal, rescission, termination, modification or suspension of any environmental or health or safety permits necessary for the operation of the Station as currently conducted or the ownership of the Sale Assets.

(c) With respect to the Station and the Sale Assets, Seller is in compliance in all material respects with the provisions of Environmental Laws.

(d) Seller has not, and to Seller's actual knowledge, no other

person or entity has caused or permitted materials to be generated, released, stored, treated, recycled, disposed of on, under or at such parcels, which materials, if known to be present, would require clean up, removal or other remedial or responsive action under Environmental Laws (other than normal office, cleaning and maintenance supplies in reasonable quantities used and /or stored appropriately in the buildings or improvements on the Real Property). Seller has not caused the migration of any materials from the Sale Assets onto or under any property, which materials, if known to be present, would require cleanup, removal or other remedial or responsive action under Environmental Laws. There are no underground storage tanks and no PCBs or friable asbestos in or on the Sale Assets or the Real Property.

(e) Seller is not subject to any judgment, decree, order or citation with respect to the Sale Assets related to or arising out of Environmental Laws, and Seller has not received notice that it has been named or listed as a potentially responsible party by any person or governmental body or agency in any matter arising under Environmental Laws.

(f) Seller has not discharged or disposed of any petroleum product or solid waste on the Real Property or on the property adjacent to the Real Property owned by third parties, which, to the best of Seller's knowledge, may form the basis for any present or future claim based upon the Environmental Laws in existence on the date hereof or as of the Closing, or any demand or action seeking clean-up of any site, location, body of water, surface or subsurface, under any Environmental Laws or otherwise, or which may subject the owner of the Real Property to claims by third parties (except to the extent third party liability can be established) for damages.

(g) No portion of the Sale Assets have ever been used by Seller, nor, to the best of Seller's knowledge, by any previous owner of the Sale Assets, or any of them, in material violation of Environmental Laws or as a landfill, dump site or any other use which involves the disposal or storage of Hazardous Materials on-site or in any manner which may materially adversely affect the value of the Real Property or the Sale Assets.

(h) No pesticides, herbicides, fertilizers or other materials have been used on, applied to or disposed of by Seller on or in the Sale Assets in material violation of any Environmental Laws (other than normal office, cleaning and maintenance supplies in reasonable quantities used and/or stored appropriately in the buildings or improvements on the Real Property).

(i) With respect to the Sale Assets, Seller has disposed of all waste in full compliance with all Environmental Laws and, to the best of Seller's knowledge, there is no existing condition that may form the basis of any present or future claim, demand or action seeking clean up of any facility, site, location or body of water, surface or subsurface, for which the Buyer could be liable or responsible solely as a result of the disposal of waste at such site by a prior owner of the Sale Assets.

(j) Seller is in material compliance with all OSHA Laws applicable to the Sale Assets.

3.15 Tower Coordinates. The current vertical elevation and geographical coordinates of the Station's towers ("the Tower Coordinates") are as set forth on Schedule 3.15 hereto. Seller further represents and warrants that (i) the Station's tower is properly registered with the FCC; and (ii) the Tower Coordinates comply with and correspond to the current vertical elevation an geographical coordinates authorized by the FAA, FCC and any other governmental authority, including any federal, state or local authority having jurisdiction over the Station or said towers.

3.16 Filing of Tax Returns. Seller has filed all federal, state and local tax returns which are required to be filed, and has paid all taxes and all assessments to the extent that such taxes and assessments have become due, other than such returns, taxes and assessments, the failure to file or pay would not, individually or in the aggregate, have a material adverse effect on Buyer.

3.17 Absence of Insolvency. No insolvency proceedings of any character including without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Seller or any of the Sale Assets, are pending or, to the best knowledge of Seller, threatened, and Seller has made no assignment for the benefit of creditors, nor taken any action with a view to, or which would constitute the basis for the institution of, any such insolvency proceedings.

3.18 Broker's or Finder's Fees. Except for Questcom Media Brokerage, no

agent, broker, investment banker or other person or firm acting on behalf of or under the authority of Seller or any affiliate of Seller is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with the transactions contemplated by this Agreement. Seller shall pay Questcom Media Brokerage and bear any and all broker's or finder's fee or any other commission or similar fee, directly or indirectly, owed Questcom Media Brokerage in connection with the transactions contemplated by this Agreement.

3.19 Insurance. There is now in full force and effect with reputable insurance companies fire and extended coverage insurance with respect to all material tangible Sale Assets and public liability insurance, all in commercially reasonable amounts.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

4.1 Organization and Good Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Georgia. Buyer has all requisite corporate power to own, operate and lease its properties and carry on its business as it is now being conducted and as the same will be conducted following the Closing.

4.2 Authorization and Binding Effect of Documents. Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents, and the consummation by Buyer of the transactions contemplated hereby and thereby, have been duly authorized and approved by all necessary corporate action on the part of Buyer. This Agreement and each of the other Documents to be executed by Buyer have been, or at or prior to the Closing will be, duly executed by Buyer. The Documents, when executed and delivered by the parties hereto, will constitute the valid and legally binding agreement of Buyer, enforceable against Buyer in accordance with their terms, except as may be limited by bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally, and except as may be

limited by general principles of equity (regardless of whether such enforceability is sought in a proceeding in equity or at law).

4.3 Absence of Conflicts. Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transaction contemplated hereby and thereby:

(a) Do not in any material respect (with or without the giving of notice or the passage of time or both) violate (or result in the creation of any claim, lien, charge or encumbrance on any of the assets or properties of Buyer under) any provision of law, rule or regulation or any order, judgment, injunction, decree or ruling applicable to Buyer in any manner which would have a material adverse effect on the assets, business, operation or financial condition or results of operations of Buyer;

(b) Do not (with or without the giving of notice or the passage of time or both) conflict with or result in a breach or termination of, or constitute a default or give rise to a right of termination or acceleration under, the articles of incorporation or bylaws of Buyer or any lease, agreement, commitment, or other instrument which Buyer is a party to, bound by, or by which any of its assets or properties may be bound.

4.4 Governmental Consents and Consents of Third Parties. Except for the required consent of the FCC, Buyer's execution and delivery of, and the performance of its obligations under, this Agreement and each of the other Documents and the consummation by Buyer of the transaction contemplated hereby and thereby, do not require the consent, waiver, approval, permit, license, clearance or authorization of, or any declaration or filing with, any court or public agency or other authority, or the consent of any person under any agreement, arrangement or commitment of any nature to which Buyer is a party or by which it is bound, the failure of which to obtain would have a material adverse effect on the assets, business, operation or financial condition or results of operations of Buyer.

4.5 Qualification.

(a) Buyer has no knowledge after due inquiry of any facts concerning Buyer or any other person with an attributable interest in Buyer (as such term is defined under the Rules and Regulations) which, under present law (including the Act) and the Rules and Regulations, would (i) disqualify Buyer from being the holder of the FCC Licenses, the owner of the Sale Assets or the operator of the Station upon consummation of the transactions contemplated by this Agreement, or (ii) raise a substantial and material question of fact (within the meaning of Section 309(e) of the Act) respecting Buyer's qualifications.

(b) Without limiting the foregoing Subsection (a), Buyer shall make the affirmative certifications provided in Section III of FCC Form 314 at the time of filing of such form with the FCC as contemplated by Section 5.2.

4.6 Broker's or Finder's Fees. No agent, broker, investment banker, or other person or firm acting on behalf of or under the authority or Buyer or any affiliate of Buyer is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, in connection with transactions contemplated by this Agreement.

4.7 Litigation. There are no legal, administrative, arbitration or other proceedings or governmental investigations pending or, to the knowledge of Buyer, threatened against Buyer that would give any third party the right to enjoin the transactions contemplated by this Agreement.

ARTICLE V

TRANSACTIONS PRIOR TO THE CLOSING DATE

5.1 Conduct of the Station's Business Prior to the Closing Date. Subject to the terms and conditions of the LMA, Seller covenants and agrees with Buyer that between the date hereof and the Closing Date, unless the Buyer otherwise agrees in writing (which agreement shall not be unreasonably withheld), Seller shall:

(a) Use reasonable commercial efforts to maintain insurance upon all of the tangible Sale Assets in such amounts and of such kind comparable to that in effect on the date hereof with respect to such Sale Assets and with respect to the operation of the Station, with insurers of substantially the same or better financial condition;

(b) Operate the Station and otherwise conduct its business in all material respects in accordance with the terms or conditions of its FCC Licenses, the Rules and Regulations, the Act and all other rules and regulations, statutes, ordinances and orders of all governmental authorities having jurisdiction over any aspect of the operation of the Station, except where the failure to so operate the Station would not have a material adverse effect on the Sale Assets or the operation of the Station or on the ability of Seller to consummate the transactions contemplated hereby;

(c) Comply in all material respects with all Station Agreements now or hereafter existing which are material, individually or in the aggregate, to the operation of the Station;

(d) Promptly notify Buyer of any material default by, or claim of default against, any party under any Station Agreements which are material, individually or in the aggregate, to the operation of the Station, and any event or condition which, with

notice or lapse of time or both, would constitute an event of default under such Station Agreements;

(e) Not mortgage, pledge or subject to any Lien other than a Permitted Lien (except in the ordinary course of business) any of the Sale Assets;

(f) Not sell, lease or otherwise dispose of, nor agree to sell, lease or otherwise dispose of, any of the Sale Assets, except for dispositions in the ordinary course of business;

(g) Not amend or terminate any Station Agreement, other than in the ordinary course of business;

(h) Not introduce any material change with respect to the operation of the Station including, without limitation, any material changes in the

broadcast hours of the Station or any other material change in the Station's programming policies, except such changes as in the sole discretion of Seller, exercised in good faith after consultation with Buyer, are required by the public interest;

(i) Notify Buyer of any material litigation pending or threatened against Station or Seller or any material damage to or destruction of any assets included or to be included in the Sale Assets of which Seller receives actual knowledge.

