

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 17, 1996

Saga Communications, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-11588

38-3042953

(Commission File Number)

(IRS Employer Identification No.)

73 Kercheval Avenue, Grosse Pointe Farms, Michigan

48236

(Address of Principal Executive Offices)

(Zip Code)

(313) 886-7070

(Registrant's Telephone Number, Including Area Code)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On June 18, 1996, Saga Communications, Inc. (the "Registrant"), through its wholly-owned subsidiary Saga Communications of New England, Inc. ("SCNE"), acquired from Ocean Coast Properties ("OC"), a Maine corporation (the "Seller"), substantially all of the assets of radio stations WPOR AM/FM (the "Stations"), licensed to Portland, Maine. As of June 19, 1996, the Registrant owns one television station and 28 radio stations consisting of 17 FM and 11 AM radio stations.

The acquisition price for the assets was approximately \$10,000,000. The principal source of funds used to acquire the radio stations was borrowings under the Registrant's \$54,000,000 senior secured term loan credit facility entered into on June 17, 1996 with The First National Bank of Boston; The Bank of New York, Fleet Bank, N.A., Mellon Bank, N.A., and Union Bank of California, N.A. (See item 5 below.)

SCNE will utilize the FCC broadcast licenses, broadcast tower, antenna, transmitter and real property acquired from the Seller in a manner similar to that previously utilized by the Seller.

The Asset Purchase Agreement and Press Release are attached hereto as Exhibits and incorporated herein by reference. The foregoing summary of the such exhibits is qualified in its entirety by reference to the complete text of such exhibits.

ITEM 5. OTHER EVENTS

On June 17, 1996, the Registrant entered into an agreement (the "Credit Agreement") with The First National Bank of Boston; The Bank of New York, Fleet Bank, N.A., Mellon Bank, N.A., and Union Bank of California; N.A. (collectively the "lenders"), to refinance the Company's financing facilities with two facilities (the "Facilities"): a \$54,000,000 senior secured term loan (the "Term Loan") and a \$56,000,000 senior secured reducing revolving/term loan facility (the "Revolving Loan"). The facilities mature June 30, 2003. The Company's indebtedness under the Facilities is secured by a first priority lien on substantially all the assets of the Registrant and its subsidiaries, by a pledge of its subsidiaries stock and by a guarantee of its subsidiaries.

The Term Loan was used to refinance the Company's existing bank indebtedness, and to principally finance the acquisition of WPOR AM/FM (item 2 above). The Revolving Loan, of which \$51,000,000 may be used for permitted acquisitions and related transaction expenses, and \$5,000,000 may be used for working capital needs and stand-by letters of credit.

The Amended and Restated Credit Agreement and Press Release are attached hereto as Exhibits and incorporated herein by reference. The foregoing summary of such exhibits is qualified in its entirety by reference to the complete text of such exhibits.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Business Acquired

Ocean Coast Properties:

Report of Independent Auditors

Balance Sheets at December 31, 1995 and December 25, 1994

Statements of Earnings and Retained Earnings for the years ended December 31, 1995 and December 25, 1994

Statement of Cash Flows for the years ended December 31, 1995 and December 25, 1994

Notes to Financial Statements

Unaudited Condensed Balance Sheet at March 31, 1996

Unaudited Condensed Statement of Operations for the three month periods ended March 31, 1996 and 1995

Unaudited Condensed Statement of Cash Flows for the three month periods ended March 31, 1996 and 1995

Notes to Unaudited Financial Statements

(b) Pro Forma Financial Statements

Pro Forma Combined Condensed Financial Statements (Unaudited):

Unaudited Pro Forma Combined Condensed Balance Sheet at March 31, 1996

Unaudited Pro Forma Combined Condensed Statement of Operations For
the year ended December 31, 1995 and the three month period ended
March 31, 1996

Notes to Pro Forma Combined Condensed Financial Statements
(Unaudited)

(c) Exhibits

See exhibit index annexed hereto.

- (d) It is impracticable for the Registrant to provide the required historical and pro forma financial statements at this time. The Registrant undertakes to file such required financial statements when such statements are available. The required financial statements will be filed not later than August 13, 1996.

Exhibit Index

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Exhibit
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Reference

Exhibit Title

- (2) Asset Purchase Agreement dated as of March 7, 1996 by and between Saga Communications of New England, Inc. and Ocean Coast Properties.
- (4) Amended and Restated Credit Agreement dated as of June 17, 1996 by and between Saga Communications, Inc. and The First National Bank of Boston; The Bank of New York, Fleet Bank, N.A., Mellon Bank, N.A., and Union Bank of California, N.A.
- (23) Consent of Baker Newman & Noyes LLC *
- (99) Press Release dated June 24, 1996

* To be filed on or prior to August 13, 1996.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAGA COMMUNICATIONS, INC.
Registrant

By: /s/ Norman L. McKee

Norman L. McKee
Senior Vice President, Chief
Financial Officer and Treasurer

Dated: July 2, 1996

ASSET PURCHASE AGREEMENT

AGREEMENT entered into as of the 7th day of March, 1996, by SAGA COMMUNICATIONS OF NEW ENGLAND, INC., a Delaware corporation with a mailing address at 73 Kercheval Avenue, Grosse Pointe Farms, MI 48236 ("Buyer"), OCEAN COAST PROPERTIES, a Maine corporation with a mailing address at 15 Baxter Boulevard, Portland, Maine 04101 ("SELLER"). Certain capitalized terms defined herein are indexed in Section 9 hereof.

RECITALS:

WHEREAS, Seller is the licensee and operator of Radio Stations WPOR(AM) and WPOR-FM, licensed to Portland, Maine (collectively, the "STATIONS"), holding valid authorizations for the operation thereof from the Federal Communications Commission (together with any successor thereto, the "FCC"), and Seller is the owner of all of the tangible and intangible property used in connection with the operation of the Stations; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, substantially all of the properties and assets used or useful in connection with the operation of the Stations, all subject to the terms and conditions set forth herein; and

WHEREAS, concurrently herewith Buyer is entering into an employment agreement with Robert J. Gold, pursuant to which Robert J. Gold shall serve as the general manager of the Stations (the "EMPLOYMENT AGREEMENT").

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein, the parties agree as follows:

SECTION 1. PURCHASE AND SALE OF ASSETS

1.1. SALE OF ASSETS. (a) Subject to the provisions of this Agreement, Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase and accept from Seller, on the Closing Date (as defined in Section 1.4 hereof), all of the assets and rights of every kind and nature, real, personal, and mixed, tangible and intangible, now or hereafter owned by Seller or in which Seller now or hereafter has an interest which are used or usable in, or arising from, the operation of the Stations, including all such assets and rights acquired by Seller or arising between the date hereof and the Closing Date (but excluding any

Excluded Property, as defined in Section 1.1(b)), and including, without limitation, the following:

(i) All tangible personal property and physical assets wherever located (collectively, the "TANGIBLE ASSETS"), including, without limitation, the assets described in the Schedule of Tangible Assets attached hereto as SCHEDULE 1.1(a)(i);

(ii) All governmental licenses, franchises, approvals, certificates, authorizations, permits and rights and applications therefor (collectively, the "LICENSES"), including, without limitation, the Licenses described in the Schedule of Licenses attached hereto as SCHEDULE 1.1(a)(ii);

(iii) All real estate, including all buildings and improvements thereon, described in the Schedule of Real Estate attached hereto as SCHEDULE 1.1(a)(iii) (the "REAL ESTATE");

(iv) The real estate leases (the "REAL ESTATE LEASES"), the equipment leases, towers, syndication agreements, programming and other contracts relating to the Stations described in the Schedule of Contracts attached hereto as SCHEDULE 1.1(a)(iv); all agreements for the sale of advertising time on the Stations for cash, billed at rates consistent with Seller's past practices; the agreements for the sale of advertising time on the Stations at rates then charged to unaffiliated third parties consistent with Seller's past practices in exchange for merchandise or services (collectively, "TRADE-OUT AGREEMENTS") specified as such on SCHEDULE 1.1(a)(iv) (collectively, the "ASSUMED TRADE-OUT AGREEMENTS"); such other contracts, business agreements, leases and arrangements existing on the Closing Date and entered into by Seller with persons or entities other than its affiliates, in the ordinary course of business consistent with past practices between the date hereof and the Closing Date which in the aggregate involve consideration payable or receivable not in excess of \$10,000; and those additional contracts, business agreements, leases and arrangements used or usable in the operation of the Stations which are not specifically disclosed in this Agreement or the Schedules hereto or which are entered into by Seller between the date hereof and the Closing Date which, in either case, Buyer may, in its discretion, agree in writing to assume (all of the foregoing, including the Assumed Trade-Out Agreements, being herein collectively referred to as the "ASSUMED CONTRACTS");

(v) Originals or, if originals are unavailable, copies of Seller's files, books, and records relating to the Subject Assets (as hereinafter defined), including, without limitation, tapes, computer disks and electronic data processing software used or usable in the operation of the Stations, accounting journals and ledgers, FCC filings, customer lists, and Station log books;

(vi) All of Seller's rights in and to all copyrights, logos, trademarks, service marks, trade names, current slogans, jingles, computer programs to the extent

owned by Seller or its affiliates, non-governmental licenses, intellectual property, and other intangible property rights owned by, or licensed or franchised to, Seller and used by the Stations, including those described in the Schedule of Intangible Assets attached hereto as SCHEDULE 1.1(a)(vi);

(vii) All of Seller's rights and interests to the use of the call letters of each of the Stations as call letters or as part of a tradename;

(viii) All goodwill relating to the Stations; and

(ix) All non-cash accounts receivable in respect of Assumed Trade-Out Agreements.

(b) There shall, however, be excluded from such purchase and sale the following property owned by Seller (the "EXCLUDED PROPERTY"):

(i) Cash accounts receivable, notes receivable, cash and cash equivalents or money market instruments, including unprocessed checks, savings and other deposits and certificates of deposit, all as the same may exist as of the Closing, subject to the provisions of clause (iv) below;

(ii) Seller's corporate franchise, stock record books, corporate record books, including minutes of meetings of directors and stockholders, and such other records as deal exclusively with Seller's organization or stock capitalization; and

(iii) All other assets of Seller which are described in the Schedule of Excluded Property attached hereto as SCHEDULE 1.1(b).

(iv) Assets sold by Seller following the date hereof and prior to the Closing Date in accordance with the provisions of this Agreement; provided, however, that, any proceeds of such sales shall not constitute Excluded Property.

(c) The assets of the Seller to be sold to and purchased by the Buyer under this Agreement are hereinafter collectively referred to as the "SUBJECT ASSETS."

1.2. ASSUMPTION OF LIABILITIES. Upon the sale and purchase of the Subject Assets, Buyer shall assume (a) Seller's obligations to be performed after 12:01 A.M. on the Closing Date (but not obligations or liabilities the Seller's performance or payment of which was due prior to such time) under the Assumed Contracts and (b) Seller's obligations described in the Schedule of Assumed Liabilities attached hereto as SCHEDULE 1.2 (all of the obligations referred to in the foregoing clauses (a) and (b) being herein referred to collectively as the "ASSUMED LIABILITIES"). Except as provided in the preceding sentence and Section 1.3(c), Buyer is not agreeing to, and shall not, assume any other liability, obligation, undertaking, expense or agreement of Seller of any kind, absolute or contingent, known or unknown, and

the execution, delivery and performance of this Agreement shall not render Buyer liable for any such liability, obligation, undertaking, expense or agreement. Without limiting the generality of the foregoing, it is understood and agreed that Buyer is not agreeing to, and shall not, assume any liability or obligation of Seller to Seller's employees under any existing written or oral agreements with Seller, including any such liability or obligation in respect of wages, salaries, bonuses, accrued vacation or sick pay or any other matter other than liabilities and obligations arising following the Closing under such employment agreements, if any, as constitute Assumed Contracts. Seller covenants and agrees to pay when due prior to and following the Closing all of Seller's debts, liabilities and other obligations to trade creditors and employees except to the extent such debts, liabilities and obligations shall have been expressly assumed by Buyer in writing at the Closing.

1.3. PURCHASE PRICE. The total purchase price for the Subject Assets shall be Ten Million Dollars (\$10,000,000), subject to adjustment as provided in Section 1.3(c) (the "PURCHASE PRICE"). Payment of the Purchase Price for the Subject Assets shall be made as follows:

(a) ESCROW DEPOSIT. Simultaneously with the execution of this Agreement, Buyer is delivering to Gary Stevens & Company, Inc. (the "ESCROW AGENT") Five Hundred Thousand Dollars (\$500,000) as a deposit (the "DEPOSIT") to secure Buyer's performance hereunder, and to be held by the Escrow Agent pursuant to the terms of the Escrow Agreement executed on the date hereof by and among Buyer, Seller and the Escrow Agent (the "ESCROW AGREEMENT").

(b) POST-CLOSING ESCROW DEPOSIT. On the Closing Date, Buyer shall cause to be paid in immediately available funds by wire transfer to a bank account designated in writing by Seller at least one day prior to the Closing Date a portion of the Purchase Price equal to Nine Million Five Hundred Thousand Dollars (\$9,500,000). The Five Hundred Thousand Dollar (\$500,000) Deposit, constituting the balance of the Purchase Price, will be retained by the Escrow Agent as security for Seller's obligations to Buyer following the Closing pursuant to the terms of the Escrow Agreement (the "POST-CLOSING ESCROW"). Pursuant to the Escrow Agreement, (i) six months following the Closing, \$250,000 of the Post-Closing Escrow together with the earnings thereon less the amount of any asserted indemnification claims shall be released from the Post-Closing Escrow and paid to Seller; and (ii) twelve months following the Closing the balance of the Post-Closing Escrow together with the earnings thereon less the amount of any then asserted indemnification claims shall be released from the Post-Closing Escrow and paid to Seller.

(c) DISPOSITION OF ESCROW DEPOSIT; LIQUIDATED DAMAGES. On the Closing Date, the earnings on the Deposit shall be paid to the Buyer by wire transfer of immediately available funds. If the Closing does not occur because of a breach by Buyer of its representations and warranties hereunder or of the covenants and obligations to be performed by the Buyer hereunder, provided Seller has satisfied its obligations hereunder, unless prevented from doing so by the Buyer's breach, and provided further, that the conditions set

forth in Sections 6.1 and 6.2 of this Agreement have been satisfied, then, pursuant to the Escrow Agreement, the Deposit and earnings thereon shall be delivered to Seller as liquidated damages, which shall be the sole remedy of Seller for such breach, and Seller shall have no other recourse against Buyer or any of its affiliates under or on account of this Agreement. In any other case, if the Closing does not occur and this Agreement is terminated, then, pursuant to the Escrow Agreement, the Deposit and earnings thereon shall be delivered to Buyer. All payments by the Escrow Agent shall be made in accordance with the procedures and provisions set forth in the Escrow Agreement.

(d) PRORATION. The operating income and expenses of the Stations shall be prorated between Buyer and Seller as of 12:01 A.M. on the Closing Date, and the net amount thereof shall be paid to the Seller or the Buyer, as appropriate. Such prorations shall include, without limitation, all AD VALOREM, real estate, and other property taxes, water and sewer use charges, business and license fees, pre-paid fees and expenses, rents, utility expenses, Assumed Contracts, prepaid Trade-Out Agreements and prepaid time sale agreements, but shall exclude (i) wages, salaries, bonuses, accrued vacation and sick pay and any other obligations of Seller to its employees, other than pursuant to such employment agreements, if any, as constitute Assumed Contracts, (ii) all of the Assumed Liabilities listed on SCHEDULE 1.2, (iii) legal and professional fees and closing costs; and (iv) financing costs, capital expenditures, and other costs and expenses not pertaining to the day-to-day operations of the Stations. Revenues, expenses, costs and liabilities earned or incurred in particular programs and announcements shall be allocated to the time of performance of such programs and announcements without regard to the date of payment therefor. However, Seller shall be entitled to all income, and shall be responsible for all expenses, arising out of contracts, agreements and commitments to which Seller is a party other than Assumed Contracts. Seller shall provide Buyer with an itemized statement evidencing all proposed adjustments not less than three (3) business days prior to the Closing Date.

If the amount of any of the aforesaid taxes is not known at the Closing Date, the same shall be apportioned on the basis of taxes assessed for the preceding year, with a reapportionment as soon as the new tax rate and valuation can be ascertained; and, if the taxes which are to be apportioned shall thereafter be reduced by abatement, the amount of such abatement, less the reasonable cost of obtaining the same, shall also be apportioned between Buyer and Seller, provided that no party shall be obligated to institute proceedings for an abatement. All other prorations shall, to the extent feasible, be determined and paid on the Closing Date, with a final settlement thereof to be made within sixty (60) days after the Closing Date.

Any item for which a party receives credit from the other party under this Section 1.3 shall be paid when due in accordance with its terms by the party so receiving credit.

(e) ALLOCATION OF PURCHASE PRICE. Buyer and Seller agree that the Purchase Price shall be allocated among the Subject Assets prior to the Closing Date and to cooperate in all respects with regard to such allocation. Buyer and Seller agree to use such allocation on completing and filing Internal Revenue Service Form 8594 for federal income tax purposes. Buyer and Seller further agree that they shall not take any position inconsistent with such allocation upon examination of any return, in any refund claim, in any litigation, or otherwise. If Buyer and Seller are unable to agree to such allocation, they shall hire an appraiser to make such allocation, the cost of which appraisal shall be borne equally by Seller and Buyer.