5.2 Governmental Consents. Seller and Buyer shall file with the FCC, within ten (10) business days after the execution of this Agreement, such applications and other documents in the name of Seller or Buyer, as appropriate, as may be necessary or advisable to obtain the FCC Order. Seller and Buyer shall take all commercially reasonable steps necessary to prosecute such filings with diligence and shall diligently oppose any objections to, appeals from or petitions to reconsider such approval of the FCC, to the end that the FCC Order and a Final Action with respect thereto may be obtained as soon as practicable; provided, however, that in the event the application for assignment of the FCC Licenses has been designated for hearing, either Buyer or Seller may elect to terminate this Agreement pursuant to Section 10.1(c). Buyer shall not knowingly take, and Seller covenants that Seller shall not knowingly take, any action that party knows or has reason to know would materially and adversely affect or materially delay issuance of the FCC Order or materially and adversely affect or materially delay its becoming a Final Action without a Material Adverse Condition, unless such action is requested or required by the FCC, its staff or the Rules and Regulations. Should Buyer or Seller become aware of any facts which could reasonably be expected to materially and adversely affect or materially delay issuance of the FCC Order without a Material Adverse Condition (including but not limited to, in the case of Buyer, any facts which would reasonably be expected to disqualify Buyer from controlling the Station), such party shall promptly notify the other party thereof in writing and both parties shall

cooperate to take all steps necessary or desirable to resolve the matter expeditiously and to obtain the FCC's approval of matters pending before it.

5.3 Other Consents. Seller shall use its reasonable best efforts to obtain the consent or waivers to the transactions contemplated by this Agreement required under any assumed Station Agreements; provided that Seller shall not be required to pay or grant any material consideration in order to obtain any such consent or waiver.

5.4 Tax Returns and Payments. All taxes pertaining to ownership of the Sale Assets or operation of the Station prior to the Closing Date will be timely paid; provided that Seller shall not be required to pay any such tax so long as the validity thereof shall be contested in good faith by appropriate proceedings and Seller shall have set aside adequate reserves with respect to any such tax.

5.5 Access Prior to the Closing Date. Prior to the Closing, Buyer and its representatives may make such reasonable investigation of the assets and business of Seller as it may desire; and Seller shall give to Buyer, its engineers, counsel, accountants and other representatives reasonable access during normal business hours throughout the period prior to the Closing to personnel and all of the assets, books, records and files of or pertaining to the Station, provided that (i) Buyer shall give Seller reasonable advance notice of each date on which Buyer or any such other person or entity desires such access, (ii) each person (other than an officer of Buyer) shall, if requested by Seller, be accompanied by an officer or their representative of Buyer approved by Seller, which approval shall not be unreasonably withheld, (iii) the investigations at the offices of Seller shall be reasonable in number and frequency, and (iv) all investigations shall be conducted in such a manner as not to physically damage any property or constitute a disruption of the operation of the Station or Seller. Seller shall furnish to Buyer during such period all documents and copies of documents and information concerning the business and affairs of Seller and the Station as Buyer may reasonably request.

5.6 Confidentiality; Press Release. All information, data and materials furnished or to be furnished to either party with respect to the other party in connection with this transaction or pursuant to this Agreement are confidential. Each party agrees that prior to Closing (a) it shall not disclose or otherwise make available, at any time, any such information, data or material to any person who does not have a confidential relationship with such party; (b) it shall protect such information, data and material with a high degree of care to prevent the disclosure thereof; and (c) if, for any reason, this transaction is not consummated, all information, data or material concerning the other party obtained by such party, and all copies thereof, will be returned to the other

party. After Closing, neither party will disclose or otherwise make available to any person any of such information, data or material concerning the other party, except as may be necessary or appropriate in connection with the operation of the Station by Buyer. Each party shall use its reasonable efforts to prevent the violation of any of the foregoing

confidentiality provisions by its respective representatives. Notwithstanding the foregoing, nothing contained herein shall prohibit Buyer or Seller from:

(i) using such information, data and materials in connection with any action or proceeding brought or any claim asserted by Buyer or Seller in respect of any breach by the other of any representation, warranty or covenant made in or pursuant to this Agreement; or

(ii) supplying or filing such information, data or materials to or with the FCC or any other valid governmental or court authority to the extent reasonably necessary to obtain any consent, waiver, amendment, modification, approval, authorization, permit or license which may be necessary to effectuate this Agreement, and to consummate the transaction contemplated herein.

In the event that either party determines in good faith that a press release or other public announcement is desirable under any circumstances, the parties shall consult with each other to determine the appropriate timing, form and content of such release or announcement and thereafter may make such release or announcement.

5.7 Reasonable Best Efforts. Subject to the terms and conditions of this Agreement, each of the parties hereto will use its reasonable best efforts to take all action and to do all things necessary, proper or advisable to satisfy any condition to the parties' obligations hereunder in its power to satisfy and to consummate and make effective as soon as practicable the transactions contemplated by this Agreement.

5.8 FCC Reports. Seller shall continue to file, on a current basis until the Closing Date, all reports and documents required to be filed with the FCC with respect to the Station. Seller shall provide Buyer with copies of all such filings within five business days of the filing with the FCC.

5.9 Conveyance Free and Clear of Liens. At or prior to the Closing, Seller shall obtain executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Sale Assets and properties as security for payment of loans and other obligations or judgments and of any other Liens on the Sale Assets. At the closing, Seller shall transfer and convey to Buyer all of the Sale Assets free and clear of all Liens except Permitted Liens.

5.10 Environmental Assessment. Not later than forty-five (45) days after execution of this Agreement, Buyer may obtain a Phase I ("the Phase I") environmental assessment of the Sale Assets by an environmental engineer selected by Buyer. Within fourteen (14) days after Buyer's receipt of the Phase I, if the Phase I indicates environmental conditions may exist on, under or affect such properties that may constitute a violation or breach of Seller's representations and warranties contained in Section 3.14 of this Agreement or cause the condition contained in Section 6.9 to not be

satisfied, then Buyer shall be entitled to obtain a Phase II ("the Phase II") environmental assessment of the Real Property, or any portion thereof. (The Phase I and the Phase II, if obtained, shall be referred to herein as the "Environmental Assessment"). Buyer shall commission and pay the cost of such Environmental Assessment and shall provide a copy to Seller. The Environmental Assessment shall be subject to the confidentiality provisions of Section 5.6. If after appropriate inquiry into the previous ownership of and uses of the Real Property consistent with good commercial or customary practice, the engineer concludes that environmental conditions exist on, under or affecting such properties that would constitute a violation or breach of Seller's representations and warranties contained in Section 3.14 of this Agreement or cause the condition contained in Section 6.9 to not be satisfied, then notwithstanding any other provisions of this Agreement to the contrary Seller shall reimburse Buyer for the cost of the Environmental Assessment, and, subject to the following sentence, Seller shall at its sole cost and expense (up to a maximum amount of Fifty Thousand Dollars ($50,000)) remove, correct or remedy any condition or conditions which constitute a violation or breach of Seller's

representations and warranties contained in Section 3.14 prior to the Closing Date and provide to Buyer at Closing a certificate from an environmental abatement firm reasonably acceptable to Buyer that such removal, correction or remedy has been completed so that Seller's representations and warranties contained in Section 3.14 will be true as of the Closing Date and the condition contained in Section 6.9 will be satisfied as of the Closing Date. In the event the cost of removal, correction or remedy of the environmental conditions exceeds Fifty Thousand Dollars ($50,000), Buyer may elect to proceed with the Closing but shall not be obligated to close under any circumstances which would require Buyer to assume ownership of the Station under conditions where there exist any uncured violations of warranties, representations or covenants with respect to environmental matters.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER TO CLOSE

Buyer's obligation to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions, unless waived by Buyer in writing:

6.1 Accuracy of Representations and Warranties; Closing Certificate.

(a) The representations and warranties of Seller contained in this Agreement or in any other Document shall be complete and correct in all material respects on the date hereof and at the Closing Date with same effect as though made at such time except for changes that are not materially adverse to the Station or the Sale Assets taken as a whole.

(b) Seller shall have delivered to Buyer on the Closing Date a certificate that (i) the condition specified in Section 6.1(a) is satisfied as of the Closing Date, and (ii) except as set forth in such certificate (none of which exceptions shall be materially adverse to the Station, the Sale Assets or Seller's ability to consummate the transaction contemplated hereby), the condition specified in Section 6.2 is satisfied as of the Closing Date.

6.2 Performance of Agreements. Seller shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement and each of the other Documents to be performed or complied with by it prior to or upon the Closing Date.

6.3 FCC and Other Consents.

(a) The FCC Order shall have been issued by the FCC and shall have become a Final Action without any Material Adverse Condition.

(b) Conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied by Seller prior to transfer of the FCC Licenses to Buyer shall have been satisfied by Seller.

(c) All other authorizations, consents, approvals and clearances of federal, state or local governmental agencies required to permit the consummation by Buyer of the transactions contemplated by this Agreement including, without limitation, the assignment of any FCC Authorization requested by Buyer, shall have been obtained; all statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would have a material adverse effect on the operations of the Station.

6.4 Adverse Proceedings. Neither Buyer nor any affiliate of Buyer shall be subject to any ruling, decree, order or injunction restraining, imposing material limitations on or prohibiting (i) the consummation of the transactions contemplated hereby or (ii) its participation in the operation, management, ownership or control of the Station; and no litigation, proceeding or other action seeking to obtain any such ruling, decree, order or injunction shall be pending or shall have been threatened in writing. No governmental authority having jurisdiction shall have notified any party to this Agreement that consummation of the transaction contemplated hereby would constitute a violation of the laws of the United States or of any state or political subdivision or

that it intends to commence proceedings to restrain such consummation or to force divestiture, unless such governmental authority shall have withdrawn such notice. No governmental authority having jurisdiction shall have commenced any such proceeding.