1.4. TIME AND PLACE OF CLOSING. The closing of the purchase and sale provided for in this Agreement (herein referred to as the "CLOSING") shall be held at a place and date mutually agreed to in writing by the parties or, absent such mutual agreement, at the offices of Verrill & Dana, One Portland Square, Portland, Maine on the first business day following the satisfaction or, if applicable, waiver of the applicable conditions precedent set forth in Section 6.1(a) hereof (in either case, the "CLOSING DATE"). In the event such date falls on a day upon which banks in Maine, Massachusetts or New York or public offices in Maine are closed, the Closing Date shall be deemed to mean the next day upon which such banks or public offices are open. If all such applicable conditions precedent set forth in Section 6.1(a) have not been satisfied on or before December 31, 1996 then either Buyer or Seller may terminate this Agreement, by written notice to the other given prior to the time that such conditions are satisfied, provided that the party giving such notice is not in breach of this Agreement. Upon such termination the Deposit shall be delivered to Buyer and the Escrow Agreement shall be terminated.

1.5. CLOSING. At the Closing:

(a) Seller shall convey, transfer, and assign to Buyer, and shall deliver to Buyer such instruments of conveyance, transfer, and assignment, in form and substance reasonably satisfactory to Buyer and its counsel (the "TRANSFER INSTRUMENTS"), and any required consents of third parties, as shall be sufficient to convey, transfer and assign to Buyer (i) sole and exclusive right, title and interest in and to all the Subject Assets other than the Real Estate and (ii) good and clear marketable title to the Real Estate in fee simple, in each case free and clear of all liens, pledges, encumbrances and claims of third parties, except for (x) liens for taxes and assessments in respect of the Real Estate not yet due and payable and for which a proration has been made pursuant to Section 1.3; and (y) easements, restrictions and encumbrances specifically designated in the Schedule of Encumbrances attached hereto as SCHEDULE 1.5 as continuing following the Closing, such instruments to include quit claim deeds with covenant to the Real Estate and bills of sale with covenant with respect to the other Assets, in each case in form consistent with the terms of this Agreement;

(b) Buyer shall deliver to Seller the Purchase Price less the Post-Closing Escrow, as set forth in Section 1.3 hereof;

(c) Buyer shall assume the Assumed Liabilities pursuant to instruments of assumption in form and substance reasonably satisfactory to Seller and its counsel (the "ASSUMPTION AGREEMENT");

(d) Seller shall cause to be delivered the opinions, certificates and other documents required to be delivered pursuant to this Agreement;

(e) Ocean Coast Properties shall execute and delivery to Buyer the Non-Compete Agreement in the form attached hereto as Schedule 1.5(f) (the "NON-COMPETE AGREEMENT"); and

(f) Seller shall deliver to Buyer all of Seller's files and records which relate to the Subject Assets, including, without limitation, all log books relating to the Stations, and Seller shall put Buyer in actual possession of the Subject Assets and such files and records.

1.6. COVENANTS TO BE PERFORMED AFTER THE CLOSING. After the Closing, each of Seller and Buyer shall, from time to time upon the other party's request, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, all such further deeds, assignments, documents, instruments, transfers, conveyances, discharges, releases, assurances and consents, and to take or cause to be taken such further actions, as such other party may reasonably request to carry out the transactions contemplated by, and the purposes of, this Agreement. After the Closing, each of Seller and Buyer shall allow the other party reasonable access, upon reasonable notice and during normal business hours, to such of the files and records (including financial records) as relate to the Subject Assets or the Stations for purposes of preparing such party's tax returns, securities filings and for all other proper purposes, and shall give such other party at least thirty (30) days' prior written notice of any proposed destruction thereof, upon which notice such other party shall have the right to take possession of such files and records for the foregoing purposes. In the event Buyer determines it to be necessary or appropriate for purposes of facilitating securities law filings prior to or following the Closing, Buyer shall have the right, at Buyer's expense, to conduct an audit of Seller's financial condition, and Seller shall cooperate with Buyer in connection with such audit.

1.7. ACCOUNTS RECEIVABLE. The parties hereto acknowledge that Seller's cash accounts receivable are not among the Subject Assets being transferred to Buyer pursuant to the terms hereof. However, for a period of 120 days after the Closing Date (the "COLLECTION PERIOD") Buyer shall use reasonable efforts (limited to including such cash accounts receivable in the Stations' billing statements and accepting payments) to collect such cash accounts receivable. In the event that Buyer and Seller each has an account receivable of the same debtor, any amounts received by Buyer from such debtor shall be applied first as
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payment on Seller's account receivable except to the extent the debtor disputes the validity of such Seller account receivable. Buyer shall, within five (5) business days after the expiration of the first 60 days of the Collection Period and within five (5) business days after the expiration of the Collection Period, remit to Seller all amounts collected by Buyer hereunder, net of any sales commissions, agency or national representative fees or similar amounts reasonably determined by Buyer to be payable in connection with cash accounts receivable collected on Seller's behalf. Collection of said cash accounts receivable shall be the sole responsibility of Seller upon the expiration of the Collection Period.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement, Seller represents and warrants to Buyer that:

2.1. ORGANIZATION AND QUALIFICATION OF SELLER. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Maine and is duly qualified to transact business in Maine and in every other jurisdiction in which the nature of its business or the ownership or leasing of its properties requires such qualification.

2.2. AUTHORITY OF SELLER. Seller has the corporate power and authority to execute, deliver and perform this Agreement, the Escrow Agreement, the Non-Compete Agreement, the Transfer Instruments and all other agreements, documents and instruments to be executed and delivered by Seller pursuant hereto (collectively, the "SELLER AGREEMENTS") and to own the Subject Assets and operate the Stations prior to the consummation of the transactions contemplated hereby. Seller has taken all necessary corporate action to authorize the execution, delivery and performance by Seller of this Agreement and the Seller Agreements.

2.3. BINDING EFFECT. This Agreement and the Escrow Agreement constitute, and upon execution on the Closing Date the other Seller Agreements will constitute, the legal, valid, and binding obligations of Seller enforceable in accordance with their terms.

2.4. NO VIOLATION. Neither the execution and delivery by Seller of this Agreement and the Seller Agreements, nor the consummation of the transactions contemplated hereby or thereby, violate or will violate any provision of law or any order, judgment or decree of any court or other agency of government, including, without limitation, the FCC, or any provision of the corporate charter or by-laws of Seller, or conflict with or will result in any breach of any term, condition or provision of, or constitute or will constitute (with due notice or lapse of time or both) a default under, or will result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of Seller pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which Seller is a party or by which or to which Seller or any of its assets are subject or bound.

2.5. Title to Properties; Liens; Condition of Properties.

(a) SCHEDULE 1.1(a)(iii), the Schedule of Real Estate, contains an accurate legal description of all Real Estate owned and all real estate leased under the Real Estate Leases (the "LEASED REAL ESTATE") by Seller. All Real Estate Leases and all leases of personal property to which Seller is a party are valid, binding and enforceable against Seller and, to the best of Seller's knowledge, all other parties thereto in accordance with their terms, and neither Seller nor, to the best of Seller's knowledge, any other party thereto is in default thereunder. All of the towers, guy anchors, ground systems and buildings relating to the Stations are located on the Real Estate or the Leased Real Estate. The Subject Assets include all of the property and property rights used or useful in the operation of the Stations as presently conducted and are in compliance in all material respects with all applicable laws and regulations. SCHEDULE 1.1(a)(i) includes all tangible personal property, physical assets and equipment of all types located at, or used by, the Stations, all of which are owned solely by Seller. Seller owns the sole and exclusive right, title and interest in and to all Subject Assets free and clear of all security interests, mortgages, pledges, liens, conditional sales agreements, leases, encumbrances, easements, charges or claims of third parties of any nature whatsoever, except as set forth in SCHEDULE 1.5, all of which (other than those specifically designated as continuing following the Closing) shall be released or discharged at or prior to the Closing.

(b) All Real Estate and all Tangible Assets of Seller, and Seller's use of the same, (i) comply in all material respects with all applicable ordinances and regulations and building or other laws, and (ii) meet, and will as of the Closing Date meet in all material respects, the requirements, standards, rules and regulations of the FCC and of all Licenses.

(c) Seller's use of the Leased Real Estate, and to the best of Seller's knowledge, without investigation, all Leased Real Estate and use of the same, (i) comply in all material respects with all applicable ordinances and regulations and building or other laws, and (ii) meet, and will as of the Closing Date meet in all material respects, the requirements, standards, rules and regulations of the FCC and of all Licenses.

(d) The transmitters for the Stations are operating in accordance with and within the parameters established by the FCC and the Stations' Licenses. The broadcast towers for the Stations are in compliance in all material respects with all applicable laws, including, without limitation, the Federal Aviation Act and all rules and regulations promulgated thereunder. The Tangible Assets being conveyed pursuant to this Agreement are, and at the Closing will be, in good operating condition and repair and suitable for use in the operation of the Stations; provided, however, that certain minor spare parts of immaterial value may not be in good operating condition.

(e) Seller has access to all Real Estate and Leased Real Estate pursuant to valid easements included as part of the Subject Assets or pursuant to public rights of way. All utilities servicing the Stations have access to the properties of the Stations pursuant to valid easements or public rights of way. No condemnation proceedings are pending or threatened with respect to any of the Real Estate, nor has any such property been condemned. To Seller's knowledge, without investigation, no condemnation proceedings are pending or threatened with respect to any of the Leased Real Estate, nor has any such property been condemned.

2.6. TAX MATTERS. All federal, state, county and local tax returns, reports and declarations of estimated tax or estimated tax deposit forms required to be filed by Seller in connection with its operations, personal property or payroll have been duly and timely filed (after taking into account any extensions therefor); Seller has paid all taxes which have become due pursuant to such returns or pursuant to any assessment received by it, and has paid all installments of estimated taxes due; and all taxes, levies and other assessments which Seller is required by law to withhold or to collect have been duly withheld and collected, and have been paid over to the proper governmental authorities or are held by Seller for such payment.

2.7. LICENSES. The Licenses constitute all licenses, permits and governmental authorizations and approvals necessary for the operation of the Stations. Seller has duly obtained and legally and validly holds all Licenses, all of which are valid and in full force and effect as presently operated. No proceeding (judicial, administrative or otherwise) has been commenced or, to Seller's knowledge, threatened against Seller, any of its affiliates, any Station or in respect of any License which could lead to a revocation, suspension or limitation of the rights under any License. Seller is in compliance in all material respects with each of the Licenses and knows of no state of facts relating to Seller, its affiliates, the Stations or the Licenses which could lead to any such revocation, suspension or limitation thereof. SCHEDULE 1.1(a)(ii) sets forth the expiration dates of each of the Licenses listed thereon, and Seller has no reason to believe that any License listed on such Schedule will not be renewed, nor has any person or entity informed Seller that such person or entity intends to oppose any such renewal. Seller has delivered to Buyer true and complete copies of each of the Licenses listed on SCHEDULE 1.1(a)(ii).

2.8. FINANCIAL CONDITION OF SELLER.

(a) Seller has heretofore delivered to Buyer the financial statements and information described in the Schedule of Financial Statements attached hereto as SCHEDULE 2.8 (the financial statements referred to in said Schedule, together with the monthly financial statements required to be furnished pursuant to Section 3.3 being hereinafter collectively referred to as the "FINANCIAL STATEMENTS"). The Financial Statements have been or, in the case of those to be provided after the date hereof, will be prepared by Seller in accordance with generally accepted accounting principles, consistently applied and fairly present the financial condition and results of operations

of each Station for the periods covered thereby (subject, in the case of interim Financial Statements, to normal year-end adjustments and the absence of footnotes).

(b) Except as otherwise disclosed in SCHEDULE 2.8, between December 31, 1995 and the date of this Agreement, there has been no change in the condition (financial or otherwise), results of operations, business, assets or profits of any Station which, individually or in the aggregate, is, or would be likely in the future to be, materially adverse to such Station's condition, results of operations, business, assets or profits.

2.9. COMPLIANCE WITH LAWS; COMPLIANCE WITH FCC REGULATION.

(a) Seller has complied in all material respects with all laws, regulations and orders and all requirements of insurance carriers applicable to the Stations, and the present uses by Seller of the Stations' assets and properties do not violate any such laws, regulations, orders or requirements. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, board of arbitration or other governmental authority. Seller is not charged with, or to its knowledge threatened with, a charge of or under investigation with respect to, any violation of any provision of any federal, state, local or municipal law or administrative ruling or regulation relating to either Station.

(b) The operation of the Stations and all of the Subject Assets are in compliance in all material respects with (i) all applicable engineering standards required to be met under applicable FCC rules, and (ii) all other applicable federal, state and local rules, regulations, requirements and policies, including all applicable FCC rules.

2.10. COPYRIGHTS, PATENTS, TRADEMARKS, OTHER INTANGIBLES. SCHEDULE

1.1(a)(vi) lists all copyrights, patents, trademarks, service marks, trade names, current slogans, logos, jingles, computer programs, program rights, non-governmental licenses or other intangible property rights owned by, or licensed or franchised to or used by, Seller and used by the Stations, all of which are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of such property and, to the best of Seller's knowledge, the operations of the Stations do not infringe, and no one has asserted to Seller that such operations infringe upon, any copyright, patent, trademark, tradename, service mark or other similar right of any other party.

2.11. CONTRACTS.

(a) SCHEDULE 1.1(a)(iv) contains a true and complete description of all existing Assumed Trade-Out Agreements, including the dollar amount of the broadcasting time (computed at billing rates currently charged to unaffiliated third parties

consistent with Seller's past practices) owed by either Station under each such agreement as of the date of this Agreement.

(b) Seller has delivered to Buyer complete and correct copies of all the Assumed Contracts listed on SCHEDULE 1.1(a)(iv) (including all amendments thereto and modifications thereof). Except for the Assumed Contracts and any contracts listed on SCHEDULE 1.1(b) which Buyer has not agreed to assume, Seller is not a party to any contracts, agreements or arrangements, written or oral, express or implied, which are material to the operation of either Station.

(c) Seller is not a party to, or bound by or negotiating any collective bargaining agreement affecting either Station, nor is it aware of any current solicitations of its employees with respect thereto.

(d) Seller and, to the best of Seller's knowledge, each other party thereto have complied with all respective provisions of the Assumed Contracts required to be complied with by them and neither Seller nor, to the best of Seller's knowledge, any such other party is in default in any respect thereunder, and no event has occurred which, but for the passage of time or giving of notice or both would or might constitute such a default thereunder by Seller or any such other party, and there is no outstanding notice of default or termination under any Assumed Contract. The Assumed Contracts are valid, binding and enforceable in accordance with their respective terms and the sale of the Subject Assets as contemplated herein will in no way affect the validity, enforceability and continuity of any such contracts or agreements if properly assigned to Buyer as contemplated hereby.

2.12. LITIGATION. Except as disclosed in SCHEDULE 2.12 and except for investigations and rule making proceedings affecting the radio broadcasting industry generally, there is no litigation, action, suit, investigation or proceeding pending or, to the best of Seller's knowledge, threatened against Seller, any of its affiliates or the Stations or in respect of the Licenses before or by any court or the FCC or any other governmental agency or any board of arbitration. None of the matters disclosed in Schedule 2.12 could (a) give rise to any material claim against any of the Subject Assets, (b) impair Seller's ability to perform its obligations under this Agreement, or (c) in any way adversely affect Buyer's ability to continue to operate the Stations as heretofore operated.

2.13. EMPLOYEE INFORMATION. Seller has heretofore delivered to Buyer: (i) accurate information pertaining to all persons employed at each Station and their present positions and start dates; (ii) all compensation arrangements respecting those employees subject to an employment agreement previously delivered to Buyer; and (iii) copies of the Blue Cross Blue Shield and The United States Life Insurance Company employee benefit plans in which all full-time employees of each Station are entitled to participate. The Seller neither maintains, participates in, nor is subject to an employee pension plan (as such term is defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended).

2.14. MATERIAL FACTS. No representation or warranty made by Seller in this Agreement and no statement made by Seller (a) in any certificate, exhibit, schedule, or other writing executed and delivered by Seller, (b) in any Seller Agreement or other document or writing furnished in connection with the transactions herein contemplated and referred to herein or in the Schedules attached hereto, or (c) in any document or other writing delivered to Buyer after the date hereof and on or prior to the Closing Date by or on behalf of Seller, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in order to make the statements contained herein or therein not misleading.

2.15. BROKER'S FEE. Seller has not incurred or become liable for any broker's commission or finder's fee relating to the transactions contemplated by this Agreement. Seller agrees to indemnify and hold Buyer harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Seller's behalf in connection with this transaction.

2.16. CONSENTS. Other than the consents and approvals of the FCC referred to in Section 3.1, consents of third parties to Assumed Contracts specified on SCHEDULE 1.1(a)(iv), and other consents and filings contemplated by this Agreement or otherwise obtained or completed at or prior to the Closing, Seller is not required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency or any third party in connection with the execution of this Agreement or any of the Seller Agreements or the consummation of the transactions contemplated hereunder.

2.17. ENVIRONMENTAL COMPLIANCE.

(a) All parcels of Real Estate and their existing and, to the best of Seller's knowledge, without investigation, prior uses and activities thereon, including, but not limited to, the use, maintenance and operation of each of the parcels of Real Estate and all activities in conduct of business related thereto, comply and have at all times complied in all material respects with all Environmental Requirements (as such term is hereinafter defined). All Leased Real Estate as used by Seller and, to the best of Seller's knowledge, without investigation, prior uses and activities thereon, including, but not limited to, the use, maintenance and operation of the Leased Real Estate and all activities in conduct of business related thereto, comply and have at all times complied in all material respects with all Environmental Requirements.

(b) Seller and to the best of Seller's knowledge, without investigation, all previous owners, tenants, occupants or users of any of the parcels of Real Estate and Leased Real Estate or any other person, have conducted their operations and activities upon such Real Estate and Leased Real Estate in compliance with all applicable Environmental Requirements in any way involving the handling, manufacture,

treatment, storage, use, generation, release, discharge, refining, dumping or disposal of any Hazardous Materials (as such term is hereinafter defined) the removal of which is required or the maintenance of which is prohibited or penalized.

(c) No Hazardous Material is currently, or to the best of Seller's knowledge, has been located in, on, under or about any of the Real Estate or Leased Real Estate in a manner which violates any Environmental Requirement or which requires cleanup or corrective action of any kind under any Environmental Requirement.