6.5 Opinion of Seller's FCC Counsel. Buyer shall have received from Seller's FCC counsel an opinion, dated the Closing Date, in form and substance reasonably satisfactory to Buyer's FCC counsel, to the effect that:

(a) The FCC Licenses listed on Schedule 3.8 are valid, in good standing and in full force and effect and include all licenses, permits and authorizations which are necessary under the Rules and Regulations for Seller to operate the Station in the manner in which the Station is currently being operated.

(b) To counsel's knowledge, no condition has been imposed by the FCC as part of any FCC License which is not set forth on the face thereof as issued by the FCC or contained in the Rules and Regulations applicable generally to stations of the type, nature, class or location of the Station.

(c) No proceedings are pending or, to counsel's knowledge, are threatened which may result in the revocation, modification, non-renewal of, suspension of, or the imposition of a Material Adverse Condition upon, any of the FCC Licenses, the denial of any pending applications, the issuance of any cease and desist order or the imposition of any fines, forfeitures or other administrative actions by the FCC with respect to the Station or its operation, other than proceedings affecting the radio broadcasting industry in general.

In rendering such opinion, counsel shall be entitled to rely upon Seller's representations and warranties in this Agreement and to limit its inquiry to its files and such FCC files and records as are available to it as of 10:00 o'clock A.M. Eastern time the business day immediately preceding the Closing Date. Counsel may state that, as to any factual matters embodied in, or forming a basis for any legal opinion expressed in, such opinion, counsel's knowledge is based solely on such inquiry.

6.6 Other Consents. Seller shall have obtained in writing and provided to Buyer on or before the Closing Date, without any condition materially adverse to Buyer or the Station, the consents or waivers to the transactions contemplated by this Agreement required under those Station Agreements which Buyer has elected to assume.

6.7 Delivery of Closing Documents. Seller shall have delivered or caused to be delivered to Buyer on the Closing Date each of the Documents required to be delivered pursuant to Section 8.2.

6.8 No Cessation of Broadcasting.

(a) Between the date hereof and the Closing Date, the Station shall not have for a period of more than ten (10) days in the aggregate (i) ceased broadcasting on its authorized frequency, (ii) lost substantially all of its normal broadcasting capability or (iii) been broadcasting at a power level of 50% or less of its FCC authorized level. Seller

shall promptly notify Buyer of the occurrence of any one or more of the foregoing events or conditions, and the non-fulfillment of the condition precedent set forth in this Subsection caused by the occurrence of the events specified in Seller's notice shall be deemed waived by Buyer unless, within fifteen (15) days after Buyer's receipt of Seller's written notice, Buyer notifies Seller in writing to the contrary.

(b) In addition, during the five (5) days immediately preceding the Closing Date, the Station shall have been operating continuously with substantially all of its normal broadcasting capability except for cessation or reductions for insignificant periods of time resulting from occurrences (such as lightning strikes) over which Seller has no control. Seller shall have the right to delay Closing for a period not to exceed thirty (30) days if Seller reasonably determines that any action to restore the Station substantially all of its normal broadcasting capability can be completed during such delay period.

6.9 Environmental Conditions. The Environmental Assessment obtained by Buyer pursuant to Section 5.10 hereof shall not have disclosed any material violation of any Environmental Law which is not removed or cured by Seller prior

to Closing.

ARTICLE VII

CONDITIONS PRECEDENT OF THE OBLIGATION OF SELLER TO CLOSE

The obligation of Seller to close the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the closing Date, of each of the following conditions, unless waived by Seller in writing:

7.1 Accuracy of Representations and Warranties.

(a) The representations and warranties of Buyer contained in this Agreement shall be complete and correct in all material respects on the date hereof and at the Closing Date with the same effect as though made at such time except for changes that are not materially adverse to Seller.

(b) Buyer shall have delivered to Seller on the Closing Date a certificate that (i) the condition specified in Section 7.1(a) is satisfied as of the Closing Date, and (ii) except as set forth in such certificate (none of which exceptions shall be materially adverse to Buyer's ability to consummate the transaction contemplated hereby), the conditions specified in Section 7.2 are satisfied as of the Closing Date.

7.2 Performance of Agreements. Buyer shall have performed in all material respects all of its covenants, agreements and obligations required by this Agreement and

each of the other Documents to be performed or complied with by it prior to or upon the Closing Date.

7.3. FCC and Other Consents.

(a) The FCC Order shall have been issued by the FCC and shall have become effective under the rules of the FCC.

(b) Conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied by Buyer prior to transfer of the FCC Licenses to Buyer shall have been satisfied by Buyer.

(c) All other authorizations, consents, approvals and clearances of all federal, state and local governmental agencies required to permit the consummation by Seller of the transactions contemplated by this Agreement shall have been obtained; all statutory and regulatory requirements for such consummation shall have been fulfilled; and no such authorizations, consents, approvals or clearances shall contain any conditions that individually or in the aggregate would have any material adverse effect on Seller.

7.4 Adverse Proceedings. Seller shall not be subject to any ruling, decree, order or injunction restraining, imposing material limitations on or prohibiting the consummation of the transactions contemplated hereby. No governmental authority having jurisdiction shall have notified any party to this Agreement that consummation of the transactions contemplated hereby would constitute a violation of the laws of the United States or of any state or political subdivision or that it intends to commence proceedings to restrain such consummation or to force divestiture, unless such governmental authority shall have withdrawn such notice. No governmental authority having jurisdiction shall have commenced any such proceeding.

7.5 Delivery of Closing Documents and Purchase Price. Buyer shall have delivered or caused to be delivered to Seller on the Closing Date each of the Documents required to be delivered pursuant to Section 8.3, and Seller shall have received payment of the Purchase Price with the form of payment set forth in Section 2.5.

ARTICLE VIII

CLOSING

8.1 Time and Place. Unless otherwise agreed to in advance by the parties, Closing shall take place in person or via facsimile at the offices of Buyer's counsel in Atlanta, Georgia, or at such other place as the parties agree, at 10:00 A.M. Pacific Time on the date (the "Closing Date") that is the later of (i) the fifth Business Day after the Applicable Date or (ii) the date as soon as practicable following satisfaction or waiver of

the conditions precedent hereunder. The "Applicable Date" shall be the date on which issuance of the FCC Order without any Material Adverse Condition has become a Final Action.

8.2 Documents to be Delivered to Buyer by Seller. At the Closing, Seller shall deliver or cause to be delivered to Buyer the following:

(a) Certified resolutions of Seller's Board of Directors and Shareholders approving the execution and delivery of this Agreement and each of the other documents and authorizing the consummation of the transactions contemplated hereby and thereby.

(b) The certificate required by Section 6.1(b).

(c) A bill of sale and other instruments of transfer and conveyance transferring to Buyer the Tangible Personal Property.

(d) Executed releases, in suitable form for filing and otherwise in form and substance reasonably satisfactory to Buyer, of any security interests granted in the Sale Assets as security for payment of loans and other obligations and of any other Liens (other than Permitted Liens).

(e) Required instruments of transfer and conveyance transferring to Buyer the Real Property.

(f) An instrument or instruments assigning to Buyer all right, title and interest of Seller in and to all Station Agreements being assumed by Buyer.

(g) An instrument assigning to Buyer all right, title and interest of Seller in the FCC Licenses, all pending applications relating to the station before the FCC, and any remaining Sale Assets not otherwise conveyed.

(h) An instrument assigning to Buyer all rights, title and interest of Seller to the assets described in Section 2.1(f) hereof.

(i) The opinion of Seller's FCC counsel, dated the Closing Date, to the effect set forth in Section 6.5.

(j) A lease, executed by the owner of the Antenna Tower Site ("Landlord") as is reasonably acceptable to Landlord and Buyer, leasing the Antenna Tower Site to Buyer at a rate of Two Thousand Five Hundred Dollars ($2,500) (with 4% annual increases in rent) for five (5) years with five (5) options to renew on the same terms for five (5) years each option.

(j) Such additional information and materials as Buyer shall have reasonably requested, including without limitation, evidence that all consents and approvals required as a condition to Buyer's obligation to close hereunder have been obtained.

8.3 Documents to be Delivered to Seller by Buyer. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

(a) Certified resolutions of Buyer's Board of Directors approving the execution and delivery of this Agreement and each of the other Documents and authorizing the consummation of the transaction contemplated hereby and thereby.

(b) The Purchase Price as set forth in Section 2.5.

(c) The agreement of Buyer assuming the obligations under any Station Agreements being assumed by Buyer.

(d) The certificate required under Section 7.1(b).

Such additional information and materials as Seller shall have reasonably requested.

ARTICLE IX

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

9.1 Survival of Representation and Warranties. All representations, warranties, covenants and agreements contained in this Agreement or in any other Document shall survive the Closing for the Survival Period and the Closing shall not be deemed a waiver by either party of the representations, warranties, covenants or agreements of the other party contained herein or in any other Document. No claim may be brought under this Agreement or any other Document unless written notice describing in reasonable detail the nature and basis of such claim is given on or prior to the last day of the Survival Period; except for claims by Buyer for any amounts owed by Seller to Buyer under Section 9.3(a)(iv) and Section 9.3(a)(v), which claims may be made at any time. In the event such a notice is so given, the right to indemnification with respect thereto under this Article shall survive the Survival Period until such claim is finally resolved and any obligations with respect thereto are fully satisfied. Notwithstanding the foregoing, the provisions for survival and the making of claims shall not apply to the agreements whereby Buyer assumes the obligations under Subsection 8.3(c), each of which agreements shall be governed by its own terms.

9.2 Indemnification in General. Buyer and Seller agree that the rights to indemnification and to be held harmless set forth in this Agreement shall, as between the parties hereto and their respective successors and assigns, be exclusive of all rights to indemnification and to be held harmless that such party (or its successors or assigns) would otherwise have by statute, common law or otherwise.

9.3 Indemnification by Seller.

(a) Subject to the provisions of Subsection (b) below and Section 10.2 below, Seller shall indemnify and hold harmless Buyer and any officer, director, agent, employee and affiliate thereof with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including reasonable attorneys' fees) relating to or arising out of:

(i) Any breach or non-performance by Seller of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Documents; or

(ii) The ownership or operation by Seller of the Station or the Sale Assets on or prior to the Closing Date; or

(iii) All other liabilities and obligations of Seller other than the Assumed Obligations; or

(iv) Noncompliance by Seller with the provisions of the Bulk Sales Act, if applicable, in connection with the transaction contemplated hereby; or

(v) Any violation of any Environmental Laws by Seller or the existence of any Hazardous Materials on the Real Property on or before Closing.

(b) Except for any amounts owed by Seller to Buyer under Section 9.3(a)(iv), Section 9.3(a)(v) and Section 2.7, if Closing occurs, Seller shall not be obligated until the aggregate amount of such claims, liabilities, damages, losses, costs and expenses exceeds Buyer's Threshold Limitation, in which case Buyer shall then be entitled to indemnification of the entire aggregate amount.

9.4 Indemnification by Buyer.

(a) Subject to the provisions of Subsection (b) below and Section 10.2 below, Buyer shall indemnify and hold harmless Seller and any officer, director, agent, employee and affiliate thereof with respect to any and all demands, claims, actions, suits, proceedings, assessments, judgments, costs, losses, damages, liabilities and expenses (including reasonable attorneys' fees) relating to or arising out of:

(i) Any breach or non-performance by Buyer of any of its representations, warranties, covenants or agreements set forth in this Agreement or any other Document; or

(ii) The ownership or operation of the Station after the Closing Date; or

(iii) All other liabilities or obligations of Buyer.

(b) Except for any amounts owed by Buyer to Seller under Section 2.7, if Closing occurs, Buyer shall not be obligated until the aggregate amount of such claims, liabilities, damages, losses, costs and expenses exceeds Seller's Threshold Limitation, in which case Seller shall then be entitled to indemnification of the entire aggregate amount.

9.5 Indemnification Procedures. In the event that an Indemnified Party may be entitled to indemnification hereunder with respect to any asserted claim of, or obligation or liability to, any third party, such party shall notify the Indemnifying Party thereof, describing the matters involved in reasonable detail, and the Indemnifying Party shall be entitled to assume the defense thereof upon written notice to the Indemnified Party with counsel reasonably satisfactory to the Indemnified Party; provided, that once the defense thereof is assumed by the Indemnifying Party, the Indemnifying Party shall keep the Indemnified Party advised of all developments in the defense thereof and any related litigation, and the Indemnified Party shall be entitled at all times to participate in the defense thereof at its own expense. If the Indemnifying Party fails to notify the Indemnified Party of its election to defend or contest its obligation to indemnify under this Article IX, the Indemnified Party may pay, compromise, or defend such a claim without prejudice to any right it may have hereunder.

ARTICLE X

TERMINATION; LIQUIDATED DAMAGES

10.1 Termination. If Closing shall not have previously occurred, this Agreement shall terminate upon the earliest of:

(a) the giving of written notice from Seller to Buyer, or from Buyer to Seller, if:

(i) Seller gives such termination notice and is not at such time in material default hereunder, or Buyer gives such termination notice and Buyer is not at such time in material default hereunder; and

(ii) Either:

(A) any of the representations or warranties contained herein of Buyer (if such termination notice is given by Seller), or of Seller (if such termination notice is given by Buyer), are inaccurate in any respect and materially adverse to the party giving such termination notice unless the inaccuracy has been induced by or is the result of actions or omissions of the party giving such termination notice; or

(B) Any material obligation to be performed by Buyer (if such termination

notice is given by Seller) or by Seller (if such termination notice is given by Buyer) is not timely performed in any material respect unless the lack of timely performance has been induced by or is the result of actions or omissions of the party giving such termination notice; or

(C) Any condition (other than those referred to in foregoing Clauses (A) and (B)) to the obligation to close the transaction contemplated herein of the party giving such termination notice has not been timely satisfied; and any such inaccuracy, failure to perform or non-satisfaction of a condition neither has been cured nor satisfied within twenty (20) days after written notice thereof from the party giving such termination notice nor waived in writing by the party giving such termination notice.

(b) Written notice from Seller to Buyer, or from Buyer to Seller, at any time after one year from the date this Agreement is executed; provided that termination shall not occur upon the giving of such termination notice by Seller if Seller is at such time in material default hereunder or upon the giving of such termination notice by Buyer if Buyer is at such time in material default hereunder.

(c) Written notice from Seller to Buyer, or from Buyer to Seller, at any time following a determination by the FCC that the application for consent to assignment of the FCC Licenses has been designated for hearing; provided that the party which is the subject of the hearing (or whose alleged actions or omissions resulted in the designation for hearing) may not elect to terminate under this subsection (c).

(d) The written election by Buyer under Article XI.

10.2 Obligations Upon Termination.

(a) In the event this Agreement is terminated pursuant to Section 10.1(a)(ii)(A) or (B), the aggregate liability of Buyer for breach hereunder shall be limited as provided in Subsections (c) and (e), below and the aggregate liability for Seller for breach hereunder shall be limited as provided in Subsections (d) and (e), below. In the event this Agreement is terminated for any other reason, neither party shall have any liability hereunder.

(b) Upon termination of this Agreement, Buyer shall be entitled to the return of the Earnest Money from the Escrow Agent under the Escrow Agreement (i) if such termination is effected by Buyer's giving of valid written notice to Seller pursuant to Subsections 10.1(a), (b) (c) or (d) , or (ii) if such termination is effected by Seller's giving of valid written notice to Buyer pursuant to Subsections 10.1(a)(ii)(C), 10.1(b) or 10.1(c). If Buyer is entitled to the return of the Earnest Money, Seller shall cooperate with Buyer in taking such action as is required under the Escrow Agreement in order to effect such return from the Escrow Agent.

(c) If this Agreement is terminated by Seller's giving of valid written notice to Buyer pursuant to Subsection 10.1(a)(ii)(A) or (B), Buyer agrees that Seller shall be entitled to receive upon such termination, as liquidated damages and not as a penalty, the Earnest Money ("Liquidated Damages Amount"). SELLER'S RECEIPT OF THE LIQUIDATED DAMAGES AMOUNT SHALL CONSTITUTE PAYMENT OF LIQUIDATED DAMAGES HEREUNDER AND NOT A PENALTY, AND SHALL BE SELLER'S SOLE REMEDY AT LAW OR IN EQUITY FOR BUYER'S BREACH HEREUNDER IF CLOSING DOES NOT OCCUR. BUYER AND SELLER EACH ACKNOWLEDGE AND AGREE THAT THE LIQUIDATED DAMAGE AMOUNT IS REASONABLE IN LIGHT OF THE ANTICIPATED HARM WHICH WILL BE CAUSED BY BUYER'S BREACH OF THIS AGREEMENT, THE DIFFICULTY OF PROOF OF LOSS, THE INCONVENIENCE AND NON-FEASIBILITY OF OTHERWISE OBTAINING AN ADEQUATE REMEDY, AND THE VALUE OF THE TRANSACTION TO BE CONSUMMATED HEREUNDER.

(d) Notwithstanding any provision of this Agreement to the contrary, but subject to the provisions of the following sentences, if this Agreement is terminated by Buyer's giving of written notice to Seller pursuant to Subsection 10.1(a), Buyer shall not be entitled to damages or indemnification from Seller. Subject to the following sentence, if Seller attempts to terminate this Agreement under circumstances where it is not entitled to do so, or if Seller,

by its own action, causes a breach of warranty or fails to satisfy a condition (including without limitation a refusal to consummate the transaction after Buyer has satisfied all conditions to Seller's obligation to close and Buyer has demonstrated its willingness and ability to close on the terms set forth in this Agreement and Buyer is not in default hereunder) with the intent of creating a situation whereby Buyer elects to terminate under Section 10.1(a) and Buyer does so elect to terminate, the monetary damages, if any, to which Buyer shall be entitled shall be limited to direct and actual damages and shall in no event exceed the Liquidated Damages Amount in the aggregate. If a circumstance described in the preceding sentence should arise and if Buyer establishes that the action of Seller described therein was taken intentionally in order to allow Seller to sell or enter into negotiations to sell the Station to another party, the damages to which Buyer shall be entitled shall not be limited to direct and actual damages.

(e) In any dispute between Buyer and Seller as to which party is entitled to all or a portion of the Earnest Money, the prevailing party shall receive, in addition to that portion of the Earnest Money to which it is entitled, an amount equal to interest on that portion at the rate of 10% per annum, calculated from the date the prevailing party's demand for all or a portion of the Earnest Money is received by the Escrow Agent.

10.3 Termination Notice. Each notice given by a party pursuant to Section 10.1 to terminate this Agreement shall specify the Subsection (and clause or clauses thereof) of Section 10.1 pursuant to which such notice is given.

ARTICLE XI

CASUALTY

Upon the occurrence of any casualty loss, damage or destruction material to the operation of the Station prior to the Closing, Seller shall promptly give Buyer written notice setting forth in detail the extent of such loss, damage or destruction and the cause thereof if known. Seller shall use its reasonable efforts to promptly commence and thereafter to diligently proceed to repair or replace any such lost, damaged or destroyed property. In the event that such repair or replacement is not fully completed prior to the Closing Date, Buyer may elect to postpone the Closing until Seller's repairs have been fully completed or to consummate the transactions contemplated hereby on the Closing Date, in which event Seller shall assign to Buyer the portion of the insurance proceeds (less all reasonable costs and expenses, including without limitation attorney's fees, expenses and court costs incurred by Seller to collect such amounts), if any, not previously expended by Seller to repair or replace the damaged or destroyed property (such assignment of proceeds to take place regardless of whether the parties close on the scheduled or deferred Closing Date) and Buyer shall accept the damaged Sale Assets in their damaged condition. In the event the loss, damage or destruction causes or will cause the Station to be off the air for more than seven (7) consecutive days or fifteen (15) total days, whether or not consecutive, then Buyer may elect either (i) to consummate the transactions contemplated hereby on the Closing Date, in which event Seller shall assign to Buyer the portion of the insurance proceeds (less all reasonable costs and expenses, including without limitation attorney's fees, expenses and court costs, incurred by Seller to collect such amounts), if any, not previously expended by Seller to repair or replace the damaged or destroyed property, and Buyer shall accept the damaged Sale Assets in their damaged condition, or (ii) to terminate this Agreement.