(d) No notice of violation, lien, complaint, suit, order or other notice or communication concerning any alleged violation of any Environmental Requirement ("Environmental Notice") in, on, under or about any of the Real Estate has been received by Seller, nor has Seller received any such Environmental Notice with respect to Seller's use of the Leased Real Property, in either case, which has not been fully satisfied and complied with in a timely fashion so as to bring such Real Estate or Leased Real Estate in full compliance with all Environmental Requirements. To the best of Seller's knowledge, without investigation, there has not been any Environmental Notice with respect to any of the Real Estate or Leased Real Estate received by any prior owner or occupant of any of the Real Estate or Leased Real Estate which has not been fully satisfied and complied with in a timely fashion so as to bring such Real Estate or Leased Real Estate into full compliance with all Environmental Requirements.

(e) Seller has all permits and licenses required under any Environmental Requirement to be issued to it by any governmental authority on account of any or all of its activities on any of the Real Estate and Leased Real Estate and is in material compliance with the terms and conditions of such permits and licenses. Any and all such permits and licenses are described in SCHEDULE 1.1(a)(ii). To the best of Seller's knowledge, without investigation, no change in the facts or circumstances reported or assumed in the application for or granting of such permits or licenses exist, and such permits and licenses are in full force and effect.

(f) To the best of Seller's knowledge, no portion of any of the Real Estate or of the portion of the Leased Real Estate used by Seller, has been listed, designated or identified in the National Priorities List (NPL) or the CERCLA information system (CERCLIS), both as published by the United States Environmental Protection Agency, or any similar list of sites published by any Federal, state or local authority proposed for or requiring cleanup, or remedial or corrective action under any Environmental Requirement.

(g) As used herein "Environmental Requirements" shall mean all applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, policies and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States,

states and political subdivisions thereof and all applicable judicial, administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment.

(h) As used herein "Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous waste, toxic substances or related materials, including, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde, radon, and any substance defined as or included in the definition of (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1989, as amended ("CERCLA"), and regulations promulgated thereunder; (c) any "toxic substance" as defined by the Toxic Substance Control Act, as amended from time to time, and the regulations promulgated thereunder; (d) any petroleum product; and (e) any other substance, pollutant, contaminant, chemical or industrial toxic or hazardous substance or waste, including, without limitation, hazardous materials, within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, all as amended or hereafter amended.

SECTION 3. COVENANTS OF SELLER

Seller covenants and agrees that from the date hereof until the Closing Date:

3.1. APPROVALS. Promptly upon the execution of this Agreement, Seller shall prepare for filing with the FCC an appropriate application for FCC Consent to the assignment of the Licenses, which shall be filed with the FCC within five (5) business days after the date hereof. Seller shall thereafter prosecute the application with all reasonable diligence and otherwise use its best efforts to obtain such consent and approval of the FCC as expeditiously as practicable. Seller shall not intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the application for such consents and approvals or cause such consents and approvals not to become a Final Action.

3.2. ACCESS. Buyer shall have the right, itself or through its representatives, during normal business hours and after reasonable written notice, to inspect Seller's properties relating to the Stations and to inspect and make abstracts and reproductions of all Seller's books and records relating to the Stations, including, without limitation, applications and reports to the FCC, and Seller shall furnish Buyer with such information respecting the Subject Assets and Seller's business and financial records relating to the Stations as Buyer may, from time to time, reasonably request. In the event Buyer determines it to be necessary or appropriate for purposes of facilitating securities law filings prior to or following the

Closing, Buyer shall have the right, at Buyer's expense, to conduct an audit of Seller's financial condition, and Seller shall cooperate with Buyer in connection with such audit.

3.3. CONDUCT OF BUSINESS. Seller shall, to the extent permitted by FCC rules and policies:

(a) refrain from making any sale, lease, transfer or other disposition of any of the Subject Assets having a value per item in excess of \$2,500 and valued in excess of \$10,000 in the aggregate, other than in the normal course of business at fair market value in connection with replacements of equal or greater value with the prior approval of Buyer, which approval will not be unreasonably withheld;

(b) refrain from modifying, amending, altering or terminating any of the other Assumed Contracts or waiving any default or breach thereunder or modifying, altering or terminating, any other right relating to or included in the Subject Assets;

(c) maintain insurance on the Subject Assets against loss or damage by fire and all other hazards and risks in an amount consistent with the existing policy amounts described in SCHEDULE 3.3(c);

(d) maintain its books and records in accordance with prior practice; maintain the Subject Assets in good condition, ordinary wear and tear excepted; maintain supplies of inventory and spare parts relating to the Stations consistent with past practices; and, except as otherwise specifically provided in this Agreement, otherwise operate the Stations in the ordinary course in accordance with past practices;

(e) refrain from taking any action which is not in the usual and ordinary course of business regarding the Subject Assets or which could reasonably be expected to materially adversely affect the value of the Subject Assets;

(f) refrain from hiring, firing, releasing or transferring any employee of any Station, in a manner inconsistent with past practice, without the prior written approval of the Buyer;

(g) refrain from (i) increasing the compensation payable or to become payable to any of Seller's employees or agents in a manner inconsistent with past practices, except in accordance with this Agreement or as approved by Buyer or (ii) entering into any contract or renewal or amendment of any existing contract for the employment of any employee or agent of Seller except with Buyer's approval;

(h) promptly notify Buyer upon Seller's becoming aware of the resignation or contemplated resignation of any employee of either Station;

(i) refrain from changing its corporate charter or by-laws in any way which would adversely affect its corporate power or authority to enter into and perform this Agreement or which would otherwise adversely affect its performance of this Agreement;

(j) operate the Stations in accordance with the Licenses and materially comply with all laws, rules and regulations applicable to it, including the rules and regulations of the FCC;

(k) refrain from subjecting any of the Subject Assets to any new lien, claim, charge, or encumbrance (other than minor liens, claims, charges or encumbrances which will not materially interfere with the occupation, use and enjoyment by Buyer of the Subject Assets in the normal course of its business or impair the value of the Subject Assets and which shall be discharged as of the Closing Date) or from increasing any existing lien, claim, charge or encumbrance;

(l) refrain from doing or omitting to do any act which will cause a breach of, or default under, or termination of, any Assumed Contract;

(m) without in any way limiting Buyer's rights under Section 6.2, take such action as may be reasonably necessary to obtain any required consents of third parties to the transactions contemplated herein, including, without limitation, consents to the assignment of the Assumed Contracts and the Real Estate Leases to Buyer;

(n) refrain from entering into any Trade-Out Agreement not in effect on the date hereof and listed on SCHEDULE 1.1(a)(iv), having a value in excess of \$2,500, individually, or an aggregate value in excess of \$10,000, without the prior consent of Buyer (except for Trade-Out Agreements which are fully performed by Seller prior to the Closing Date);

(o) refrain from entering into any other contract or agreement not in effect on the date hereof and listed on SCHEDULE 1.1(a)(iv), except for contracts entered into in the ordinary course of business which do not involve consideration having an aggregate value in excess of \$10,000 and which may be terminated on not more than ninety (90) day's notice without premium or penalty;

(p) within thirty (30) days after the end of each month, furnish to Buyer a balance sheet, a statement of operations and a statement of cash flows of each Station for such period prepared on a consistent basis for each such period and consistent with past practice;

(q) provide to Buyer, concurrently with filing thereof, copies of all reports to and other filings with the FCC relating to the Stations;

(r) not permit any of the Licenses to expire or to be surrendered or voluntarily modified, or take any action (or fail to take any action) which could cause the FCC or any other governmental authority to institute proceedings for the suspension, revocation or limitation of rights under any License; or fail to prosecute with due diligence any pending applications to any governmental authority with respect to the Stations or any such Licenses, except for proceedings affecting the radio broadcasting industry generally;

(s) provide to Buyer, promptly upon receipt thereof by Seller, a copy of (i) any notice from the FCC or any other governmental authority of the revocation, suspension, or limitation of the rights under, or of any proceeding for the revocation, suspension, or limitation of the rights under (or that such authority may in the future, as the result of failure to comply with laws or regulations or for any other reason, revoke, suspend or limit the rights under) any License, or any other license or permit held by Seller respecting any Station, and (ii) copies of all protests, complaints, challenges or other documents filed with the FCC by third parties concerning any Station and, promptly upon the filing or making thereof, copies of Seller's responses to such filings;

(t) notify Buyer in writing immediately upon learning of the institution or written threat of any action against Seller involving either Station in any court, or any action against Seller before the FCC or any other governmental agency, and notify Buyer in writing promptly upon receipt of any administrative or court order relating to the Subject Assets or the Stations;

(u) except for the pending antenna installation application, refrain from filing any application for any construction permit or modification of any License affecting either Station or otherwise changing any of the Station's facilities;

(v) pay or cause to be paid or provided for when due all income, property, use, franchise, excise, social security, withholding, worker's compensation and unemployment insurance taxes and all other taxes of or relating to Seller, the Subject Assets and the employees required to be paid to city, county, state, Federal and other governmental units up to the Closing Date; and

(w) if requested by Buyer, with respect to any Assumed Contract which can be terminated or not renewed by Seller in compliance with the terms thereof, notify the other parties to such Assumed Contract that Seller elects to terminate (or, if applicable, elects not to renew) such Assumed Contract.

(x) complete, prior to the Closing Date, the installation of the new antenna on the Leased Real Estate in compliance with the existing tower lease and with the FCC construction permit issued with respect to such antenna.

3.4. SATISFACTION OF CONDITIONS. Seller shall use all reasonable efforts to cause all of the conditions set forth in Section 6.1(a) and 6.2 to be fulfilled. Notwithstanding the foregoing, Seller shall not be obligated to spend more than \$100,000 to cure any defects or conditions with respect to the Real Estate pursuant to Section 6.2(j). In the event that it costs more than \$100,000 to cure such defects or conditions, Buyer shall have the right to continue with the Closing and relieve Seller for any costs over \$100,000, or either party may terminate the Agreement.

3.5. NOTICE OF COMMENCEMENT OF PROCEEDINGS OR CHANGE IN CONDITION. Seller shall provide written notice to Buyer as soon as possible and in any event within five (5) days of Buyer obtaining knowledge of the occurrence of any of the following events, stating in detail the nature thereof: (i) any proceedings instituted against Seller by or in any federal or state court or before any commission, board or other regulatory body, federal, state or local, which, if adversely determined, would have a material adverse effect upon Seller's ability to perform any of its obligations under this Agreement; (ii) any action or threatened action against Seller involving either Station in any court, or any action against Seller before the FCC or any other governmental agency, and (iii) any material adverse change in the condition, financial or otherwise, of either Station or Seller.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF BUYER

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In order to induce Seller to enter into this Agreement, Buyer represents and warrants to Seller that:

4.1. ORGANIZATION OF BUYER. Buyer is a corporation duly organized and validly existing and in good standing under the laws of the State of Delaware and is, or by the Closing Date will be, duly qualified to transact business in the State of Maine.

4.2. AUTHORITY OF BUYER. Buyer has the corporate power to execute, deliver and perform this Agreement and the Escrow Agreement, the Non-Compete Agreement, the Assumption Agreement, the Employment Agreement and the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (herein collectively called the "BUYER AGREEMENTS") and to own the Subject Assets and operate the Stations after the consummation of the transactions contemplated hereby. Prior to the Closing Buyer will have taken all necessary corporate action to authorize the execution, delivery and performance by Buyer of this Agreement and the Buyer Agreements.

4.3. BINDING EFFECT. This Agreement and the Escrow Agreement constitute, and as of the Closing Date, the other Buyer Agreements will constitute, the legal, valid and binding obligations of Buyer, enforceable against it in accordance with their terms.

4.4. NO VIOLATION. Neither the execution and delivery by Buyer of this Agreement and the Buyer Agreements, nor the consummation of the transactions contemplated hereby or thereby, violate or will violate any provision of law or any order, judgment or decree of any

court or other agency of government, including, without limitation, the FCC, or any provision of Buyer's corporate charter or by-laws, or conflict with or will result in any breach of any term, condition or provision of, or constitute or will constitute (with due notice or lapse of time or both) a default under, or will result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of the Buyer pursuant to the terms of, any mortgage, deed of trust or other agreement or instrument to which Buyer is a party or by which or to which Buyer or any of its respective assets are subject or bound, which lien, charge or encumbrance could adversely affect Buyer's ability to perform its obligations hereunder.

4.5. CONSENTS. Other than the consents and approvals of the FCC referred to in Section 5.1, certain filings required to be made with the FCC after the Closing Date, filings to be made with the Securities Exchange Commission, consents of third parties to Assumed Contracts, filings required to perfect security interests and liens and other consents, approvals, authorizations and filings contemplated by this Agreement or otherwise obtained or completed at or prior to the Closing, Buyer is not required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any governmental instrumentality or other agency or any third party in connection with the execution of this Agreement or any of the Buyer Agreements or the consummation of the transactions contemplated hereunder.

4.6. BROKER'S FEE. Buyer has not incurred or become liable for any broker's commission or finder's fee relating to the transactions contemplated by this Agreement, other than a broker's commission payable to Gary Stevens & Company, Inc., which shall be borne by the Buyer if the Closing occurs. Buyer agrees to indemnify and hold Seller harmless from any claims for brokerage fees, finder's fees or commissions asserted by any person acting on Buyer's behalf in connection with this transaction.

4.7. QUALIFICATION. Assuming that the FCC has promulgated the necessary rules and regulations under the Telecommunications Act of 1996 so as to permit Buyer's ownership of the Licenses identified on Schedule 1.1(a)(ii) without the Buyer having to divest of any other radio stations currently owned by Buyer, and except for the matters disclosed in Schedule 4.7, Buyer is legally and technically qualified to become the licensee of the Stations and is financially qualified to purchase the Stations and consummate the transactions contemplated herein.

4.8. LITIGATION. There is no litigation, action, suit, investigation or proceeding pending or, to the best of Buyer's knowledge, threatened against Buyer or any of its affiliates before or by any court or the FCC or any other governmental agency or any board of arbitration which could reasonably be expected to (a) impair Buyer's ability to perform its obligations under this Agreement, or (b) materially and adversely affect the ability of Buyer to own and operate the Stations after the Closing.

4.9. MATERIAL FACTS. No representation or warranty made by Buyer in this Agreement and no statement made by Buyer (a) in any certificate or other writing executed and delivered by Buyer, (b) in any Buyer Agreement or other document or writing furnished in connection with the transactions herein contemplated and referred to herein, or (c) in any document or other writing delivered to Seller after the date hereof and on or prior to the Closing Date by or on behalf of Buyer contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary in order to make the statements contained herein or therein not misleading.

SECTION 5. COVENANTS OF BUYER

Buyer covenants and agrees that from the date hereof until the Closing Date:

5.1. APPROVALS. Promptly upon the execution of this Agreement, Buyer shall prepare for filing with the FCC an appropriate application for FCC consent to the assignment of the Licenses, which shall be filed with the FCC within five (5) business days after the date hereof. Buyer shall thereafter prosecute the application with all reasonable diligence and otherwise use its best efforts to obtain such consent and approval of the FCC as expeditiously as practicable. Buyer shall not intentionally take or omit to take any action that will cause the FCC to deny, delay, or fail to approve the application for such consents and approvals or cause such consents and approvals not to become a Final Action, including but not limited to any action that would cause Buyer's representations in Section 4.7 to be untrue.

5.2 NOTICE OF COMMENCEMENT OF PROCEEDINGS OR CHANGE IN CONDITION. buyer shall provide written notice to Seller as soon as possible and in any event within five (5) days of Buyer obtaining knowledge of the occurrence of any of the following events, stating in detail the nature thereof: (i) any proceedings instituted against Buyer by or in any federal or state court or before any commission, board or other regulatory body, federal, state or local, which, if adversely determined, would have a material adverse effect upon Buyer's ability to perform any of its obligations under this Agreement and (ii) any material adverse change in the condition, financial or otherwise, of Buyer.

5.3. SATISFACTION OF CONDITIONS. Buyer shall use all reasonable efforts to cause all of the conditions set forth in Sections 6.1(a) and 6.3 to be fulfilled.

SECTION 6. CONDITIONS TO CLOSING

6.1. MUTUAL CONDITIONS.

The obligations of Buyer and Seller to consummate this Agreement and the transactions contemplated hereby are subject to satisfaction at the time of the Closing of the following conditions precedent:

(a) The FCC shall have issued all necessary consents and approvals in connection with the transactions contemplated by this Agreement, any condition to the effectiveness of such consent and approval which is specified therein shall have been met and, subject to Buyer's rights in the next succeeding sentence, the same shall have become a Final Action. Notwithstanding the foregoing, the Buyer may, at its option, waive the condition precedent that the FCC consent and approval shall have become a Final Action (which waiver, if made by Buyer, shall be deemed also made by Seller), provided, however, that such consent and approval shall have been issued by the FCC without opposition thereto by any person. As used in this Agreement, "Final Action" shall mean an order of the FCC with respect to which no appeal, no petition for rehearing, reconsideration, or stay, and no other administrative or judicial action contesting such consent or approval, is pending and as to which the time for filing any such appeal, petition or other action has expired or, if filed, has been denied, dismissed, or withdrawn and the time for instituting any further legal proceeding has expired.

(b) If the FCC for any reason designates for hearing any application for assignment of any License, then either Buyer or Seller may terminate this Agreement upon not less than ten (10) days' prior notice to the other, provided that the terminating party is not at the time of delivery of such notice in material default hereunder. Upon termination under this Section 6.1(b), the Deposit and the earnings thereon shall be paid to Buyer pursuant to the Escrow Agreement and the parties shall have no further obligations to each other hereunder.

(c) The FCC shall have promulgated the necessary rules and regulations under the Telecommunications Act of 1996, so as to permit the assignment to Buyer of the Licenses identified on Schedule 1.1(a)(ii) and the consummation of the transactions contemplated herein without Buyer having to divest of any other radio stations currently owned by Buyer.