ARTICLE XII

CONTROL OF STATION

Subject to the terms and conditions of the LMA, between the date of this Agreement and the Closing Date, Buyer shall not control, manage or supervise the

operation of the Station or conduct of its business, all of which shall remain the sole responsibility and under the control of Seller, subject to Seller's compliance with this Agreement.

ARTICLE XIII

MISCELLANEOUS

13.1 Further Actions. From time to time before, at and after the Closing, each party, at its expense and without further consideration, will execute and deliver such documents to the other party as the other party may reasonably request in order more effectively to consummate the transactions contemplated hereby.

13.2 Access After the Closing Date. After the Closing and for a period of twelve (12) months, Buyer shall provide Seller, Seller's counsel, accountants and other representatives with reasonable access during normal business hours to the books, records, property, personnel, contracts, commitments and documents of the Station pertaining to transactions occurring prior to the Closing Date when requested by Seller, and Buyer shall retain such books and records for the normal document retention period of Buyer. At the request and expense of Seller, Buyer shall deliver copies of any such books and records to Seller.

13.3 Payment of Expenses.

(a) Any fees assessed by the FCC in connection with the filings contemplated by Section 5.2(a) or consummation of the transactions contemplated hereby shall be shared equally between Seller and Buyer.

(b) All state or local sales or use, stamp or transfer, grant and other similar taxes payable in connection with consummation of the transactions contemplated hereby shall be paid by the party primarily liable under applicable law to pay such tax.

(c) Except as otherwise expressly provided in this Agreement, each of the parties shall bear its own expenses, including the fees of any attorneys and accountants engaged by such party, in connection with this Agreement and the consummation of the transactions contemplated herein.

13.4 Specific Performance. Seller acknowledges that the Station is of a special, unique, and extraordinary character, and that any breach of this Agreement by Seller could not be compensated for by damages. Accordingly, if Seller shall breach its obligations under this Agreement, Buyer shall be entitled, in addition to any of the remedies that it may have, to enforcement of this Agreement (subject to obtaining any required approval of the FCC) by decree of specific performance or injunctive relief requiring Seller to fulfill its obligations under this Agreement. In any action by Buyer to

equitably enforce the provisions of this Agreement, Seller shall waive the defense that there is an adequate remedy at law or equity and agrees that Buyer shall have the right to obtain specific performance of the terms of this Agreement without being required to prove actual damages, post bond or furnish other security.

13.5 Notices. All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by courier or sent by registered or certified mail, first class, postage prepaid, or by telex, cable, telegram, facsimile machine or similar written means of communication, addressed as follows:

(a) If to Seller, to:

Cherokee Broadcasting, Inc.
1353 13th Avenue
Columbus, Georgia 31901
Attn: Mr. Charles McClure, Sr.
Telephone: (706) 324-0338
Facsimile: ___________________

Copy (which shall not constitute notice) to:

Mr. John G. Griffin, Esq.
Fortson, Bradley & Griffin
440 College Avenue North, Suite 220
Atlanta, Georgia 30603
Telephone: (706) 548-1151
Facsimile: _________________

(b) if to Buyer, to:

c/o Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Facsimile No.: (805) 482-7290
Attention: Jonathan L. Block, Esq.
Corporate Counsel

or such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given (i) if so mailed, as of the close of the third (3rd) business day following the date mailed, and (ii) if personally delivered or otherwise sent as provided above, on the date received.

13.6 Entire Agreement. This Agreement, the Schedules and Exhibits hereto, and the other Documents constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede any prior negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter hereof.

13.7 Binding Effect; Benefits. Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors or assigns. Except to the extent specified herein, nothing in this Agreement, express or implied, shall confer on any person other than the parties hereto and their respective successors or assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

13.8 Assignment. This Agreement and any rights hereunder shall not be assignable by either party hereto without the prior written consent of the other party.

13.9 Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Georgia, including all matters of construction, validity and performance.

13.10 Bulk Sales. Buyer hereby waives compliance by Seller with the provisions of the Bulk Sales Act and similar laws of any state or jurisdiction, if applicable. Seller shall, in accordance with Article IX, indemnify and hold Buyer harmless from and against any and all claims made against Buyer by reason of such non-compliance.

13.11 Amendments and Waivers. No term or provision of this Agreement may be amended, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of such amendment, waiver, discharge or termination is sought. Any waiver shall be effective only in accordance with its express terms and conditions.

13.12 Severability. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

13.13 Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

EXHIBIT "A" TO THE
LOCAL PROGRAMMING AND
MARKETING AGREEMENT

13.14 Counterparts. This Agreement may be executed in any number of counterparts, and by either party on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13.15 References. All references in this Agreement to Articles and Sections are to Articles and Sections contained in this Agreement unless a different document is expressly specified.

13.15 Dispute Resolution. Any claims or disputes arising out of this Agreement shall be resolved by mediation in Atlanta, Georgia, or, if mediation does not resolve the claim or dispute within ten (10) days of notice demanding mediation, by arbitration in Atlanta, Georgia, in accordance with the rules for commercial arbitration of the American Arbitration Association.

13.16 Schedules and Exhibits. Unless otherwise specified herein, each Schedule and Exhibit referred to in this Agreement is attached hereto, and each such Schedule and Exhibit is hereby incorporated by reference and made a part hereof as if fully set forth herein.

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

"SELLER"	"BUYER "
CHEROKEE BROADCASTING CO. , INC.	SALEM MEDIA OF GEORGIA, INC.
Name: ____________________________	By:______________________________
Title: ____________________________	Eric H. Halvorson Vice President

EXHIBIT "A" TO THE
LOCAL PROGRAMMING AND
MARKETING AGREEMENT

<TABLE>
<CAPTION>

LIST OF SCHEDULES

<S>	<C>
Schedule 3.6	Tangible Personal Property.
Schedule 3.7	Description of Real Property.
Schedule 3.8	FCC Licenses.
Schedule 3.9	Station Agreements.
Schedule 3.15	Tower Coordinates

</TABLE>

SCHEDULE 3.6

TANGIBLE PERSONAL PROPERTY

TBD

SCHEDULE 3.7

DESCRIPTION OF REAL PROPERTY

None.

SCHEDULE 3.8

FCC LICENSE

See Attached.

United States of America

FEDERAL COMMUNICATIONS COMMISSION

FM BROADCAST STATION LICENSE

[SEAL OF THE FEDERAL COMMUNICATIONS COMMISSION]

Authorizing Official:

Official Mailing Address:

CHEROKEE BROADCASTING CO., INC.
P.O. Box 1290
CANTON, GA 30114

Arthur E. Doak

Arthur E. Doak
Supervisory Engineer, FM Branch
Audio Services Division
Mass Media Bureau

Grant Date: MAR 20, 1990

Call sign: WCHK-FM

This license expires 3:00 am local time: April 01, 1996

License File No.: BLH-890523KB

This license covers Permit No.: 880701IA

Subject to the provisions of the Communications Act of 1934, subsequent acts and treaties, and all regulations heretofore or hereafter made by this Commission, and further subject to the conditions set forth in this license, the licensee is hereby authorized to use and operate the radio transmitting apparatus herein described.

This license is issued on the licensee's representation that the statements contained in licensee's application are true and that the undertakings therein contained so far as they are consistent herewith, will be carried out in good faith. The licensee shall, during the term of this license, render such broadcasting service as will serve the public interest, convenience, or necessity to the full extent of the privileges herein conferred.

This license shall not vest in the licensee any right to operate the station nor any right in the use of the frequency designated in the license beyond the term hereof, nor in any other manner than authorized herein. Neither the license nor the right granted hereunder shall be assigned or otherwise transferred in violation of the Communications Act of 1934. This license is subject to the right of use or control by the Government of the United States conferred by Section 606 of the Communications Act of 1934.

Name of Licensee:

CHEROKEE BROADCASTING CO., INC.

Station Location:

GA-CANTON

Frequency (MHz): 105.7

Channel: 289

Class: C2

Hours of Operation: Unlimited

Main Studio Address:

GA-1880 MARIETTA ROAD, CANTON, CHEROKEE COUNTY.

Transmitter location (address or description):

GA-RABBIT HILL ROAD, HOLLY SPRINGS.

Remote control point address:

GA-1880 MARIETTA ROAD, CANTON.

Transmitter: Type accepted. See Sections 73.1660, 73.1665 and 73.1670 of the Commission's Rules.

Transmitter output power (kW): 21.0

Antenna type: (directional or non-directional): Non-directional

Desc: HARRIS FMH-5AE, FIVE SECTIONS, CIRCULARY POLARIZED SIDE-MOUNTED ON A CROSS-SECTION GUYED STEEL TOWER.

Antenna coordinates: North Latitude: 34 09 14.0
West Latitude: 84 30 44.0

<TABLE>
<CAPTION>

<S>	Horizontally Polarized Antenna <C>	Vertically Polarized Antenna <C>
Effective radiated power in the horizontal plane (kW)........................:	50.0	50.0
Height of radiation center above ground (meters).............................:	144.0	144.0
Height of radiation center above mean sea level (meters)......................:	455.0	455.0
Height of radiation center above average terrain (meters).....................:	150.0	150.0

</TABLE>

Overall height of antenna structure above ground (including obstruction lighting, if any) . . . .: 152.0 meters

Obstruction marking and lighting specifications for antenna structure:

It is to be expressly understood that the issuance of these specifications is in no way to be considered as precluding additional or modified marking or lighting as may hereafter be required under the provisions of Section 303(q) of the Communications Act of 1934, as amended.