6.2. CONDITIONS TO OBLIGATIONS OF BUYER. Buyer's obligation to consummate the transactions contemplated by this Agreement is subject to satisfaction at the time of Closing of each of the following conditions precedent, any of which Buyer may waive in its discretion:

(a) Each of Seller's representations and warranties contained in this Agreement shall be true and correct in all material respects on the Closing Date as though made on and as of the Closing Date, except for changes expressly permitted or contemplated by the provisions of this Agreement; and Seller shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Closing Date.

(b) Seller shall have obtained and delivered to Buyer the consents of third parties to those contracts designated with an asterisk on Schedule 1.1(a)(iv) which are necessary to permit the valid transfer to Buyer of all the Subject Assets.

(c) No action or proceeding shall have been instituted or threatened against Buyer, any of Buyer's affiliates or Seller before any court or governmental agency or commission or any board of arbitration seeking to restrain or prohibit, or to obtain substantial damages against Buyer or any of Buyer's affiliates in respect of, this Agreement or consummation of the transactions contemplated hereby.

(d) The Licenses issued by the FCC (i) shall have been assigned and transferred to Buyer, (ii) shall be valid and existing authorizations in every respect for the purpose of operating the Stations, (iii) shall have been issued by the FCC under the Communications Act of 1934, as amended, for the full terms thereof, and (iv) shall contain no adverse modifications of the terms of the FCC Licenses as of the date of the Licenses set forth on SCHEDULE 1.1(a)(ii) and except for proceedings that affect the radio broadcasting industry generally, no proceeding for any revocation, suspension or modification shall be in effect, other than the pending antenna installation application, and neither Seller nor Buyer shall have received any notice that any governmental authority may institute any such proceedings.

(e) Buyer shall have received the opinion, dated the Closing Date, of Verrill & Dana, counsel to Seller, the form of which is attached hereto as Exhibit A.

(f) Buyer shall have received the opinion, dated the Closing Date, of Irwin, Campbell & Tannenwald, P.C., special FCC counsel to Seller, to the effect that:

(i) Seller is the authorized legal holder of the Licenses issued by the FCC. The FCC Licenses are in full force and affect in that they are held by Seller and are currently effective for their respective license terms as listed on an attachment to such opinion;

(ii) To the best of such counsel's knowledge after reasonable inquiry of the FCC, (A) there is no FCC investigation, notice of apparent liability, or order of forfeiture pending or outstanding against or in respect of either Station respecting any violation, or allegation thereof, of the Communications Act of 1934 or of any FCC rule, regulation or policy, and (B) there is no complaint of which such counsel has been informed by the FCC before the FCC as a result of which an investigation, notice of apparent liability, or order of forfeiture could issue from the FCC relating to any Station;

(iii) The conditions set forth in Section 6.1(a) of this Agreement have been satisfied.

The opinions referred to in paragraphs (e) and (f) above may be subject to certain customary qualifications, including without limitation, that the enforceability of obligations under any agreement or document is subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the rights and remedies of creditors generally. Such opinions shall also provide that Buyer's lenders may rely upon them.

(g) There shall have occurred no change in the condition (financial or otherwise), results in operations, business, assets or profits of the Stations as a whole which, individually or in the aggregate, is, or would be reasonably likely to be, materially adverse to the Stations' condition, results of operations, business, assets or profits; provided, however, that with respect to advertising revenues of the Stations resulting from sales by McGavren Guild Radio ("Rep Sales"), if the amount of Rep Sales for the 12 months prior to the month in which the Closing Date falls is at least 90% of the amount of Rep Sales for the year ended December 31, 1995, then irrespective of whether such change is materially adverse, such change shall not, in and of itself, be deemed to constitute a failure of the condition set forth in this clause (g).

(h) Seller shall have delivered to Buyer a Certificate of a senior officer of Seller, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraphs (a) and (g).

(i) Seller shall have delivered to Buyer a certificate of Seller's Secretary certifying as to the due adoption by its Board of Directors and shareholders of resolutions authorizing the transactions contemplated by this Agreement.

(j) Buyer shall have received the following:

(i) a written commitment to issue an owner's policy of title insurance naming Buyer as the insured, written by a responsible title insurance company authorized to write title insurance with respect to Maine real estate, covering Seller's fee title to the Real Estate, which policy shall guarantee such title to be in the condition called for by this Agreement, subject only to those liens and encumbrances set forth on SCHEDULE 1.5 which are designated to continue after the Closing (except for mortgages, judgments or other liens which will be satisfied out of the proceeds of the sale of the Subject Assets hereunder), and shall show no rights of occupancy or use by third parties, no gaps in the chain of title and no violations of any applicable zoning or other ordinance, statute, rule or regulation;

(ii) a survey with respect to the Real Estate which does not reveal any fact or condition which has not been disclosed to Buyer in this Agreement and which is otherwise reasonably satisfactory to Buyer; and

(iii) a so-called "Phase One" environmental site assessment (the "Environmental Site Assessments") for each parcel of Real Estate performed by a recognized environmental engineering firm reasonably satisfactory to Buyer, showing no noncompliance with any Environmental Requirement except as described in Section 2.17(i) nor any basis for suspecting noncompliance with any Environmental Requirement and otherwise reasonably satisfactory to Buyer.

At its expense, Buyer shall have ordered, within ten (10) business days following the execution of this Agreement, the title commitment, Real Estate survey and Environmental Site Assessment and shall diligently pursue the receipt of each. Upon the receipt of any of the title insurance commitment, the survey or the Environmental Site Assessment, the Buyer shall promptly provide Seller with written notice of any condition or defect which would prevent compliance with the above-described standards, and the Seller shall have a reasonable period of time to correct any such condition or defect; but in any event, Seller shall have cured any and all defects or conditions prior to the Closing.

(k) Ocean Coast Properties shall have executed and delivered the Non-Compete Agreement.

(l) Robert Gold shall not have repudiated the Employment Agreement.

6.3. CONDITIONS TO OBLIGATIONS OF SELLER. Seller's obligation to consummate the transactions contemplated by this Agreement are subject to satisfaction at the time of Closing of each of the following conditions precedent, any of which may be waived by Seller:

(a) Each of the representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on the Closing Date as though made on and as of the Closing Date, except for changes expressly permitted or contemplated by the provisions of this Agreement; and Buyer shall have performed in all material respects all of its covenants and obligations hereunder which by the terms hereof are to be performed on or before the Closing Date.

(b) Buyer shall have paid the Purchase Price less the Post-Closing Escrow, as provided in Section 1.3 of this Agreement.

(c) Buyer shall have executed and delivered the Non-Compete Agreement.

(d) Buyer shall have executed and delivered the Assumption Agreement.

(e) Buyer shall have delivered to Seller a Certificate of a senior officer of Buyer, dated as of the Closing Date, certifying as to the matters set forth in the foregoing paragraphs (a).

(f) Buyer shall have delivered to Seller a Certificate of the Buyer's Secretary certifying as to the due adoption by Buyer's Board of Directors of resolutions authorizing the transactions contemplated by this Agreement.

SECTION 7. INDEMNIFICATION

7.1. RIGHT TO INDEMNIFICATION. (a) Seller shall indemnify, reimburse and hold harmless Buyer from and against all claims, losses, damages, costs (including, without limitation, court costs and reasonable attorneys' fees), expenses and liabilities suffered, incurred, or sustained by Buyer on account of (i) any misrepresentation, breach of warranty, or nonfulfillment of any agreement or covenant on the part of Seller under this Agreement or any Seller Agreement, (ii) the operation of the Stations prior to the Closing, including, without limitation, for any breach or default prior to the Closing Date by Seller under any of the Assumed Contracts; (iii) any liability of Seller not specifically assumed by Buyer hereunder, and (iv) any alleged noncompliance with any Environmental Requirements by reason of acts occurring prior to the Closing; and (v) any other matter or event respecting Seller which occurs prior to the Closing Date and which is not an Assumed Liability.

(b) If the Closing occurs, Buyer shall indemnify, reimburse, and hold harmless Seller from and against all claims, losses, damages, costs (including, without limitation, court costs and reasonable attorneys' fees), expenses and liabilities suffered, incurred, or sustained by Seller, on account of (i) any misrepresentation, breach of warranty, or nonfulfillment of any agreement or covenant on the part of Buyer under this Agreement or any Buyer Agreement, (ii) the operation of the Stations after the Closing (other than those arising out of contracts, commitments, or agreements of Seller not specifically assumed by Buyer) and (iii) liabilities constituting Assumed Liabilities.

(c) Any amounts owed by either party under this Section 7 shall bear interest from the date demand for payment thereof is made until payment in full at a rate of fifteen percent (15%) per annum or such lower rate as equals the maximum rate permitted by applicable law.

SECTION 8. COVENANTS, ETC. TO SURVIVE CLOSING

Notwithstanding any investigation made by either Buyer or Seller, all covenants, agreements, representations and warranties contained in this Agreement and in any other instruments which may be delivered pursuant hereto or in connection with the transactions contemplated hereby and which are referred to herein or in the Schedules hereto and in any other agreements, documents and instruments delivered by or on behalf of Seller after the date hereof and on or prior to the Closing Date, shall be deemed to be material and to have been relied upon by Buyer or Seller, as applicable and shall survive the Closing and the consummation of the transactions contemplated hereby for two years; provided, however, that the representations and warranties of Seller contained in Sections 2.5, 2.11, and 2.17 of this Agreement shall survive the Closing until the expiration of any applicable statute of limitations.

SECTION 9. DEFINITIONS.

The following terms are defined in the provisions of this Agreement indexed below:

Defined Term: -----	Defined In: -----
Assumed Contracts -----	Section 1.1(a)(iv)
Assumed Liabilities -----	Section 1.2
Assumed Trade-Out Agreements -----	Section 1.1(a)(iv)
Assumption Agreement -----	Section 1.5(c)
Buyer -----	Preamble
Buyer Agreements -----	Section 4.2
CERCLA -----	Section 2.17(h)
Closing -----	Section 1.4
Closing Date -----	Section 1.4
Collection Period -----	Section 1.7
Deposit -----	Section 1.3(a)
Employment Agreement -----	Section 1.5(g)

Environmental Notice -----	Section 2.17
Environmental Requirements -----	Section 2.17
Environmental Site Assessments -----	Section 6.2(i)
Escrow Agent -----	Section 1.3(a)
Escrow Agreement -----	Section 1.3(a)
Excluded Property -----	Section 1.1(b)
FCC ---	Recitals
FCC Filings -----	Section 10.7
Final Action -----	Section 6.1(a)
Financial Statements -----	Section 2.8
Hazardous Materials -----	Section 2.17(h)
Leased Real Estate -----	Section 2.5
Licenses -----	Section 1.1(a)(ii)
Non-Compete Agreement -----	Section 1.5(f)
Post-Closing Escrow -----	Section 1.3(b)
Prevailing Party -----	Section 10.14
Purchase Price -----	Section 1.3(a)
Real Estate -----	Section 1.1(a)(iii)
Real Estate Leases -----	Section 1.1(a)(iv)
Seller -----	Preamble
Seller Agreements -----	Section 2.2
Stations -----	Recitals

Subject Assets -----	Section 1.1(c)
Tangible Assets -----	Section 1.1(a)(i)
Trade-Out Agreements -----	Section 1.1(a)(iv)
Transfer Instruments -----	Section 1.5(a)

SECTION 10. MISCELLANEOUS

10.1. FEES AND EXPENSES.

(a) All costs of transferring the Subject Assets in accordance with this Agreement, including recordation, transfer and documentary taxes and fees, shall be borne equally by Seller and Buyer.

(b) Each of the parties shall bear its own expenses in connection with the negotiation and the consummation of the transactions contemplated by this Agreement, including the Seller Agreements and the Buyer Agreements.

10.2. LAW GOVERNING. This Agreement shall be construed under and governed by the laws of the State of Maine.

10.3. NOTICE. Any notice or communication given pursuant to this Agreement by any party to any other party shall be in writing and shall be deemed given when personally delivered or when sent by registered or certified mail, return receipt requested, postage prepaid to the parties at their addresses set forth on page 1 of this Agreement or to such other address as either party may hereafter designate to the other by like notice with a copy in each case of notice to Buyer, to Stephen O. Meredith, Esq., Edwards & Angell, 101 Federal Street, Boston, Massachusetts 02110 and, in each case of notice to Seller, to Peter Webster, Esq., Verrill & Dana, One Portland Square, 9th Floor, Portland, Maine 04101.

10.4. SPECIFIC PERFORMANCE. Seller recognizes and acknowledges that in the event it shall fail to perform its obligation to consummate the sale of the Subject Assets pursuant hereto, money damages alone will not be adequate to compensate Buyer. Seller, therefore, agrees and acknowledges that in the event of its failure to perform its obligation to consummate the sale of the Subject Assets pursuant hereto, Buyer shall be entitled, in addition to any action for monetary damages, and in addition to any other rights and remedies on account of such failure, to specific performance of the terms of this Agreement and of Seller's obligation to consummate the sale of the Subject Assets pursuant hereto.

10.5. RISK OF LOSS. (a) The risk of loss or damage to the Subject Assets by force majeure or for any other reason to Seller's business or property between the date of this Agreement and the Closing shall be borne by Seller. Seller shall take all reasonable steps to

repair, replace and restore such property as soon as possible after any loss or damage, it being understood that all insurance proceeds shall be applied to or reserved for such replacement, restoration, or repair.

(b) In the event of any damage to any Station or upon the occurrence of any other event which materially impairs broadcast transmissions of any Station in the normal and usual manner and substantially in accordance with the respective FCC Licenses of the Stations, Seller shall provide prompt notice thereof to Buyer and the Closing Date shall be postponed until such transmission in accordance with the applicable FCC Licenses has been resumed. The postponed Closing Date shall be such date within the effective period of the FCC's consent to transfer of the Stations to Buyer as Buyer may designate by not less than five (5) days' prior notice to Seller. In the event Seller's facilities cannot be restored within the effective period of the FCC's consent to transfer of the Stations to Buyer unless, in Buyer's reasonable judgment, the damage to the Station(s) could materially adversely affect the operations of the Station(s) on a continuing basis, the parties shall join in an application or applications requesting the FCC to extend the effective period of its consent for a period not to exceed one hundred twenty (120) days. If no such application is filed with the FCC, or if any such application is filed with the FCC and the facilities have not been restored so that the Closing Date may occur within such extended period or any agreed extension thereof, Buyer shall have the right, by providing written notice of termination to Seller within 10 days after the expiration of the effective period or such 120-day period or any agreed extension hereof, as the case may be, to terminate this Agreement forthwith without any further obligation to either party and, upon such termination, the Deposit and the earnings thereon shall be paid to Buyer pursuant to the Escrow Agreement. The foregoing notwithstanding, if any damage to the business or property of Seller requires any Station to be taken off the air or if broadcast transmissions of such Station in accordance with the applicable FCC Licenses is interrupted for any other reason or if any Station is operated at less than its maximum licensed aural effective operating power, in any such case for a total of ninety-six (96) hours (whether or not consecutive) then Buyer may terminate this Agreement upon written notice to Seller without any further obligation to either party and, upon such termination, the Deposit and the earnings thereon shall be paid to Buyer.

(c) In the case of any damage or destruction to the Subject Assets, if full repair, replacement or restoration to or of all material assets has not been made on or before the Closing Date (as the Closing Date may be extended as provided above in this Section 10.5), then Buyer shall not be obligated to purchase the Subject Assets and if not so purchased, the Deposit and the earnings thereon shall be paid to Buyer pursuant to the Escrow Agreement. In any case where full repair, replacement, or restoration to or of all damaged or destroyed assets has not been made and Buyer acquires the Subject Assets (whether or not it is obligated to do so), then at the Closing Seller shall pay to Buyer all proceeds of insurance received by Seller and not then paid by Seller for such repair, replacement, or restoration, and shall assign to Buyer all rights to receive proceeds of insurance on account of such damage or destruction, and Seller shall thereafter, promptly upon presentation of invoices by Buyer,

reimburse the Buyer for all costs and expenses of repair, replacement, and restoration to the former condition paid or incurred by Buyer after the Closing and not paid for by insurance.

(d) Without limiting in any way the Buyer's rights under Section 6.2 hereof, Seller shall not be deemed in breach of this Agreement to the extent that such breach arises from property damage and/or destruction described above in this Section 10.5 if Seller shall perform in accordance with the provisions of this Section.

10.6. CONTROL OF THE STATIONS. Between the date hereof and the date on which the Subject Assets are transferred to Buyer, as to each Station, Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operations of the Stations. Such operations, including the complete control and supervision of all employees, financial affairs, station policy and programming shall be the sole responsibility of Seller. Seller represents and warrants that it understands the FCC's rules and policies regarding unauthorized transfer of control of FCC licenses and agrees that it will not directly or indirectly take any action inconsistent therewith. Seller represents and warrants that at all times prior to the date on which the Subject Assets are transferred to Buyer, Seller will exercise all required authority and control over the Stations' employees, financial affairs, station policy, and programming in order to avoid an unauthorized transfer of control of Stations.

10.7. CHANGES TO FACILITIES. Seller agrees that with Seller's consent, which consent shall not be unreasonably withheld, Buyer may, at Buyer's expense, file with the FCC applications, petitions, or other papers (herein "FCC Filings") as deemed necessary by Buyer to change the facilities of the Stations. Upon request of Buyer, and as often as required by Buyer, Seller shall promptly provide to Buyer (pursuant to Section 73.3517 of the FCC's Rules) a written statement or statements which specifically grant Seller's permission to Buyer (a) to file such application, petition, or other papers, and (b) to file the statement with the application, petition or other papers.