Paragraph A, FCC Form 715-A (Nov. 1983):

There shall be installed at the top of the antenna structure a white capacitor discharge omindirectional light which conforms to FAA/DOD Specification L-856, High Intensity Obstruction Lighting Systems. This light shall be mounted on the highest point of the structure. If the antenna or other appurtenance at its highest point is incapable of supporting the omindirectional light, one or more such lights shall be installed on a suitable adjacent support with the lights mounted not more than 20 feet below the tip of the appurtenance. The lights shall be positioned so as to permit unobstructed viewing of at least one light from aircraft at any normal angle of approach. The light unit(s) shall emit a beam with a peak intensity around its periphery of approximately 20,000 candelas during daytime and twilight, and approximately 4,000 candelas at night:

Paragraph H, FCC Form 715-A (Nov. 1983):

All lights shall be syncronized to flash simultaneously at 40 pulses per minute. The light system shall be equipped with a light sensitive control device which shall face the north sky and cause the intensity steps to change automatically when the north sky illumination on a vertical surface is as follows:

1. Day to Twilight: Shall not occur before the illumination drops to 60 footcandles, but shall occur before it drops to 30 footcandles.
2. Twilight to Night: Shall not occur before the illumination drops to 5 footcandles, but shall occur before it drops to 2 footcandles.
3. Night to Day: The intensity changes listed in 1. and 2. above shall be reversed in transitioning from the night to day modes.

SPECIAL PAINTING/LIGHTING CONDITIONS

OBSTRUCTION MARKING IN ACCORDANCE WITH PARAGRAPHS A,H OF FCC FORM 715A (PARAGRAPH A MODIFIED TO REQUIRE USE OF L-866 LIGHTS IN LIEU OF L-856, AT THE TOP AND MID-LEVELS OF TOWER)

- --

REVISED LICENSE AUTHORIZATION

PURSUANT OT COMMISSION ACTION IN MM DOCKET No. 96-90 IMPLEMENTING SECTION 203 OF THE TELECOMMUNICATIONS ACT OF 1996, THIS IS TO NOTIFY YOU THAT THE LICENSE AUTHORIZATION FOR STATION: WGST-FM
LOCATION: CANTON, GA
HAS BEEN REVISED TO A TERM EXPIRING ON 04-01-2004

ONLY THE LICENSE TERM OF YOUR PREVIOUSLY ISSUED LICENSE AUTHORIZATION IS AFFECTED. ALL PREVIOUS TERMS AND CONDITIONS ARE STILL IN EFFECT.

THIS ALSO IS THE LICENSE CERTIFICATE FOR YOUR CURRENTLY AUTHORIZED AUXILIARY SERVICES.

THIS CARD MUST BE POSTED WITH THE STATION'S LICENSE CERTIFICATE, ANY SUBSEQUENT MODIFICATIONS, AND ANY PREVIOUSLY ISSUED RENEWAL AUTHORIZATION.

[SEAL OF THE FEDERAL COMMUNICATIONS COMMISSION]

- --

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554
- ----------------------
OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

FIRST CLASS MAIL
POSTAGE & FEES PAID
FEDERAL COMMUNICATIONS COMMISSION
PERMIT NO. G111

CHEROKEE BROADCASTING CO., INC.
WGST-FM STATION
P.O. BOX 1290
CANTON, GA 30114

- --

LICENSE RENEWAL AUTHORIZATION
- -----------------------------
THIS IS TO NOTIFY YOU THAT YOUR APPLICATION FOR RENEWAL OF LICENSE WAS GRANTED ON 06-11-1996 FOR A TERM EXPIRING ON 04-01-2003

THIS IS YOUR LICENSE RENEWAL AUTHORIZATION FOR STATION WGST-FM

LOCATION: CANTON, GA

THIS ALSO IS THE RENEWAL CERTIFICATE FOR YOUR CURRENTLY AUTHORIZED AUXILIARY SERVICES.

THIS CARD MUST BE POSTED WITH THE STATION'S LICENSE CERTIFICATE AND ANY SUBSEQUENT MODIFICATIONS.

- --

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE $300

FIRST CLASS MAIL
POSTAGE & FEES PAID
FEDERAL COMMUNICATIONS COMMISSION
PERMIT NO. G111

CHEROKEE BROADCASTING CO., INC.
WGST-FM FM STATION

P.O. BOX 1290
CANTON, GA 30114

SCHEDULE 3.9

STATION AGREEMENTS

None.

SCHEDULE 3.15

TOWER COORDINATES

See Attached.

EXHIBIT "A"
TO THE ASSET PURCHASE AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") dated as of _________________, is entered into by and between CHEROKEE BROADCASTING CO., INC. ("Seller"), the owner of certain assets relating to radio station WGST(FM) 105.7MHz, Canton, Georgia (the "Station"), SALEM MEDIA OF GEORGIA, INC. (the "Buyer") and ("Escrow Agent").

W I T N E S S E T H

WHEREAS, concurrently with the execution of this Agreement, Seller and Buyer are entering into an Asset Purchase Agreement (the "Purchase Agreement"), pursuant to which Seller has agreed to sell to Buyer, subject to the terms and conditions of the Purchase Agreement, substantially all the assets used in the operation of the Station; and

WHEREAS, the Purchase Agreement provides, upon the terms and conditions set forth therein, for Buyer to deposit into escrow the amount of Seven Hundred Fifty Thousand Dollars ($750,000) (the "Escrow Deposit"), and

WHEREAS, the Escrow Deposit shall be held by the Escrow Agent subject to the terms and conditions hereof.

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

1. The Escrow Agent is hereby appointed and shall have all the rights, powers, duties and obligations hereinafter provided, and the Escrow Agent accepts such appointment.

2. Concurrently with the execution and delivery of this Agreement, Buyer has deposited with the Escrow Agent, in escrow, the Escrow Deposit. The Escrow Deposit shall be held and disbursed by Escrow Agent as hereinafter set forth.

3. The Escrow Agent agrees to accept Buyer's deposit of the Escrow Deposit. The Escrow Agent agrees to invest and reinvest the Escrow Deposit in accordance with the following provisions:

(a) The Escrow Agent shall invest and reinvest the Escrow Deposit in one or more of the following investments as selected from time to time by the Escrow Agent in its discretion (the "Obligations"):

(i) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or

(ii) money market funds or certificates of deposit issued by any bank, trust company or national banking association, provided the capital stock, surplus, and undivided profits of such institution are not less that Fifty Million Dollars ($50,000,000), or

(iii) Money market funds authorized to invest solely in direct obligations of the United States of America.

(b) The Obligations shall have a maturity of thirty (30) days or less during the sixty (60) days immediately after deposit of the Escrow Deposit, and thereafter shall be available on demand without penalty unless Escrow Agent is

otherwise directed in writing by both Seller and Buyer.

(c) Notwithstanding anything else in this Agreement to the contrary, interest and other earnings on the Escrow Deposit shall be distributed by the Escrow Agent to Buyer from time to time upon the request of Buyer.

4. If the Escrow Agent shall receive a certificate in the form of Exhibit B executed by an authorized officer of each of Buyer and Seller named on Exhibit A (each, an "Authorized Officer"), the Escrow Agent shall deliver the Escrow Deposit to Seller not more than one (1) business day after receipt of such certificate.

5. If the Escrow Agent shall receive a certificate in the form of Exhibit C executed by an Authorized Officer of each of Buyer and Seller, the Escrow Agent shall deliver the Escrow Deposit to Buyer not more than one (1) business day after receipt of such certificate.

6. Either Buyer or Seller, on its own, may request the Escrow Agent to release the Escrow Deposit to it by sending a written request to the Escrow Agent, with a copy to the other party, which request shall state the basis upon which the Buyer or Seller is requesting the release of the Escrow Deposit. The Escrow Agent shall deliver the Escrow Deposit to the requesting party if the other party hereto has not objected in writing to such written request with seven (7) business days after the date of receipt of the request by the Escrow Agent.

7. If a controversy arises between the parties hereto with respect to the release of the Escrow Deposit, the Escrow Agent shall not be required to resolve such controversy or take any action, but shall await final resolution of the controversy by joint written

instructions from the parties hereto or pursuant to a nonappealable order from a court of competent jurisdiction. In any dispute between the Buyer and Seller as to which party is entitled to all or a portion of the Escrow Deposit, the prevailing party shall receive from the losing party, in addition to that portion of the Escrow Deposit to which it is entitled, an amount equal to interest on that portion of the Escrow Deposit to which it is entitled at the rate of ten percent (10%) per annum, calculated from the date the prevailing party's demand for all or a portion of the Escrow Deposit is received by the Escrow Agent.

8. The Escrow Agent's duties are only such as are specifically provided herein, and the Escrow Agent shall incur no liability whatsoever to Buyer or Seller except for gross negligence or willful misconduct. The Escrow Agent shall have no responsibility hereunder other than to follow faithfully the instructions herein contained. The Escrow Agent may consult with counsel and shall be fully protected in any action taken reasonably and in good faith in accordance with any written instructions given to it hereunder and believed by it reasonably and in good faith to have been executed by the proper parties.

9. As between Seller and Buyer on the one hand and Escrow Agent on the other, Seller and Buyer shall be jointly and severally liable to indemnify Escrow Agent for all reasonable costs, charges, damages and expenses, including but not limited to reasonable attorney's fees (the "Indemnifiable Costs") incurred by Escrow Agent arising out of or in connection with the performance of its obligations under this Agreement, provided that Indemnifiable Costs shall not include any costs, charges, damages or expenses, including attorneys' fees, arising out of or in connection with Escrow Agent's gross negligence or willful misconduct. Solely as between Seller and Buyer in connection with any controversy or litigation regarding the Escrow Deposit, (i) the one of them who as a claimant fails to obtain a majority of the relief sought, or who as a defendant or respondent fails to obtain denial by a judgment not subject to further appeal of a majority of the relief sought by the other, shall be responsible for payment of all of the Escrow Agent's Indemnifiable Costs relating to the controversy or litigation in question; and (ii) in any other event, Seller and Buyer shall each be responsible for payment of one-half of Escrow Agent's Indemnifiable Costs.