10.8. CONSTRUCTION. The headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

10.9. ASSIGNMENT; BINDING EFFECT. This Agreement shall not be assignable by either Seller or Buyer without the prior written consent of the other, provided that Buyer may (a) make collateral assignments of its right, title and interest hereunder to its lenders; and (b) with the consent of Seller, which consent shall not be unreasonably withheld, assign its rights and delegate its obligations, with recourse, to one or more partnerships, corporations or other business entities controlled by or under common control with Buyer, including without limitation a limited partnership of which Buyer is the sole general partner, provided that such assignment does not cause any delay in the fulfillment of the conditions in Section 6.1(a); and provided further that (i) any such assignee shall agree in writing (in a form reasonably satisfactory to Seller and its counsel) to assume all of Buyer's obligations to Seller hereunder, and (ii) effective upon such assignment, the representations, warranties and covenants set

forth herein shall be deemed amended, to the extent appropriate, to contain corresponding written representations, warranties and covenants of the assignee, which modifications shall be reflected, to the extent appropriate, in a Certificate of Buyer furnished at the Closing, and the conditions set forth in Section 6.3 relating to the delivery of certificates to Seller, and such assignee shall, for all other purposes hereof, be deemed to be "Buyer" hereunder. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors and assigns.

10.10. AMENDMENT; WAIVER. This Agreement may be amended only by a written instrument signed by Buyer and Seller. No provisions of this Agreement may be waived except by an instrument in writing signed by the party sought to be bound. No failure or delay by any party in exercising any right or remedy hereunder shall operate as a waiver thereof, and a waiver of a particular right or remedy on one occasion shall not be deemed a waiver of any other right or remedy or a waiver on any subsequent occasion.

10.11. ENTIRE AGREEMENT. This Agreement (including the Exhibits and Schedules hereto), the Escrow Agreement, the Assumption Agreement, the Non-Compete Agreement, the Transfer Instruments and any other documents and agreements entered into in connection herewith and referred to herein or in the Schedules hereto and any other documents and agreements entered into in connection herewith after the date hereof and on or prior to the Closing Date, set forth the entire understanding between the parties relating to the subject matter hereof, any and all prior correspondence, conversations and memoranda or other writings being merged herein and therein and replaced and being without effect hereon. No promises, covenants or representations of any character or nature other than those expressly stated herein have been made to induce either party to enter into this Agreement. Neither this Agreement nor any part hereof, including this provision against oral modifications, may be modified, waived or discharged except by a writing duly signed by the party sought to be bound.

10.12. SEVERABILITY. If any term or provision of this Agreement or the application thereof to any circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application to other persons and circumstances shall not be affected thereby and each term and provision hereof shall be enforced to the fullest extent permitted by law. Specifically, without limitation, if any provision shall be deemed by a court of competent jurisdiction to be invalid or unenforceable as to any periods of time, territories or business activities, such provision shall be deemed limited to the extent necessary to render it valid and enforceable.

10.13. COUNTERPARTS. This Agreement may be executed in multiple counterparts, with the same force and effect as if all the signatures thereto appeared on the same instrument.

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

OCEAN COAST PROPERTIES

By: /s/ Robert J. Gold

Title: President

SAGA COMMUNICATIONS OF
NEW ENGLAND, INC.

By: _____
Title:

IN WITNESS WHEREOF, Seller and Buyer have caused this Agreement to be executed by their respective duly authorized officers, as of the day and year first above written.

OCEAN COAST PROPERTIES

By: -----
Title: -----

SAGA COMMUNICATIONS OF
NEW ENGLAND, INC.

By: /s/ Norman L. McKee

Title: /s/ Sr. V.P.

AMENDED AND RESTATED

CREDIT AGREEMENT

DATED AS OF June 17, 1996

(amending and restating the Credit Agreement dated as of May 12, 1994)

AMONG

SAGA COMMUNICATIONS, INC.,

CERTAIN OF ITS SUBSIDIARIES,

THE LENDERS PARTY HERETO

AND

THE FIRST NATIONAL BANK OF BOSTON, as Agent

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E	Form of Assignment and Acceptance Agreement
F	Form of New Amendment to Mortgage Documents
G	Form of Second Amendment to Collateral Trust Agreement
H	Form of Lender Assignment Agreement

AMENDED AND RESTATED
CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT is made as of June 17, 1996 (amending and restating the Credit Agreement dated as of May 12, 1994), by and among (1) SAGA COMMUNICATIONS, INC., a Delaware corporation (the "Borrower"); (2) the Borrower Subsidiaries (as defined in Article I below); (3) the various financial institutions which are now, or in accordance with Section 13.11 hereafter become, parties hereto as Lenders (individually, a "Lender" and collectively, the "Lenders"); (4) THE FIRST NATIONAL BANK OF BOSTON, a national banking association, as agent for the Lenders (the "Agent"); and (5) THE BANK OF NEW YORK, a banking corporation organized under the laws of the State of New York, as co-agent for the Lenders (the "Co-Agent").

W I T N E S S E T H:

WHEREAS, the Borrower, certain Subsidiaries of the Borrower, various financial institutions (collectively, the "Existing Lenders") and Bank of Boston, as agent for the Existing Lenders, entered into a Credit Agreement, dated as of May 12, 1994 (as heretofore amended, together with all the Schedules and Exhibits thereto the "Existing Credit Agreement");

WHEREAS, in connection with the transactions contemplated by the Existing Credit Agreement, the Borrower and certain Subsidiaries of the Borrower granted to Bank of Boston, as Collateral Trustee, a first priority, perfected pledge, security interest and/or mortgage in the Collateral (as defined in the Existing Credit Agreement) pursuant to the Security Documents (as defined in the Existing Credit Agreement), all as more particularly set forth in such Security Documents;

WHEREAS, the Borrower has requested the Agent, the Co-Agent and the Lenders to amend and restate the Existing Credit Agreement in its entirety and to provide the Borrower with senior secured revolving credit and term loan facilities (collectively, the "Facilities") in the maximum aggregate principal amount of \$110,000,000, consisting of a senior secured term loan facility in the initial aggregate principal amount of up to \$54,000,000 and a senior secured revolving credit facility in the initial aggregate principal amount of \$56,000,000 (which would convert on the Conversion Date (as defined below) to a term loan and a revolving credit facility in the initial combined aggregate principal amount not exceeding the amount of such senior secured revolving credit facility on the Conversion Date);

WHEREAS, the Agent, the Co-Agent and the Lenders are willing, subject to the terms and conditions set forth herein, to amend and restate the Existing Credit Agreement and to provide the Facilities to the Borrower and, in connection therewith, (a) certain of the Existing Lenders have agreed to continue their loans outstanding under the Existing

Credit Agreement, to convert such loans into Credit Extensions hereunder and to make new Credit Extensions hereunder and (b) certain new Lenders have agreed to become parties hereto (the "New Lenders"), to purchase from the Agent certain outstanding loans under the Existing Credit Agreement, to convert such loans into Credit Extensions hereunder and to make new Credit Extensions hereunder, all as more fully set forth herein; and

WHEREAS, in order to induce the Agent, the Co-Agent and the Lenders to amend and restate the Existing Credit Agreement, the Borrower desires and it is a condition to the effectiveness hereof, that the Principal Companies under the Existing Credit Agreement confirm and reaffirm their respective grants to the Collateral Trustee of the aforementioned first priority, perfected pledges, security interests and/or mortgages in such Collateral to secure all Obligations under and in connection with this Agreement and the other Loan Documents, all as more particularly set forth in the Security Documents, as amended in connection herewith;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto hereby agree that upon the execution of this Agreement, the Existing Credit Agreement (including all Schedules and Exhibits thereto) shall be, and the same hereby is, amended and restated in its entirety to read as set forth above and as follows (and, in the case of Schedules and Exhibits, in the form attached hereto):

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. As used in this Loan Agreement, the following terms shall have the following meanings:

"Acquisition" - shall mean any transaction, or any series of related transactions, consummated prior to or after the date of this Agreement, in which any Borrower Affiliated Company (in one transaction or as the most recent transaction in a series of transactions) (i) acquires any Communications System, any business or all or substantially all of the assets of any Person or any division or business unit thereof, whether through purchase of assets, merger or otherwise, (ii) directly or indirectly acquires control of at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors or (iii) directly or indirectly acquires control of a majority ownership interest in any partnership or joint venture.

"Acquisition Documents" - all agreements, documents and instruments executed and/or delivered in connection with any Acquisition.

"Affiliate" - any Person that directly or indirectly controls, or is under common control with, or is controlled by, the Borrower. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of

management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that, in any event, any Person that owns directly or indirectly securities having 5% or more of the voting power for the election of directors or other governing body of a corporation or 5% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no wholly owned subsidiary of the Borrower shall be an Affiliate and (b) neither the Agent, nor any Lender shall be an Affiliate.

"Agent" - as defined in the preamble hereof.

"Agent's Special Counsel" - Bingham, Dana & Gould and such other counsel as the Agent may from time to time retain as special counsel in connection with the financing arrangements contemplated by or arising under the Loan Documents.

"Agreement" - this Credit Agreement.

"Ancillary Documents" - collectively, (i) the Seller Debt Documents and (ii) the Acquisition Documents.

"Applicable Lending Office" - with respect to each Lender, with respect to each type of Loan, the lending office as designated for such type of Loan below its name on the signature pages hereof or such other office of such Lender or of an affiliate of such Lender as such Lender may from time to time specify to the Agent and the Borrower as the office at which its Loans of such type are to be made and maintained.

"Applicable Margin" - for any calendar quarter, the applicable percentage set forth below opposite the Total Funded Debt Leverage Ratio as of the end of the Most Recent Reference Period prior to the commencement of such calendar quarter:

APPLICABLE MARGINS		
Total Funded Debt Leverage Ratio	Applicable Margin for Prime Rate Loans	Applicable Margin for Eurodollar Loans
-----	-----	-----
Greater than or equal to 4.0:1.0	0.500%	1.750%
Less than 4.0:1.0 but greater than or equal to 3.0:1.00.	125%	1.375%
Less than 3.0:1.0	0.000%	1.125%

Notwithstanding the foregoing, in the event that the Lenders shall not have received the most recent financial statements and certificates required to be delivered to them pursuant

to Article VII prior to the first day of such calendar quarter, the Applicable Margins for such calendar quarter shall (until all of such financial statements and certificates are delivered to the Lenders) be the highest of the Applicable Margins specified above.

"Asset" - any asset, property, interest (including equity interests) or effect, real or personal, tangible or intangible, wherever situated.

"Assigning Lender" - as defined in Section 13.11(b).

"Assignment" - as defined in Section 13.11(b).

"Assignment and Acceptance Agreement" - as defined in Section 13.11(b).

"Available Revolving Credit Commitment" - at any time, an amount equal to the excess, if any, of (i) the aggregate Revolving Credit Commitments at such time over (ii) the Revolving Credit Outstandings at such time.

"Balance Sheet Date" - December 31, 1995.

"Bank of Boston" - The First National Bank of Boston, a national banking association organized under the laws of the United States of America.

"Borrower" - as defined in the preamble hereof.

"Borrower Affiliated Companies" - collectively, the Borrower and each of its Subsidiaries.

"Borrower Security Agreement" - the Borrower Security Agreement, dated as of December 18, 1992, by and between the Borrower and the Collateral Trustee, as amended by the First Amendment to Security Documents Agreement and as further amended by the Second Amendment to Security Documents Agreement.

"Borrower Stock Pledge Agreement" the Borrower Stock Pledge Agreement, dated as of December 18, 1992, by and between the Borrower and the Collateral Trustee, as amended by the First Amendment to Security Documents Agreement and as further amended by the Second Amendment to Security Documents Agreement.

"Borrower Subsidiaries" - collectively, (i) Saga Broadcast, (ii) Franklin, (iii) Lakefront, (iv) Saga of Illinois, (v) Saga of Iowa, (vi) Tidewater, (vii) Saga of New England, (viii) Saga Real Estate and (ix) Saga Quad States.

"Borrower Subsidiary Security Agreement" - the Borrower Subsidiary Security Agreement, dated as of December 18, 1992, by and among the Borrower Subsidiaries and the Collateral Trustee, as amended by the First Amendment to Security Documents Agreement and as further amended by the Second Amendment to Security Documents Agreement.

"Borrower Subsidiary Trademark Security Agreements" - (i) the Trademark Collateral Assignment and Security Agreements dated as of May 12, 1994 by and between the Collateral Trustee and certain Borrower Subsidiaries, as amended by the Second Amendment to Security Documents Agreement and (ii) any additional Trademark Collateral Assignment and Security Agreements from time to time entered into by and between the Collateral Trustee and any Borrower Subsidiaries.

"Borrower Trademark Security Agreement" - the Borrower Trademark Collateral Assignment and Security Agreement, dated as of December 18, 1992, by and between the Borrower and the Collateral Trustee, as amended by the First Amendment to Security Documents Agreement and as further amended by the Second Amendment to Security Documents Agreement.

"Borrowing Notice" - as defined in Section 2.2.

"Business Day" - any day other than Saturday, Sunday or any other day on which commercial banks in Boston are authorized or required to close.

"Capital Expenditures" - as to any Person for any period, the sum of all amounts which would, in accordance with GAAP consistently applied, be included as additions to property, plant and equipment and other capital expenditures on a consolidated statement of cash flows for such Person for such period.

"Capital Stock" - any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all similar ownership interests in any Person which is not a corporation, and any and all warrants, options or other rights to acquire any of the foregoing.

"Capitalized Lease" - any lease or similar instrument the obligations to pay rent or other amounts under which constitute Capitalized Lease Obligations.

"Capitalized Lease Obligations" - as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal property which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

"Cash" - as to any Person, such Person's cash and cash equivalents, as defined in accordance with GAAP.

"CERCLA" - the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"Change in Control" - shall be deemed to have occurred if: (i) any Person (other than a Permitted Holder) or any group (within the meaning of Section 13(d)(3) of the Exchange Act) of Persons (other than any Permitted Holders) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission

under the Exchange Act), directly or indirectly, in one or more transactions, of Capital Stock of the Borrower (including other Capital Stock convertible into such Capital Stock) representing 35% or more of the combined voting power of all Capital Stock of the Borrower (on a fully-diluted basis) entitled to vote in the election of directors, other than Capital Stock having such power only by reason of the happening of a contingency, or (ii) a change in the composition of the Board of Directors of the Borrower shall have occurred such that a majority of the members of the Board of Directors are not Continuing Directors.

"Chief Financial Officer" - Norman L. McKee or such other individual as may perform the duties of "chief financial officer" (as commonly understood) of the Borrower.

"Christian" - Edward K. Christian.

"Christian Employment Agreement" - the employment agreement, dated as of April 6, 1992, between Saga Broadcast and Christian, as assigned to and assumed by the Borrower.

"Christian Note" - the promissory note dated December 10, 1992, in the original principal amount of \$690,700, issued by Christian to the Borrower, as amended by the First Amendment to Promissory Note, dated as of December 6, 1995, between the Borrower and Christian.

"Class A Common Stock" - the Class A Common Stock of the Borrower, par value \$.01 per share.

"Class B Common Stock" - the Class B Common Stock of the Borrower, par value \$.01 per share.

"Closing Costs" - for any period, all fees and costs (including legal, accounting, appraisal, environmental site assessments and travel fees and costs) incurred by any Borrower Affiliated Company in connection with the financing contemplated by this Agreement or any Permitted Acquisition, in each case to the extent expensed during such period.

"Code" - the Internal Revenue Code of 1986, as it may be amended from time to time.

"Collateral" - collectively, all of the agreements, instruments, contracts, assets, accounts, moneys and all of the income, proceeds and products of any thereof, under or in respect of which the Agent or the Collateral Trustee, for the benefit of the Lenders, shall have, at the time of reference to the term "Collateral", any rights or interests as security for the payment or performance of all or any part of the Obligations and shall, in any event, include the Collateral (as defined in the respective Security Documents).

"Collateral Trust Agreement" - the Collateral Trust Agreement, dated as of December 18, 1992, by and among the Collateral Trustee, the Lenders, the Issuing Bank and the Agent, and countersigned by the Principal Companies, as amended by the First

Amendment to Collateral Trust Agreement and as further amended by the Second Amendment to Collateral Trust Agreement.

"Collateral Trustee" - Bank of Boston, or any other Person succeeding to the duties of Collateral Trustee under the Collateral Trust Agreement.

"Commitments" - as to any Lender, collectively, such Lender's Revolving Credit Commitment, Term Loan A Commitment and Term Loan B Commitment.

"Common Stock" - collectively, (i) the Class A Common Stock, (ii) the Class B Common Stock and (iii) any other Permitted Capital Stock having economic attributes substantially equivalent to the Class A Common Stock and the Class B Common Stock.

"Communications Act" - the Federal Communications Act of 1934, as amended, and the rules and regulations of the FCC thereunder, as now or hereafter in effect.

"Communications System" - all of the properties and operating rights constituting a complete, fully integrated system for transmitting radio or television signals from a transmitter licensed by the FCC, together with any subsystem which is ancillary to such system.

"Consolidated or consolidated" - as to any term used in this Agreement, the relevant figures for any Person and its Subsidiaries on a consolidated basis determined in accordance with GAAP after eliminating all intercompany items and minority interests.

"Consolidated Adjusted Net Income" - for any period, net earnings (or loss) of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP, but excluding: (i) any net gain or loss arising from the sale of capital assets; (ii) any gain arising from any write-up of assets; (iii) net earnings of any Person (other than a wholly-owned Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest unless such net earnings shall have actually been received by the Borrower or wholly-owned Subsidiary in the form of cash distributions; (iv) any extraordinary earnings or extraordinary losses, as such terms are interpreted under GAAP; (v) any interest income of the Borrower or any of its Subsidiaries; (vi) the effect of all barter transactions for such period; and (vii) proceeds of any Interest Rate Contracts.

"Consolidated Current Assets"- as of any date, all assets (other than Cash) of the Borrower and its Subsidiaries on a consolidated basis that, in accordance with GAAP, are properly classified as current assets as of such date.

"Consolidated Current Liabilities" - as of any date, all liabilities of the Borrower and its Subsidiaries on a consolidated basis maturing on demand or within one (1) year from such date, and such other liabilities as of such date as may properly be classified as current liabilities in accordance with GAAP.