10. Escrow Agent agrees to serve without compensation for the services to be rendered hereunder.

11. The obligations of Seller and Buyer to indemnify Escrow Agent under Paragraph 9 shall survive termination of this Agreement.
- -----------

12. The Escrow Agent may resign at any time by giving written notice thereof to the other parties hereto, but such resignation shall not become effective until a successor escrow agent shall have been appointed by the Escrow Agent and approved by Seller and Buyer and shall have accepted such appointment in writing. If an instrument of acceptance by a successor escrow agent shall not have been delivered to the Escrow Agent within thirty (30) days after the giving of such notice of resignation, the resigning

Escrow Agent may at the expense of both Buyer and Seller petition any court of competent jurisdiction for the appointment of a successor escrow agent.

13. In the event of any litigation between Seller and Buyer involving a disputed claim to the Escrow Deposit, the one of them who is the prevailing party shall be entitled to receive from the other reasonable attorneys' fees and other reasonable costs and expenses reasonably incurred by the prevailing party in connection with such litigation regardless of whether such litigation is prosecuted to judgment. As used herein, "prevailing party" shall mean in the case of a claimant, one who is successful in obtaining a majority of the relief sought, and in the case of a defendant or respondent, one who is successful in obtaining denial by a judgment not subject to further appeal of a majority of the relief sought by the claimant.

14. If a controversy arises between the parties hereto with respect to the release of the Escrow Deposit, any of the Seller, Buyer or Escrow Agent shall, at its option, file an action or bill in interpleader, or similar action for such purpose, in a court of competent jurisdiction and the Escrow Agent shall promptly pay the Escrow Deposit into said court, in which event the Escrow Agent's duties, responsibilities and liabilities under this Agreement shall terminate.

15. This Agreement shall be construed in accordance with the laws of the State of Georgia. This Agreement may be executed in several counterparts, each one of which shall constitute an original, and all collectively shall constitute but one instrument.

16. Any notice, consent or request to be given in connection with any of the terms or provisions of this Agreement shall be in writing and shall be sufficiently given if delivered by overnight delivery service or sent by registered or certified mail, first class postage prepaid, or by telegram, facsimile machine or similar written means of communication, addressed as follows:

(a) if to the Escrow Agent, to:

(b) if to Seller, to:

Cherokee Broadcasting, Inc.
1353 13th Avenue
Columbus, Georgia 31901
Attn: Mr. Charles McClure, Sr.
Telephone: (706) 324-0338
Facsimile:

Copy to:

Mr. John E. Griffin, Esq.
Fortson, Bently & Griffin, P.A.
440 College Avenue North, Suite 220
Atlanta, Georgia 30613
Telephone: (706) 548-1151
Facsimile: (706) 548-8113

(c) if to Buyer, to:

Salem Communications Corporation
4880 Santa Rosa Road, Suite 300
Camarillo, California 93012
Facsimile No.: (805) 482-7290
Attention: Jonathan L. Block
Corporate Counsel

or any such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other parties hereto. Any such notice, demand or communication shall be deemed to have been given (i) if so mailed, as of the close of the third (3rd) business day following the date so mailed, and (ii) if personally delivered or sent by overnight mail or otherwise sent as provided above, on the date received.

17. This Agreement shall terminate upon valid delivery of the Escrow Deposit to Seller and/or Buyer or to a successor escrow agent which executes an Escrow Agreement substantially similar to this Agreement.

18. Buyer's Federal Taxpayer Identification Number is______________.

Signatures follow on next page.

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

"SELLER" "BUYER"

CHEROKEE BROADCASTING CO., INC.   SALEM MEDIA OF GEORGIA, INC.

By: -------------------------   By: -------------------------
Eric H. Halvorson
Vice President

"ESCROW AGENT"

BY: -------------------------

EXHIBIT A

TO ESCROW AGREEMENT

SIGNATURES OF AUTHORIZED OFFICERS

"SELLER"   "BUYER"

CHEROKEE BROADCASTING CO., INC.   SALEM MEDIA OF GEORGIA, INC.

By: -------------------------   By: -------------------------
Eric H. Halvorson
Vice President

EXHIBIT B

TO ESCROW AGREEMENT

This Certificate is presented pursuant to Section 4 of the Escrow Agreement, dated December 16, 1996 by and between by between by and between CHEROKEE BROADCASTING CO., INC. ("Seller"), the owner of certain assets relating to radio station WGST(FM) 105.7MHz, Canton, Georgia (the "Station"), SALEM MEDIA OF GEORGIA, INC. (the "Buyer") and ------------------ ("Escrow Agent"). All capitalized terms used and not otherwise defined shall have their respective meanings provided in the Escrow Agreement.

Pursuant to Section 4 of the Escrow Agreement, Seller and Buyer DO HEREBY CERTIFY that Seller is entitled to delivery of the Escrow Deposit.

Accordingly, the Escrow Agent is hereby directed to deliver the Escrow Deposit to Seller within one (1) business day of the receipt of this Certificate.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand as of the date indicated.

Dated: ------------------, 1997.

"SELLER"   "BUYER"

CHEROKEE BROADCASTING CO., INC.   SALEM MEDIA OF GEORGIA, INC.

By: ------------------------   By: ------------------------
Eric H. Halvorson
Vice President

EXHIBIT C

TO ESCROW AGREEMENT

This Certificate is presented pursuant to Section 5 of the Escrow Agreement, dated December 16, 1996 by and between by and between CHEROKEE BROADCASTING CO., INC. ("Seller"), the owner of certain assets relating to radio station WGST(FM) 105.7MHz, Canton, Georgia (the "Station"), SALEM MEDIA OF

GEORGIA, INC. (the "Buyer") and _______________ ("Escrow Agent"). All capitalized terms used and not otherwise defined shall have their respective meanings provided in the Escrow Agreement.

Pursuant to Section 5 of the Escrow Agreement, Seller and Buyer DO HEREBY CERTIFY that Buyer is entitled to delivery of the Escrow Deposit.

Accordingly, the Escrow Agent is hereby directed to deliver the Escrow Deposit to Buyer within one (1) business day of the receipt of this Certificate.

Dated: _____________________, 1997.

"SELLER"	"BUYER"
CHEROKEE BROADCASTING CO., INC.	SALEM MEDIA OF GEORGIA, INC.
By: _________________________	By: _________________________
	Eric H. Halvorson Vice President

</TEXT>
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EXHIBIT 10.09.01

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SECURITY-CONNECTICUT
LIFE INSURANCE COMPANY

SECURITY DRIVE — A STOCK COMPANY — AVON, CONNECTICUT 06001

A part of Security-Connecticut Corporation

<S>	<C>	<C>	<C>
POLICY NUMBER	2256440M	POLICY DATE	FEBRUARY 6, 1997
INSURED	EDWARD G. ATSINGER III	FACE AMOUNT	$5,000,000
AGE ISSUE	57 MALE	PREMIUM INTERVAL	ANNUAL
FIRST PREMIUM	$20,175.00	PREMIUM CLASS	PREFERRED NONSMOKER
ISSUE DATE	JANUARY 30, 1997	EXPIRY DATE	FEBRUARY 6, 2035

</TABLE>

This is a legal contract between you and Security-Connecticut Life Insurance Company. This contract is called a Policy. The word "you" means the Policy Owner. The application shows the name of the Policy Owner. The word "we" means the Security-Connecticut Life Insurance Company. We promise to pay the Death Benefit to the Beneficiary subject to the provisions of this Policy. See "Payments By Us," for description of the Death Benefit. The Beneficiary is the party that you name. We will pay the Death Benefit when we receive proof of death of the Insured. The Policy Data page shows the name of the Insured. Age at any time is the Issue Age shown on the Policy Data page increased by the number of policy years completed. For information or service on this Policy, contact the person who sold you this Policy, or any of our offices including our Home Office.

IMPORTANT

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. CAREFULLY REVIEW IT FOR LIMITATIONS.

THIS POLICY MAY BE RETURNED WITHIN 30 DAYS FROM THE DATE YOU RECEIVED IT FOR A FULL REFUND, BY RETURNING IT TO EITHER THE INSURANCE COMPANY OR THE AGENT WHO SOLD YOU THIS POLICY. AFTER 30 DAYS, CANCELLATION MAY RESULT IN A LOSS OF PAID PREMIUM.

Signed at The Home Office in Avon, Connecticut.

/PATRICIA A. DEVITA/	/RONALD D. JARVIS/
Secretary	President

INCREASING PREMIUM TERM INSURANCE POLICY TO AGE 95
WITH EXCHANGE OPTIONS AND PREMIUM ADJUSTMENT PROVISION
NON DIVIDENDS

POLICY SUMMARY

This is a Non-Participating Increasing Premium Term Insurance Policy to Age 95. Premiums are payable to age 95, or until the Insured's death, whichever comes first. We may charge a premium which is lower, but never higher, than the premium specified in the Schedule of Maximum Premium by Year. Exchange Options are available.