"Consolidated EBITDA" - for any period (subject to any adjustments required by Section 10.4 and determined on a consolidated basis in accordance with GAAP), Consolidated Adjusted Net Income for such period plus (A) (to the extent, but only to the

extent, the following amounts have reduced Consolidated Adjusted Net Income for such period) the sum of (i) Consolidated Total Interest Expense for such period, (ii) the aggregate amount of all federal, state and local income taxes accrued by the Borrower and its Subsidiaries for such period, (iii) the aggregate amount of depreciation and amortization expense of the Borrower and its Subsidiaries for such period, (iv) the aggregate amount of Closing Costs, if any, incurred by the Borrower and its Subsidiaries during such period, to the extent that such costs are non-recurring, and (v) the aggregate amount of any non-cash charges during such period relating to the issuance or vesting of stock options granted by the Borrower to its employees or directors minus (B) the sum of (i) the aggregate amount of all cash television programming payments made by the Borrower and its Subsidiaries during such period and (ii) the aggregate amount of any cash payments made by the Borrower during such period relating to any non-cash charges described in clause (A)(v) of this definition.

"Consolidated Net Operating Cash Flow" - for any period (subject to any adjustments required by Section 10.4 and determined on a consolidated basis in accordance with GAAP), Consolidated EBITDA for such period, minus (i) the aggregate amount of all federal, state and local income taxes accrued by the Borrower and its Subsidiaries during such period and (ii) the aggregate amount of all Capital Expenditures made by the Borrower and its Subsidiaries during such period (excluding the principal amount of Indebtedness incurred in connection with such Capital Expenditures and permitted by this Agreement).

"Consolidated Total Funded Debt" - at any time, on a consolidated basis, all Indebtedness for Borrowed Money of the Borrower and its Subsidiaries at such time, determined in accordance with GAAP. The aggregate amount of Consolidated Total Funded Debt at any time shall include all accrued interest which has become due and payable but has not been paid (whether or not capitalized) and the accreted amount of any Subordinated Debt issued with original issue discount.

"Consolidated Total Interest Expense" - for any period (subject to any adjustments required by Section 10.4), without duplication, the sum of (i) the interest expense of the Borrower and its Subsidiaries for such period, (ii) the interest component of Capitalized Lease Obligations of the Borrower and its Subsidiaries for such period, and (iii) all Revolving Credit Commitment Fees, Letter of Credit Fees and similar fees payable by the Borrower and its Subsidiaries during such period in respect of Indebtedness for Borrowed Money; in each case, determined on a consolidated basis in accordance with GAAP.

"Consolidated Working Capital" - as of any date, the excess of Consolidated Current Assets over Consolidated Current Liabilities as of such date.

"Continuing Directors" - as of any date of determination, any member of the Board of Directors of the Borrower who (i) was a member of such Board of Directors on the Effective Date or (ii) was nominated for election or elected to such Board of Directors either with the affirmative vote of a majority of the directors who were either members of such Board of Directors on the Effective Date or whose nomination or election was previously so approved.

"Contractual Obligations" - as to any Person, any provision of any note, debenture or security issued by such Person or of any agreement, indenture, mortgage, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Conversion Date" - June 30, 1998.

"Copyright" - collectively, all of the following, to the extent that any Borrower Affiliated Company now or hereafter has any right, title or interest therein: (i) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, licensee, transferee or otherwise, and (ii) all registrations and applications for registration of any such copyright in the United States or any other country, as well as all registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office or the copyright office of any other country.

"Credit Extensions" - collectively, (i) any Loan and (ii) any Letter of Credit.

"Default" - an event which, with notice or lapse of time, or both, would constitute an Event of Default.

"Default Rate" - with respect to any amounts payable hereunder or under any of the other Loan Documents, a rate per annum equal to 2% above the rate of interest otherwise applicable to such amounts.

"Distribution" - as to any Person, any direct or indirect: (i) declaration or payment of any dividend on or in respect of any Capital Stock of such Person (except, in the case of the Borrower, a dividend payable solely in shares of Permitted Capital Stock); (ii) redemption, purchase or other retirement or acquisition of any Capital Stock of such Person, through a Subsidiary of such Person or otherwise; or (iii) return of capital by such Person to its shareholders or other equityholders as such; or (iv) other distribution on or in respect of any Capital Stock of such Person (except, in the case of the Borrower, any distribution made by the Borrower solely in shares of Permitted Capital Stock in connection with any stock split or reverse stock split).

"Dollars" and "\$" - lawful money of the United States of America.

"Drawdown Date" - the date on which any Credit Extension is made or is to be made.

"Effective Date" - the date on which this Agreement becomes effective.

"Effective Date Certificate" - a certificate, to be dated as of the Effective Date, executed and delivered to the Agent by the Borrower, substantially in the form attached hereto as Exhibit D.

"Employee Benefit Plan or Plan" - any employee benefit plan within the meaning of Section 3(3) of ERISA maintained or contributed to by any Principal Company or any ERISA Affiliate, other than a Multiemployer Plan.

"Environmental Laws" - any judgment, decree, order, law, license, rule or regulation pertaining to environmental matters, including without limitation those arising under the Resource Conservation and Recovery Act ("RCRA"), CERCLA, the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, any state or local statute, regulation, ordinance, order or decree relating to health, safety or the environment, or any law or regulation of any foreign jurisdiction outside the United States relating to health, safety or the environment.

"Environmental Liability" - any liability under any Environmental Laws for any release of a Hazardous Substance, and any liability for the costs of any clean-up or other remedial action.

"Environmental Matter(s)" - a release of any Hazardous Substance into the environment or the generation, treatment, storage or disposal of any Hazardous Substance.

"Environmental Proceeding" - any judgment, action, proceeding or investigation pending before any Governmental Authority, including any environmental regulatory body, with respect to or threatened against or affecting any Borrower Affiliated Company or relating to the Assets or liabilities of any of them, including in respect of any "facility" owned, leased or operated by any of them under CERCLA or under any Requirement of Law in respect thereof, or in connection with any release of any Hazardous Substance or the generation, storage or disposal of any Hazardous Substance.

"EPA" - The United States Environmental Protection Agency.

"ERISA" - the Employee Retirement Income Security Act of 1974, as it may be amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" - any Person which is treated as a single employer with the Borrower and its Subsidiaries under Section 414 of the Code.

"ERISA Reportable Event" - a reportable event with respect to a Guaranteed Pension Plan within the meaning of Section 4043 of ERISA.

"Eurocurrency Reserve Requirements" - for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto) prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of such Board) maintained by a member bank of such System.

"Eurodollar Base Rate" - with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the interest rate per annum (rounded upward, if necessary, to the nearest 1/16th of 1%) at which the Agent is offered Dollar deposits at or about 10:00 a.m., Boston time, two (2) Business Days prior to the beginning of such Interest Period in the Eurodollar Interbank Market where the eurodollar and foreign currency and exchange operations in respect of its Eurodollar Loans are then being conducted for delivery on the first day of such Interest Period, for the number of days comprised therein and in an amount comparable to the amount of its Eurodollar Loan to be outstanding during such Interest Period.

"Eurodollar Business Day" - a Business Day on which dealings in Dollar deposits are carried out in the Eurodollar Interbank Market.

"Eurodollar Interbank Market" - any lawful offshore market in which deposits of Dollars are offered by foreign branches of U.S. banking institutions and by foreign banking institutions to each other.

"Eurodollar Loans" - Loans the rate of interest applicable to which is determined on the basis of the Eurodollar Rate.

"Eurodollar Rate" - with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward, if necessary, to the nearest 1/100th of 1%):

Eurodollar Base Rate
1.00 - Eurocurrency Reserve Requirements

"Event of Default" - as defined in Article XI hereof.

"Excess Cash Flow" - for any period, Consolidated EBITDA for such period minus, without duplication, the sum of (i) the provision for income taxes reported by the Borrower on its consolidated financial statements for such period in accordance with GAAP (other than any such income taxes attributable to gains on sales of Capital Assets), (ii) all Capital Expenditures of the Borrower and its Subsidiaries made and permitted hereunder during such period (excluding the principal amount of Indebtedness incurred in connection with such Capital Expenditures), (iii) Consolidated Total Interest Expense for such period required to be paid in cash by the Borrower or any of its Subsidiaries during such period, (iv) the aggregate amount of mandatory permanent payments or prepayments of principal of Consolidated Total Funded Debt during such period (other than any Net Proceeds Payments and Excess Cash Flow Payments, (v) the excess of Consolidated Working Capital as at the last day of such period over Consolidated Working Capital as at the day before the first day of such period and (vi) \$1,000,000.

"Excess Cash Flow Payment" - as defined in Section 2.5(c).

"Exchange Act" - the Securities and Exchange Act of 1934, as amended.

"Existing Credit Agreement" - as defined in the recitals hereto.

"Existing Lenders" - as defined in the recitals hereto.

"Existing Loans" - means, collectively, the outstanding Term Loans and Revolving Credit Loans (as such terms are defined in the Existing Credit Agreement) made by the Existing Lenders under the Existing Credit Agreement.

"Facilities" - as defined in the recitals hereto.

"FASB" - the Financial Accounting Standards Board, and its predecessor and successor organizations.

"FCC" - the Federal Communications Commission, or any successor agency, commission, bureau, department or other Governmental Authority.

"FCC Licenses" - any radio, television or other license, permit, certificate of compliance, franchise, approval or authorization granted or issued by the FCC.

"FDIC" - the Federal Deposit Insurance Corporation or any successor thereof.

"Federal Funds Rate" - for any period, a fluctuating interest rate per annum (based on a 365 day or 366 day year, as the case may be) equal for each day during such period to the average of the rates of interest charged on overnight federal funds transactions, with member banks of the Federal Reserve System only, as published for any day which is a Business Day by the Federal Reserve Bank of New York (or, in the absence of such publication, as reasonably determined by the Agent).

"Fee Letter" - a letter agreement, dated as of April 15, 1996, by and between the Agent and the Borrower regarding payment of certain fees to the Agent.

"Fees" - collectively, (i) the Agent's fee payable from time to time by the Borrower to the Agent, for the Agent's own account, as provided in the Fee Letter, (ii) the Revolving Credit Commitment Fees and (iii) the Letter of Credit Fees.

"Final" - as to an action by the FCC or its staff, the date on which the time for rehearing, reconsideration, review or appeal of such action shall have expired without objection or claim by any Person.

"Financial Statements" - any financial statements from time to time delivered by the Borrower to the Agent or to any Lender pursuant to the provisions of this Agreement, including any financial statements and schedules thereto delivered by the Borrower on the Effective Date. As used herein, "Financial Statements" do not include any Projections.

"First Amendment to Collateral Trust Agreement" - the Amendment to Collateral Trust Agreement, dated as of May 12, 1994, by and among the Collateral Trustee, the Lenders, the Issuing Bank and the Principal Companies (other than Saga Quad States).

"First Amendment to Security Documents Agreement" - the Amendment to Security Documents Agreement, dated as of May 12, 1994, by and among the Collateral Trustee, the Lenders and the Principal Companies (other than Saga Quad States).

"Franklin" - Franklin Communications, Inc., a Delaware corporation.

"Fully Diluted Shares" - at any time, the sum of (i) all shares of Common Stock then issued and outstanding, plus (ii) (without duplication) the maximum number of shares of Common Stock which would at any time be issuable upon conversion of or in exchange for or upon exercise of rights under all securities then issued and outstanding which are convertible into or exchangeable for shares of Common Stock.

"GAAP" - when used in Article X hereof, whether directly or indirectly by reference to a capitalized term used therein, principles which are consistent with (i) the principles promulgated or adopted by FASB, as in effect on the Balance Sheet Date, and (ii) the accounting practices of Borrower and its Subsidiaries reflected in the consolidated financial statements of Borrower and its Subsidiaries as at and for the quarter ended on the Balance Sheet Date. When used in general, other than as provided above, principles which are (i) consistent with the principles promulgated or adopted by FASB, as in effect from time to time, and (ii) consistently applied with past consolidated financial statements of the Borrower and its Subsidiaries adopting the same principles. In the event of any material change in the principles promulgated or adopted by FASB after the Balance Sheet Date, the Principal Companies, the Agent and the Lenders will undertake in good faith to negotiate appropriate changes to this definition of GAAP and Article X hereof with the objective of having the Principal Companies' compliance with the provisions of Article X determined by reference to GAAP as in effect after such change, rather than GAAP as in effect on the Balance Sheet Date. Until such changes have been agreed to in writing by the Borrower and the Required Lenders, the definition of GAAP and the provisions of Article X shall remain unchanged and in full force and effect.

"Governing Documents" - as to any Person, the articles or certificate of incorporation and by-laws or other organizational documents of such Person.

"Governmental Authority" - any nation or government, any state or other political subdivision thereof, and any entity exercising any executive, legislative, judicial, regulation, or administrative functions of or pertaining to government.

"Guarantor(s)" - the Borrower Subsidiaries and any other Subsidiary of the Borrower which assumes the obligations of a Guarantor under Article VI hereof.

"Guaranteed Pension Plan" - any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by any Borrower Affiliated Company or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

"Guaranty" - in relation to any Person, any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and

including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase of payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (ii) to purchase property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (iii) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness.

"Hazardous Substances" - any hazardous substances as defined by 42 U.S.C. Section 9601(14), any pollutant or contaminant as defined by 42 U.S.C. Section 9601(33) and any toxic substance, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws.

"Historical Financials" - as defined in Section 4.9(a).

"Immaterial Real Property" - real property owned by a Principal Company other than Material Real Property.

"Increasing Lenders" - as defined in Section 2.26.

"Indebtedness" - with respect to any Person, all: (i) liabilities or obligations, direct or contingent, which in accordance with GAAP would be included in determining total liabilities as shown on the liability side of a balance sheet of such Person at the date as of which Indebtedness is to be determined, including contingent liabilities which, in accordance with GAAP, would be set forth in a specific amount on the liability side of such balance sheet, and Capitalized Lease Obligations of such Person; (ii) liabilities or obligations of others for which such Person is directly or indirectly liable, by way of Guaranty or otherwise; (iii) liabilities or obligations secured by Liens on any assets of such Person, whether or not such liabilities or obligations shall have been assumed by it; and (iv) liabilities or obligations of such Person, direct or contingent, with respect to letters of credit issued for the account of such Person and bankers acceptances created for such Person; provided, however, that in the case of liabilities or obligations in respect of which the holder has recourse only against certain assets of a Person, Indebtedness in respect of such liabilities or obligations shall be limited to the fair market value of the assets with respect to which recourse is not prohibited.

"Indebtedness for Borrowed Money" - without duplication, all Indebtedness with respect to any of the following: (i) money borrowed (whether recourse or non-recourse), including principal, interest and premiums, (ii) obligations evidenced by a bond, debenture, note or other like written obligation to pay money, (iii) Capitalized Lease Obligations, (iv) obligations under conditional sales or other title retention agreements or secured by any Lien, (v) any letters of credit or similar instruments (including reimbursement obligations with respect thereto), (vi) the deferred unpaid purchase price of property or services, except trade payables and accrued expenses incurred in the ordinary course of business, or (vii) any Guaranty of any or all of the foregoing.

"Indemnity, Contribution and Subrogation Agreement" - the Indemnity, Contribution and Subrogation Agreement, dated as of the Effective Date, by and among the Borrower Affiliated Companies, substantially in the form attached hereto as Exhibit C.

"Initial Term Loans A" - as defined in Section 2.1.

"Intellectual Property Security Agreements" - collectively, (i) the Borrower Trademark Security Agreement, and (ii) the Borrower Subsidiary Trademark Security Agreements.

"Interest Coverage Ratio" - as defined in Section 10.3.

"Interest Period" - with respect to any Eurodollar Loan, each period commencing on the date such Loan is made or converted from a Prime Rate Loan or Prime Rate Loans, or the last day of the next preceding Interest Period with respect to such Eurodollar Loan, and ending on the same day in the first, second, third or sixth calendar month as the Borrower may select as provided in Section 2.2, except that each such Interest Period which commences on the last Eurodollar Business Day of a calendar month shall end on the last Eurodollar Business Day of the appropriate subsequent calendar month.

Notwithstanding the foregoing: (i) each Interest Period which would otherwise end on a day which is not a Eurodollar Business Day shall end on the next succeeding Eurodollar Business Day (or, if such next succeeding Eurodollar Business Day falls in the next succeeding calendar month, on the next preceding Eurodollar Business Day); (ii) no more than seven (7) Interest Periods for Eurodollar Loans shall be in effect at the same time; and (iii) no Interest Period shall end after the Maturity Date. In the event that the Borrower fails to select the duration of any Interest Period for any Loan within the time period and otherwise as provided in Section 2.2, such Loans will be automatically converted into a Prime Rate Loan on the last day of the preceding Interest Period for such Loan.

"Interest Rate Contracts" - any interest rate swap, cap, collar or other agreement or arrangement designed to provide protection against fluctuation in interest rates.

"Investment" - in relation to any Person, all investments by such Person, by stock purchase, capital contribution, loan, advance, Guaranty of any Indebtedness of any other Person, acquisition by such Person of any Communications System or any business or all or any substantial part of the Assets of any other Person or any division or Subsidiary of such Person or the transfer or sale of property by such Person (otherwise than in the ordinary course of the business of such Person) to any other Person for less than payment in full in cash of the transfer or sale price or the fair value thereof (whichever of such price or value is higher).

"IRS" - Internal Revenue Service.

"Issue Date" - in relation to any Letter of Credit, the day on which such Letter of Credit is issued or to be issued by the Issuing Bank for the account of the Borrower pursuant to this Agreement.

"Issuing Bank" - with respect to any Letter of Credit, Bank of Boston and any successor issuing bank.

"Issuing Bank Fees" - as defined in Section 3.6.

"Lakefront" - Lakefront Communication, Inc., a Delaware corporation.

"Leases" - leases and subleases (other than Capitalized Leases), licenses for the use of real property, easements, grants, pole attachment and conduit or trench agreements and other attachment rights and similar instruments under which any Borrower Affiliated Company has the right to use real or personal property or rights of way.

"Lender Assignment Agreements" - means the assignment agreements, each dated as of the Effective Date, between certain Existing Lenders and the Agent and acknowledged by the Borrower, each in substantially the form of Exhibit H attached hereto (with such changes thereto as may be agreed to by the applicable Existing Lender and the Agent).

"Lenders" - as defined in the preamble hereof.

"Letter of Credit" - any irrevocable standby letter of credit issued or to be issued by the Issuing Bank for the account of the Borrower upon the terms and subject to the conditions contained in this Agreement.

"Letter of Credit Application" - as defined in Section 3.2(b).

"Letter of Credit Disbursement" - a disbursement by the Issuing Bank to the beneficiary of a Letter of Credit in connection with a drawing thereunder.

"Letter of Credit Exposure" - at any time, the sum of (i) the aggregate undrawn face amount of all Letters of Credit outstanding at such time, and (ii) the aggregate amount of all drawings under Letters of Credit for which the Issuing Bank shall not have been reimbursed by the Borrower as provided in Section 3.4. The amount of any Lender's Letter of Credit Exposure at any time shall be the product of (i) the Letter of Credit Exposure, multiplied by (ii) such Lender's Percentage at such time.

"Letter of Credit Fees" - as defined in Section 3.6.

"Lien" - any mortgage, deed of trust, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing), any conditional sale or other title retention agreement, any lease in the nature of any of the foregoing, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction.

"Loan(s)" - collectively, (i) Revolving Credit Loans, and (ii) Term Loans. Loans of different types made or converted from Loans of other types on the same day (or of the

same type but having different Interest Periods) shall be deemed to be separate Loans for all purposes of this Agreement.

"Loan Documents" - collectively (i) this Agreement, (ii) the Notes, (iii) the Security Documents, (iv) the Indemnity, Contribution and Subrogation Agreement, (v) each Assignment and Acceptance Agreement, (vi) the Transaction Documents, (vii) the Letter of Credit Applications and (viii) any other documents, instruments or agreements executed and/or delivered in connection with the foregoing.

"Management Stockholder" - any Person that is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of Capital Stock of the Borrower or that is a director or officer of the Borrower.

"Material Adverse Effect" - any of the following: (i) any material adverse effect on the business, Assets, operations, prospects or condition, financial or otherwise, of the Borrower Affiliated Companies taken as a whole, (ii) any material impairment of the ability of any Principal Company to perform any of its material obligations under any Loan Document, or (iii) any material impairment of the validity or enforceability of any Loan Document or any material impairment of the rights, remedies or benefits available to, the Collateral Trustee, the Agent or any Lender under any Loan Document.

"Material Labor Dispute" - with respect to any Person, any strike, work stoppage, material unfair labor practice claim or charge, arbitration or other material labor dispute against or affecting such Person.

"Material Real Property" - any and all real property owned by a Borrower Affiliated Company on which is located a tower, transmitter or antenna system used in connection with the operations of any Station or Stations, if (but only if) the aggregate Consolidated EBITDA attributable to such Station or Stations for the Reference Period most recently ended equals or exceeds ten percent (10%) of Consolidated EBITDA of the Principal Companies for such Reference Period.

"Maturity Date" - June 30, 2003 or such earlier date on which all the Commitments of the Lenders shall terminate in accordance with the terms hereof.

"Mortgages" - collectively, the instruments of mortgage executed and delivered by the Borrower or any of its Subsidiaries in favor of the Collateral Trustee (including any predecessors to Bank of Boston as collateral trustee) from time to time with respect to Material Real Properties owned by the Borrower or its Subsidiaries.

"Most Recent Reference Period" means the most recent Reference Period for which financial statement of the Borrower and its Subsidiaries have been delivered to the Lenders in compliance with Article VII hereof.

"Multiemployer Plan" - any multiemployer plan within the meaning of Section 3(37) of ERISA maintained or contributed to by any Person or any ERISA Affiliate.

"Net Proceeds" - with respect to any Prepayment Event (i) the gross amount of cash consideration payable to or receivable by any Borrower Affiliated Company in respect of such Prepayment Event, less (ii) the amount, if any, of all estimated taxes payable as a result of gain realized with respect to such Prepayment Event, whether or not payable during the taxable year in which such Prepayment Event occurred, and less (iii) estimated fees, commissions, costs and other expenses (other than those payable to any Affiliate) which are incurred in connection with such Prepayment Event and are payable by the seller or the transferor of the assets or property to which such Prepayment Event relates, but only to the extent not already deducted in arriving at the amount referred to in clause (i). To the extent that the estimate of taxes payable, or fees, commissions, costs and other expenses incurred, proves incorrect, an adjustment shall be made by way of an additional payment to the Agent, for the ratable benefit of the Lenders, or a credit against amounts payable in respect of any future Prepayment Events, as applicable.

"Net Proceeds Payments" - as defined in Section 2.5(d).

"New Lenders" - as defined in the recitals hereto.

"New Mortgage Amendments" - the amendments to each of the Mortgages, each of which is to be executed and delivered to the Collateral Trustee, in substantially the form attached hereto as Exhibit F, on or prior to the Effective Date.

"1992 Stock Option Plan" - the 1992 Stock Option Plan of the Borrower pursuant to which the employees of the Borrower are eligible to receive grants of options to purchase Common Stock.

"Notes" - collectively (i) the Term Loan A Notes, (ii) the Revolving Credit Notes and (iii) the Term Loan B Notes.

"Obligations" - collectively, all of the Indebtedness, liabilities and obligations, whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, of any Principal Company (i) to any Lender, the Issuing Bank, the Agent or the Collateral Trustee, whether now existing or hereafter arising, whether or not currently contemplated, arising under any Loan Document, and (ii) under any Interest Rate Contract entered into with any Person that was a Lender or an Affiliate of any Lender at the time such Person entered into such Interest Rate Contract.

"Participant" - as defined in Section 13.11(a).

"PBGC" - Pension Benefit Guaranty Corporation.

"Percentage" - as to any Lender, at any time, the percentage set forth opposite such Lender's name on Schedule 1 hereto (or, if such Lender has executed an Assignment and Acceptance Agreement, opposite such Lender's signature on the most recent Assignment and Acceptance Agreement then executed by it).

"Permitted Acquisition" - any Acquisition after the Effective Date by any Borrower Affiliated Company of any Communications System so long as, in each case, either the Required Lenders have given their written consent to such Acquisition or:

(i) after giving effect to such Acquisition, the Assets comprising such Communications System (as used in this definition, the "Acquired Assets") shall be owned exclusively by the Borrower or a wholly-owned Subsidiary of the Borrower;

(ii) if the Acquired Assets are owned by a newly-formed or newly-acquired Subsidiary of the Borrower, such Subsidiary (and any parent of such Subsidiary that is not already a Principal Company) shall have executed and delivered to the Agent and the Lenders (A) an accession agreement reasonably satisfactory to the Agent, pursuant to the terms of which such Subsidiary (and such parent or parents, if applicable) (1) becomes a party to this Agreement as a Principal Company and as a Guarantor, becomes a party to the Borrower Subsidiary Security Agreement as a Borrower Subsidiary, becomes a party to the Indemnity, Contribution and Subrogation Agreement as a Borrower Affiliated Company, and becomes a party to any other Loan Document as the Agent may reasonably request, and (2) agrees to perform and observe all of the obligations and covenants (including all obligations and covenants contained in Article VI hereof) of a Principal Company and a Guarantor hereunder, of a Borrower Subsidiary under the Borrower Subsidiary Security Agreement, of a Borrower Affiliated Company under the Indemnity, Contribution and Subrogation Agreement, and of the appropriate party under any other Loan Document to which it becomes a party and (B) a Borrower Subsidiary Trademark Security Agreement, if applicable;

(iii) the Borrower shall have demonstrated to the reasonable satisfaction of the Agent (based on, among other things, operating and financial projections and pro forma financial statements delivered to the Agent and certified by the Chief Financial Officer) that, immediately after giving effect to the Acquisition (including the making of any Loans and the incurrence of any Indebtedness required to finance such Acquisition), all covenants (including all covenants contained in Article X hereof) contained herein (A) would have been satisfied on a pro forma basis as at the end of and for the Most Recent Reference Period, and (B) will be satisfied on a pro forma basis through the period ending two years after the date of Acquisition;

(iv) no Default or Event of Default is continuing immediately prior to such Acquisition, and no Default or Event of Default would result from such Acquisition;

(v) if the Total Consideration (as defined below) payable by the Borrower Affiliated Companies in connection with such Acquisition would be greater than \$20,000,000, the Required Lenders have approved such Acquisition in writing (the Required Lenders having no obligation to do so);

(vi) the Agent shall have received satisfactory evidence that the Communication System to be acquired has complied with, is in compliance with, and, after the Acquisition, will be in compliance with, in all material respects all

applicable Requirements of Law, including the Communications Act and all Environmental Laws; and

(vii) prior to any such Acquisition, the Borrower shall have delivered to the Agent the definitive acquisition agreement between the applicable Borrower Affiliated Company and the applicable seller.

As used in this definition, "Total Consideration" means all consideration payable by the Borrower Affiliated Companies in connection with any Acquisition, including cash payments at closing, the principal amount of any promissory notes issued by any Borrower Affiliated Company, the principal amount of any amounts payable by any Borrower Affiliated Company in consideration for any non-compete covenant, and the amount of any Indebtedness for Borrowed Money assumed by any Borrower Affiliated Company but excluding any consideration paid by the issuance of Permitted Capital Stock.

The purchase by any Borrower Affiliated Company of any Communication System pursuant to any local market agreement or time brokerage agreement entered into by such Borrower Affiliated Company in connection with any Permitted LMA Transaction must satisfy all of the above requirements.

"Permitted Capital Stock" - Capital Stock of the Borrower with respect to which the Borrower has no obligation to make any Distributions prior to the payment in full in cash of all the Obligations.

"Permitted Holder" means (i) Christian or (ii) any of the Permitted Transferees.

"Permitted LMA Transaction" - any agreement or arrangement pursuant to which any Borrower Affiliated Company purchases broadcast time on any Communications System (other than a Station) for the purpose of programming such broadcast time or any other similar arrangement, so long as in each case, either the Required Lenders have given their written consent to such transaction or:

(i) if such Borrower Affiliated Company has the obligation to purchase such Communications System pursuant to or in connection with such agreement, the requirements set forth in clauses (i) through (vii) of the definition of "Permitted Acquisition" would be met; for purposes of determining whether such agreement or arrangement would meet such requirements, references in such clauses to the "Acquisition" or any similar reference shall be deemed to refer to the Acquisition contemplated by such agreement. This clause (i) shall not apply if such Borrower Affiliated Company has a mere option to purchase such Communication System;

(ii) the Borrower shall have demonstrated to the reasonable satisfaction of the Agent that the Pro Forma Fixed Charges Coverage Ratio (as defined in Section 10.2), after giving pro forma effect to the transactions contemplated by such agreement or arrangement, shall be not less than the ratio then required by Section 10.2; and

(iii) no Default or Event of Default is continuing immediately prior to the effectiveness of such agreement or arrangement, and no Default or Event of Default would result from such agreement or arrangement.

"Permitted Liens" - as to any Principal Company:

(i) Liens to secure taxes, assessments, levies or other governmental charges imposed upon such Principal Company, to the extent (in each case) that the payment thereof shall not at the time be required to be made in accordance with the provisions of Section 8.1;

(ii) deposits or pledges made by such Principal Company in the ordinary course of its business (A) to secure payment of workers' compensation, unemployment insurance, or other forms of governmental insurance or benefits, (B) to secure performance of bids, tenders, statutory obligations, leases and contracts (other than contracts relating to borrowed money), or (C) to secure surety, appeal, indemnity or performance bonds, in each case in the ordinary course of business of such Principal Company, and in each case only to the extent that payment thereof shall not at the time be required to be made in accordance with the provisions of Section 8.1;

(iii) Liens in respect of judgments or awards against such Principal Company with respect to which such Principal Company shall currently be processing an appeal or proceedings for review; provided, that (A) appropriate reserves with respect thereto have been established and maintained on the consolidated books of the Borrower and its Subsidiaries in accordance with GAAP and (B) such Liens and judgments do not constitute Events of Default described in Sections 11.1(i) or (p);

(iv) Liens of carriers, warehousemen, mechanics, landlords or materialmen incurred in the ordinary course of the business of any Principal Company, in each case for sums not at the time required to be paid in accordance with provisions of Section 8.1; and

(v) easements, right-of-way, zoning and similar restrictions and other similar encumbrances or title defects which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of any such Principal Company.

"Permitted Sale" - any Sale by any Principal Company (i) in the ordinary course of its business of immaterial Assets or obsolete or unusable equipment, (ii) in the ordinary course of its business of other equipment as long as such equipment is replaced by equipment of like function and comparable value within a period of three months after the date of such Sale or (iii) in the ordinary course of its business of Immaterial Real Property; provided, however, that (A) the total consideration payable to or receivable by the Principal Companies in connection with any Permitted Sale (1) is an amount not less than the fair market of the Assets subject to such Sale and (2) consists of at least 90% cash which is

payable at the closing of such Sale, and (B) no Sale shall be deemed a Permitted Sale if it occurs in connection with any Sale of a Communications System or other business by any Borrower Affiliated Company.

"Permitted Subordinated Seller Debt" - Seller Debt incurred in connection with any Permitted Acquisition which:

(i) is not (A) Guaranteed in any manner by any Borrower Affiliated Company unless such Guaranty is subordinated in right of payment and exercise of remedies to the prior payment in full in cash of all the Obligations, and any Indebtedness which refunds, refinances or replaces the Obligations, pursuant to a subordination agreement among the holder of such Seller Debt, the Borrower and the Agent which is acceptable in all respects to the Agent and the Required Lenders; or (B) secured by any Assets of any Borrower Affiliated Company;

(ii) requires no principal payments prior to one year after the Maturity Date;

(iii) bears interest at a fixed annual rate not in excess of the lower of (A) the average interest rate on all Eurodollar Loans outstanding at the end of the month prior to the date of incurrence of such Indebtedness, and (B) 10%;

(iv) is subordinated in right of payment and exercise of remedies to the prior payment in full in cash of all the Obligations, and any Indebtedness which refunds, refinances or replaces the Obligations, pursuant to a subordination agreement among the holder of such Seller Debt, the Borrower Affiliated Company and the Agent which is acceptable in all respects to the Agent and the Required Lenders; and

(v) is in a face amount at the time of incurrence thereof which, when added to the aggregate amount of all principal payment obligations of the Borrower in respect of any other Seller Debt, does not exceed an amount equal to the lesser of (A) \$3,000,000 and (B) 25% of Consolidated EBITDA for the Most Recent Reference Period, after giving pro-forma effect to the Permitted Acquisition pursuant to which such Seller Debt was incurred, as if such Acquisition occurred on the first day of such Reference Period.

"Permitted Transferees" - with respect to any Person, (i) any Affiliate of such Person, (ii) the heirs, executors, administrators, testamentary trustees, legatees or beneficiaries of any such Person or (iii) a trust, the beneficiaries of which, or a corporation, partnership or other entity, the stockholders or general or limited partners or other owners of which, include only such Person or his or her spouse or lineal descendants, in each case to whom such Person has transferred the beneficial ownership of any Capital Stock of the Borrower.

"Person" - an individual, a corporation, a partnership, a joint venture, a trust or unincorporated organization, a joint stock company or other similar organization, a

government or any political subdivision thereof, a court, or any other legal entity, whether acting in an individual, fiduciary or other capacity.

"Prepayment Event" - any Sale (other than a Permitted Sale) of any Asset of any Borrower Affiliated Company (including Capital Stock of any Subsidiary) which takes place at any time after the date hereof and pursuant to which the gross amount of consideration payable to or receivable by the Borrower Affiliated Companies exceeds \$1,000,000.

"Prime Rate" - a fluctuating rate of interest per annum equal to the greater of (i) the rate established by the Agent from time to time at its office in Boston as its "base rate" and (ii) the Federal Funds Rate plus 1/2%; in each case, including any applicable adjustments for reserves or FDIC requirements. The Prime Rate is not necessarily intended to be the lowest rate of interest determined by the Agent in connection with extensions of credit.

"Prime Rate Loans" - Loans which bear interest at a rate based upon the Prime Rate.

"Principal Companies" - collectively, (i) the Borrower and (ii) the Borrower Subsidiaries.

"Principal Office" - the principal office of the Agent in the United States, presently located at 100 Federal Street, Boston, Massachusetts 02110.

"Prior Mortgage Amendments" - the amendments to each of the Mortgages which were executed and delivered by certain Principal Companies to the Collateral Trustee on or prior to May 12, 1994.