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<SEQUENCE>91
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EXHIBIT 10.09.02

SECURITY-CONNECTICUT
LIFE INSURANCE COMPANY

SECURITY DRIVE | A STOCK COMPANY | AVON, CONNECTICUT 06001

A PART OF SECURITY-CONNECTICUT CORPORATION

POLICY NUMBER	225747H	POLICY DATE	FEBRUARY 6, 1997
INSURED	EDWARD G. ATSINGER III	FACE AMOUNT	$5,000,000
AGE ISSUE	57 MALE	PREMIUM INTERVAL	ANNUAL
FIRST PREMIUM	$20,175.00	PREMIUM CLASS	PREFERRED NONSMOKER
ISSUE DATE	JANUARY 30, 1997	EXPIRY DATE	FEBRUARY 6, 2035

This is a legal contract between you and Security-Connecticut Life Insurance Company. This contract is called a Policy. The word "you" means the Policy Owner. The application shows the name of the Policy Owner. The word "we" means the Security-Connecticut Life Insurance Company. We promise to pay the Death Benefit to the Beneficiary subject to the provisions of this Policy. See "Payments By Us," for description of the Death Benefit. The Beneficiary is the party that you name. We will pay the Death Benefit when we receive proof of death of the Insured. The Policy Data page shows the name of the Insured. Age at any time is the Issue Age shown on the Policy Data page increased by the number of policy years completed. For information or service on this Policy, contact the person who sold you this Policy, or any of our offices including our Home Office.

IMPORTANT

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. CAREFULLY REVIEW IT FOR LIMITATIONS.

THIS POLICY MAY BE RETURNED WITHIN 30 DAYS FROM THE DATE YOU RECEIVED IT FOR A FULL REFUND, BY RETURNING IT TO EITHER THE INSURANCE COMPANY OR THE AGENT WHO SOLD YOU THIS POLICY. AFTER 30 DAYS, CANCELLATION MAY RESULT IN A LOSS OF PAID PREMIUM.

Signed at The Home Office in Avon, Connecticut.

/PATRICIA A. DEVITA/ /RONALD D. JARVIS/

Secretary President

INCREASING PREMIUM TERM INSURANCE POLICY TO AGE 95 WITH EXCHANGE OPTIONS AND PREMIUM ADJUSTMENT PROVISION NON DIVIDENDS

POLICY SUMMARY

This is a Non-Participating Increasing Premium Term Insurance Policy to Age 95. Premiums are payable to age 95, or until the Insured's death, whichever comes first. We may charge a premium which is lower, but never higher, than the premium specified in the Schedule of Maximum Premium by Year. Exchange Options are available.

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EXHIBIT 10.09.03

SECURITY-CONNECTICUT
LIFE INSURANCE COMPANY

SECURITY DRIVE A STOCK COMPANY AVON, CONNECTICUT 06001

A PART OF SECURITY-CONNECTICUT CORPORATION

POLICY NUMBER	2257476B	POLICY DATE	FEBRUARY 6, 1997
INSURED	STUART W. EPPERSON	FACE AMOUNT	$5,000,000
AGE ISSUE	60 MALE	PREMIUM INTERVAL	ANNUAL
FIRST PREMIUM	$26,375.00	PREMIUM CLASS	PREFERRED NONSMOKER
ISSUE DATE	JANUARY 30, 1997	EXPIRY DATE	FEBRUARY 6, 2032

This is a legal contract between you and Security-Connecticut Life Insurance Company. This contract is called a Policy. The word "you" means the Policy Owner. The application shows the name of the Policy Owner. The word "we" means the Security-Connecticut Life Insurance Company. We promise to pay the Death Benefit to the Beneficiary subject to the provisions of this Policy. See "Payments By Us," for description of the Death Benefit. The Beneficiary is the party that you name. We will pay the Death Benefit when we receive proof of death of the Insured. The Policy Data page shows the name of the Insured. Age at any time is the Issue Age shown on the Policy Data page increased by the number of policy years completed. For information or service on this Policy, contact the person who sold you this Policy, or any of our offices including our Home Office.

IMPORTANT

YOU HAVE PURCHASED A LIFE INSURANCE POLICY. CAREFULLY REVIEW IT FOR LIMITATIONS.

THIS POLICY MAY BE RETURNED WITHIN 30 DAYS FROM THE DATE YOU RECEIVED IT FOR A FULL REFUND, BY RETURNING IT TO EITHER THE INSURANCE COMPANY OR THE AGENT WHO SOLD YOU THIS POLICY. AFTER 30 DAYS, CANCELLATION MAY RESULT IN A LOSS OF PAID PREMIUM.

Signed at The Home Office in Avon, Connecticut.

/PATRICIA A. DEVITA/ /RONALD D. JARVIS/

Secretary President

INCREASING PREMIUM TERM INSURANCE POLICY TO AGE 95
WITH EXCHANGE OPTIONS AND PREMIUM ADJUSTMENT PROVISION
NON DIVIDENDS

POLICY SUMMARY

This is a Non-Participating Increasing Premium Term Insurance Policy to Age 95. Premiums are payable to age 95, or until the Insured's death, whichever comes first. We may charge a premium which is lower, but never higher, than the premium specified in the Schedule of Maximum Premium by Year. Exchange Options are available.

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<SEQUENCE>93
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EXHIBIT 12.01

Salem Communications Corporation
Exhibit 12.01 - Computation of Ratio of Earnings to Fixed Charges

<TABLE>
<CAPTION>

	Year Ended December 31					Nine Months Ended September 30
	1992	1993	1994	1995	1996	1997
	(dollars in thousands)					

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Pretax income (loss) from continuing operations	$ (460)	$3,563	$ 439	$ 312	$19,408	$(4,374)
Interest expense	2,851	2,554	3,668	6,646	7,361	8,548
Interest portion of rent expense	540	702	829	1,042	1,274	1,142
Earnings	$2,931	$6,819	$4,936	$8,000	$28,043	$ 5,316
Interest expense	$2,851	$2,554	$3,668	$6,646	$ 7,361	$ 8,548
Interest portion of rent expense	540	702	829	1,042	1,274	1,142
Fixed Charges	$3,391	$3,256	$4,497	$7,688	$ 8,635	$ 9,690
Ratio of Earnings to Fixed Charges	0.9	2.1	1.1	1.0	3.2	0.5

</TABLE>

<TABLE>
<CAPTION>

<S>	Year ended December 31 1996 <C>	Nine months ended September 30 1997 <C>
Pro forma pretax income (loss) from continuing operations	11,589	(7,209)
Pro forma interest expense	15,179	11,384
Interest portion of rent expense	1,274	1,141
Pro forma earnings	$28,042	$ 5,316
Pro forma interest expense	$15,179	11,384
Interest portion of rent expense	1,274	1,141
Fixed Charges	$16,453	$12,525
Pro Forma Ratio of Earnings to Fixed Charges	1.7	0.4

</TABLE>

EXHIBIT 21.01

SUBSIDIARIES OF THE COMPANY

NAME OF SUBSIDIARY	STATE OF INCORPORATION/ ORGANIZATION
ATEP Radio, Inc.	California
Beltway Media Partners	Virginia
Bison Media, Inc.	Colorado
Caron Broadcasting, Inc.	Ohio
Common Ground Broadcasting, Inc.	Oregon
Golden Gate Broadcasting Company, Inc.	California
Inland Radio, Inc.	California
Inspiration Media, Inc.	Washington
Inspiration Media of Texas, Inc.	Texas
New England Continental Media, Inc.	Massachusetts
New Inspiration Broadcasting Company, Inc.	California
Oasis Radio, Inc.	California
Pennsylvania Media Associates, Inc.	Pennsylvania
Radio 1210, Inc.	California
Salem Communications Corporation	Delaware
Salem Media Corporation	New York
Salem Media of California, Inc.	California
Salem Media of Colorado, Inc.	Colorado
Salem Media of Louisiana, Inc.	Louisiana
Salem Media of Ohio, Inc.	Ohio
Salem Media of Oregon, Inc.	Oregon
Salem Media of Pennsylvania, Inc.	Pennsylvania
Salem Media of Texas, Inc.	Texas
Salem Music Network, Inc.	Texas
Salem Radio Network Incorporated	Delaware
Salem Radio Representatives, Inc.	Texas
South Texas Broadcasting, Inc.	Texas
SRN News Network, Inc.	Texas
Vista Broadcasting, Inc.	California

EXHIBIT 23.01

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" and to the reference to our firm under the caption "Selected Consolidated Financial Information of the Company" and to the use of our report dated May 9, 1997 (except Note 1, as to which the date is August 13, 1997) in the Registration Statement (Form S-4) and related Prospectus of Salem Communications Corporation for the registration of $150,000,000 9 1/2% Series B Senior Subordinated Notes Due 2007.

Our audit also included the financial statement schedule of Salem Communications Corporation listed in Item 21(b). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Woodland Hills, California
December 5, 1997

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS AS OF AND FOR THE PERIODS ENDED DECEMBER 31, 1996 AND SEPTEMBER 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>
<CIK> 0001049664
<NAME> SALEM COMMUNICATIONS CORPORATION
<MULTIPLIER> 1,000

<S>	<C>	<C>
<PERIOD-TYPE>	9-MOS	12-MOS
<FISCAL-YEAR-END>	DEC-31-1997	DEC-31-1996
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<CASH>	2,103	1,962
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<RECEIVABLES>	12,240	11,547
<ALLOWANCES>	1,249	1,005
<INVENTORY>	0	0
<CURRENT-ASSETS>	20,320	13,613
<PP&E>	57,973	49,405
<DEPRECIATION>	21,801	19,098
<TOTAL-ASSETS>	184,133	159,185
<CURRENT-LIABILITIES>	3,102	5,355
<BONDS>	160,100	121,790
<PREFERRED-MANDATORY>	0	0
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<COMMON>	5,832	5,832
<OTHER-SE>	3,554	14,702
<TOTAL-LIABILITY-AND-EQUITY>	184,133	159,185
<SALES>	0	0
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<CGS>	0	0
<TOTAL-COSTS>	49,953	48,558
<OTHER-EXPENSES>	0	0
<LOSS-PROVISION>	924	1,067
<INTEREST-EXPENSE>	8,548	7,361
<INCOME-PRETAX>	(4,374)	19,408
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<INCOME-CONTINUING>	(2,584)	12,753
<DISCONTINUED>	0	0
<EXTRAORDINARY>	(1,090)	0
<CHANGES>	0	0
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<EPS-DILUTED>	0	0

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