"Pro Forma Fixed Charges" - for any period, without duplication, the sum of (i) all principal and interest scheduled to be paid by the Borrower or any of its Subsidiaries during such period on account of Indebtedness for Borrowed Money, (ii) all Revolving Credit Commitment Fees scheduled to be paid by the Borrower during such period, (iii) the aggregate amount of Capital Expenditures made by the Borrower or any of its Subsidiaries during the Reference Period ending most recently prior to such period and (iv) the aggregate amount of all federal, state or local income taxes scheduled to be paid by the Borrower or any of its Subsidiaries during such period; calculated assuming:

(A) that the aggregate principal amount of the Revolving Credit Loans outstanding during such period will be equal to such aggregate principal amount on the first day of such period;

(B) that, during such period, the interest rate on the Prime Rate Loans will at all times be equal to the Prime Rate plus the Applicable Margin then in effect for Prime Rate Loans on the first day of such period;

(C) that any Eurodollar Loan outstanding on the first day of such period shall bear interest at the Eurodollar Rate applicable to such Loan on the first day of such period plus the Applicable Margin then in effect for Eurodollar Loans on the first day of such period until the Interest Period for such Eurodollar Loan expires;

(D) that, except as provided in the foregoing clause (C), all Loans shall bear interest during such period determined by reference to the Prime Rate plus the Applicable Margin then in effect for Prime Rate Loans on the first day of such period, and not the Eurodollar Rate;

(E) that the interest rate on all Indebtedness for Borrowed Money (other than the Loans) of the Borrower or any of its Subsidiaries during such period shall be the interest rate on such Indebtedness for Borrowed Money on the first day of such period;

(F) that the amount of principal of the Term Loans payable by the Borrower during such period will be equal to the aggregate amount of payments of principal scheduled to be made on the Term Loans during such period pursuant to Sections 2.5(a) and (b); and

(G) that the aggregate amount of all federal, state or local income taxes scheduled to be paid by the Borrower or any of its Subsidiaries during such period is equal to the greater of (i) aggregate amount of federal, state or local income taxes paid or payable by the Borrower or any of its Subsidiaries during the corresponding prior period (excluding taxes resulting from capital gains) and (ii) the aggregate amount of federal, state or local income taxes projected by the Borrower to be paid or payable during such period.

"Projections" - the projections of the Borrower delivered on or prior to the Effective Date which shall be certified by the Chief Financial Officer and identified as projections through the Maturity Date.

"Public Filings" - as defined in Section 7.5.

"Purchasing Lender" - as defined in Subsection 13.11(b).

"Quarterly Dates" - the last Business Day of each March, June, September and December, the first of which shall be June 28, 1996.

"Reference Period" - each period of four consecutive fiscal quarters of the Borrower.

"Regulation D" - Regulation D of the Board of Governors of the Federal Reserve System, as the same may be amended or supplemented from time to time.

"Regulatory Change" - as to any Lender, any change after the date of this Agreement in United States federal, state or foreign laws or regulations (including Regulation D and the laws or regulations which designate any assessment rate relating to certificates of deposit or otherwise) or the adoption or making after such date of any interpretations, directives or requests applying to a class of banks, including such Lender, of or under any United States federal, state or foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"Required Lenders" - at any time, Lenders holding in the aggregate at least 66-2/3% of the sum of (i) the Revolving Credit Commitments at such time and (ii) the aggregate principal amount of Term Loans outstanding at such time.

"Requirement of Law" - as to any Principal Company, (i) the Governing Documents of such Principal Company, and (ii) any law, treaty, rule or regulation (whether Federal, state, local or foreign) or determination of any arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Principal Company or any of its property or to which such Principal Company or any of its property is subject.

"Restricted Payments" - with reference to any Borrower Affiliated Company any (i) Distribution (other than any distribution of Class A Common Stock to any Person in connection with such Person's conversion of any Class B Common Stock owned by such Person into Class A Common Stock) or (ii) any optional retirement, repurchase, defeasance or redemption of, any acquisition for value of, or any repayment of, any Indebtedness for Borrowed Money (other than Obligations) of any Borrower Affiliated Company other than as required by scheduled repayment obligations.

"Revolving Credit Commitment" - with respect to each Lender, the amount set forth on Schedule 1 hereto as the amount of such Lender's commitment to make Revolving Credit Loans to the Borrower hereunder, as the same may be reduced from time to time or terminated in accordance with the terms hereof; provided, however, that if the WPOR Term Loan is not made on or prior to September 13, 1996, each Lender's Revolving Credit Commitment shall be automatically increased by an amount equal to such Lender's Percentage of \$10,000,000; and provided, further, that on the Conversion Date each Lender's Revolving Credit Commitment shall be permanently reduced such that the sum of the Lenders' Revolving Credit Commitments shall not exceed \$5,000,000 on and after such date.

"Revolving Credit Commitment Fees" - as defined in Section 2.8(a).

"Revolving Credit Loan(s)" - as defined in Section 2.1(a).

"Revolving Credit Note(s)" - as defined in Subsection 2.4(a).

"Revolving Credit Outstandings" - at any time, the sum of (i) the aggregate principal amount of Revolving Credit Loans outstanding at such time, and (ii) the Letter of Credit Exposure at such time.

"Saga Broadcast" - Saga Broadcasting Corp., a Delaware corporation.

"Saga Broadcast Stock Pledge Agreement" - the Stock Pledge Agreement, dated as of December 10, 1992, by and between Saga Broadcast and the Collateral Trustee, as amended by the First Amendment to Security Documents Agreement and as further amended by the Second Amendment to Security Documents Agreement.

"Saga of Illinois" - Saga Communications of Illinois, Inc., a Delaware corporation.

"Saga of Iowa" - Saga Communications of Iowa, Inc., a Delaware corporation.

"Saga of Iowa Pledge Agreement" - Saga of Iowa Pledge Agreement, dated as of December 10, 1992, by and between Saga of Iowa and the Collateral Trustee, as amended by the First Amendment to Security Documents Agreement and as further amended by the Second Amendment to Security Documents Agreement.

"Saga of New England" - Saga Communications of New England, Inc., a Delaware corporation.

"Saga Quad States" - Saga Quad States Communications, Inc., a Delaware corporation.

"Saga Real Estate" - Saga Communications of Iowa Real Estate, Inc., a Delaware corporation.

"Sale" - a sale, lease, transfer or other disposition of any Asset.

"Second Amendment to Collateral Trust Agreement" - the Amendment to Collateral Trust Agreement, dated as of the Effective Date, by and among the Collateral Trustee, the Lenders, the Issuing Bank and the Principal Companies, substantially in the form attached hereto as Exhibit G.

"Second Amendment to Security Documents Agreement" - the Amendment to the Security Documents Agreement, dated as of the Effective Date, by and among the Lenders, the Collateral Trustee and the Principal Companies, substantially in the form attached hereto as Exhibit B.

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

"Security Documents" - (i) the Collateral Trust Agreement, (ii) the First Amendment to Collateral Trust Agreement, (iii) the Second Amendment to Collateral Trust Agreement, (iv) the Stock Pledge Agreements, (v) the Borrower Security Agreement, (vi) the Borrower Subsidiary Security Agreement, (vii) the Intellectual Property Security Agreements, (viii) the Mortgages, (ix) the Prior Mortgage Amendments, (x) the New Mortgage Amendments, (xi) the Indemnity Contribution and Subrogation Agreement, (xii) the First Amendment to Security Documents Agreement, (xiii) the Second Amendment to Security Documents Agreement and (xiv) any other instruments or documents from time to time securing or guaranteeing any of the Obligations or from time to time designated by the Borrower and the Agent as Security Documents hereunder.

"Seller Debt" - Indebtedness (other than Loans or Letters of Credit) of the Borrower (whether in respect of promissory notes, non-compete covenants or otherwise) incurred in connection with any Acquisition.

"Seller Debt Documents" - all agreements, instruments or other documents evidencing or relating to Seller Debt.

"Specified Default" - as of any date of determination, any Event of Default (other than an Event of Default described in Sections 11.1(d), (f) or (j)) which shall not have been remedied within five (5) days after notice thereof shall have been given to the Borrower by the Agent.

"Stations" - collectively, (i) radio station WAQY-FM, licensed to Springfield, Massachusetts; (ii) radio station WAQY (AM), licensed to East Longmeadow, Massachusetts; (iii) radio stations WGAN (AM) and WMGX (FM) licensed to Portland, Maine; (iv) radio stations WFEA (AM) and WZID (FM) licensed to Manchester, New Hampshire, (v) radio stations WVKO (AM) and WSNY (FM) licensed to Columbus, Ohio, (vi) radio station WKLH (FM) licensed to Milwaukee, Wisconsin, (vii) radio station WNOR (AM) and WNOR-FM licensed to Norfolk, Virginia, (viii) radio stations WLRW (FM) and WIXY (FM) licensed to Champaign, Illinois, (ix) radio station WYMG (FM) licensed to Jacksonville, Illinois, (x) radio stations KRNT (AM) and KSTZ (FM) licensed to Des Moines, Iowa, (xi) radio stations KIOA AM and KIOA-FM licensed to Des Moines, Iowa, (xii) radio station WYNZ (FM) licensed to Westbrook, Maine, (xiii) radio station WZAN (AM) licensed to Portland, Maine, (xiv) radio station WQQL (FM) licensed to Springfield, Illinois, (xv) radio stations WLZR (AM) and WLZR-FM licensed to Milwaukee, Wisconsin, (xvi) radio station WAFX (FM) licensed to Suffolk, Virginia, (xvii) television station KOAM - TV licensed to Pittsburg, Kansas and (xviii) radio stations WNAX (AM) and WNAX-FM licensed to Yankton, South Dakota and (xix) any other Communications Systems acquired by any Borrower Affiliated Company after the Effective Date.

"Stock Pledge Agreements" - collectively, (i) Borrower Stock Pledge Agreement, (ii) Saga Broadcast Stock Pledge Agreement and (iii) Saga of Iowa Stock Pledge Agreement.

"Subordinated Debt" - collectively, (i) Permitted Subordinated Seller Debt and (ii) any other unsecured Indebtedness for Borrowed Money of the Borrower the principal amount of, the interest rate on and all other terms (including covenants, events of default, remedies and subordination provisions) which have been approved in writing by the Required Lenders.

"Subsidiary" - with respect to any Principal Company, any corporation, partnership or joint venture whether now existing or hereafter organized or acquired: (i) in the case of a corporation, of which a majority of the securities having ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) are at the time owned by such Principal Company and/or one or more Subsidiaries of such Principal Company, or (ii) in the case of a partnership or joint venture in which such Principal Company is a general partner or joint venturer or of which a majority of the partnership or other ownership interests are at the time owned by such Principal Company and/or one or more of its Subsidiaries. Unless the context otherwise requires, references in this Agreement to "Subsidiary" or "Subsidiaries" shall be deemed to be references to a Subsidiary or Subsidiaries of the Borrower.

"Taxes" - any federal, state or local taxes or tax liabilities.

"Term Loan(s) A" - as defined in Section 2.1(b).

"Term Loan(s) B" - as defined in Section 2.1(c).

"Term Loans" - collectively, Term Loans A and Term Loans B.

"Term Loan A Commitment" - with respect to each Lender, the amount set forth on Schedule 1 hereto as the amount of such Lender's commitment to make Term Loans A to the Borrower in accordance with Section 2.1(b) hereof.

"Term Loan B Commitment" - with respect to each Lender, the amount of such Lender's commitment to make a Term Loan B to the Borrower on the Conversion Date.

"Term Loan A Payment Date" - as defined in Section 2.5(a).

"Term Loan B Payment Date" - as defined in Section 2.5(b).

"Term Loan A Note(s)" - as defined in Subsection 2.4(b).

"Term Loan B Note(s)" - as defined in Subsection 2.4(c).

"Term Notes" - collectively, the Term Loan A Notes and the Term Loan B Notes.

"Tidewater" - Tidewater Communications, Inc., a Delaware corporation.

"Total Funded Debt Leverage Ratio" - as defined in Section 10.1.

"Trademark" - collectively, all of the following, to the extent that any Borrower Affiliated Company now or hereafter has any right, title or interest herein: (i) all Trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles or like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office, or any state of the United States, or in any country, as well as all extensions or renewals thereof, and (ii) all goodwill associated therewith or symbolized thereby, and (iii) all other assets, rights and interests that uniquely reflect or embody such goodwill.

"Transaction" - the transactions contemplated by this Agreement and by the other Transaction Documents.

"Transaction Documents" - (i) this Agreement, (ii) the Notes, (iii) the Indemnity, Contribution and Subrogation Agreement, (iv) the Second Amendment to Security Documents Agreement, (v) the Second Amendment to Collateral Trust Agreement, (vi) the New Mortgage Amendments, and (vii) any other documents executed or delivered in connection with the Transaction.

"Transfer Effective Date" - as defined in Section 13.11(b).

"Transferee" - as defined in Section 13.11(f).

"Voting Stock" - Capital Stock the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the corporation, association, trust or other business entity involved, whether or not the right so to vote exists by reason of the happening of a contingency.

"Withers Consulting Agreement" - the Consulting Agreement, dated November 13, 1992, between Saga of Illinois and W. Russell Withers, Jr.

"WPOR Acquisition" - the purchase by the Borrower or one of its Subsidiaries from Ocean Coast Properties, Inc. of radio stations WPOR AM/FM licensed to Portland, Maine in accordance with that certain Asset Purchase Agreement, dated as of March 7, 1996, between Saga of New England and Ocean Coast Properties.

"WPOR Term Loans A" - as defined in Section 2.1.

Section 1.2. General Provisions Pertaining to Definitions. All terms of an accounting character not specifically defined herein shall have the meanings assigned thereto by GAAP. The definitions in this Article I shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". All references herein to Sections and Exhibits shall be deemed references to Sections of, and Exhibits to, this Agreement unless the context shall otherwise require. Each reference herein to a particular Principal Company shall include a reference to such Person's successors and permitted assigns. References to any agreement, instrument or document defined in this Article I refer to such agreement, instrument or document as originally executed, or if subsequently varied, replaced or supplemented from time to time, as so varied, supplemented or replaced and in effect at the relevant time of reference thereto.

ARTICLE II

COMMITMENTS; LOANS; COLLATERAL

Section 2.1. Loans.

(a) Revolving Credit Loans. Each Lender hereby severally agrees, on the terms and subject to the conditions of this Agreement, to make revolving credit loans (individually, a "Revolving Credit Loan" and, collectively, the "Revolving Credit Loans") to the Borrower from time to time from and after the effectiveness of this Agreement until the Maturity Date in an aggregate principal amount at any time outstanding up to, but not exceeding, the Revolving Credit Commitment of such Lender at such time, minus such Lender's Letter of Credit Exposure at such time. Subject to the terms and conditions of this Agreement, from time to time from and after the effectiveness of this Agreement until

the Maturity Date, the Borrower may borrow, repay (provided that repayment of Eurodollar Loans shall be subject to the provisions of Section 2.24) and reborrow Revolving Credit Loans.

(b) Term Loans A. Upon the effectiveness of this Agreement, certain Existing Loans shall be reallocated to the Lenders as described in Section 2.26, and all Existing Loans shall automatically be converted into term loans hereunder (the "Initial Term Loans A") such that, after such reallocation and conversion, each Lender shall for all purposes be deemed to have made an Initial Term Loan A to the Borrower on the Effective Date in a principal amount equal to such Lender's Percentage of \$44,000,000. In addition, each Lender severally agrees, on the terms and subject to the conditions of this Agreement, to make a term loan to the Borrower on or prior to September 13, 1996 in a principal amount up to, but not exceeding, such Lender's Percentage of \$10,000,000 to finance the WPOR Acquisition (individually, a "WPOR Term Loan A" and, collectively, the "WPOR Term Loans A") (each of the Initial Term Loans A and the WPOR Term Loans A, being, individually, a "Term Loan A" and, collectively, the "Term Loans A"). The Borrower shall not be entitled to reborrow all or any part of the principal of any Term Loans A which shall be paid or prepaid at any time.

(c) Term Loan B. Each Lender severally agrees, on the terms and subject to the conditions of this Agreement, to make a term loan (individually, a "Term Loan B" and, collectively, the "Term Loans B") to the Borrower on the Conversion Date in a principal amount equal to such Lender's Percentage of the lesser of (i) in the event that the WPOR Term Loans A have been made, an amount equal to \$51,000,000 and otherwise, an amount equal to \$61,000,000 or (ii) the aggregate outstanding principal amount of the Revolving Credit Loans on the Conversion Date. The Borrower shall pay on the Conversion Date (i) principal of the Revolving Credit Loans in an amount equal to the aggregate principal amount of the Term Loans B made on such date, (ii) all interest accrued to such date on the Revolving Credit Loans being repaid on such date, (iii) any Revolving Credit Commitment Fees then accrued on the amount of reduction in the Revolving Credit Commitments on such date and (iv) all other Fees payable on such date. Any principal of the Revolving Credit Loans not paid on the Conversion Date with proceeds of Term Loan B (as a result of the principal of the Revolving Credit Loans exceeding the amount set forth in clause (i) of the first sentence of this paragraph (c) on the Conversion Date prior to such payment) will remain outstanding hereunder as Revolving Credit Loans. The Borrower shall not be entitled to reborrow all or any part of the principal of Term Loan B which shall be paid or prepaid at any time. The Borrower will deliver to each Lender on or prior to the Conversion Date a Term B Note satisfying the requirements of Section 2.4(c).

Section 2.2. Notices Relating to Loans; Requests for Eurodollar Loans.

(a) Notices Relating to Loans. The Borrower shall give the Agent written or telephonic notice of each termination or reduction of the Revolving Credit Commitments, each borrowing and prepayment of a Loan, each continuation or conversion of a Loan (other than any conversion of Eurodollar Loans to Prime Rate Loans upon the expiration of the Interest Period for such Eurodollar Loans) and the duration of each Interest Period applicable to each Eurodollar Loan (in each case, a "Borrowing Notice", which shall be in form and substance satisfactory to the Agent). Each such notice shall be irrevocable and

shall be effective only if received by the Agent not later than 11 a.m., Boston time, on the date which is;

(i) In the case of each notice of termination or reduction and each notice of borrowing or prepayment of, or conversion into, Prime Rate Loans, one (1) Business Day prior to the date of the related termination, reduction, borrowing, prepayment or conversion; and

(ii) In the case of each notice of borrowing or prepayment of, continuation of or conversion into, Eurodollar Loans, or the duration of an Interest Period for Eurodollar Loans, three (3) Eurodollar Business Days prior to the date of the related borrowing, prepayment, continuation or conversion.

Each such notice of termination or reduction shall specify the amount thereof. Each such notice of borrowing, conversion, continuation or prepayment shall specify the amount (subject to Section 2.1) and type of Loans to be borrowed, converted, continued or prepaid (and, in the case of a conversion, the type of Loans to result from such conversion), the date of borrowing, continuation, conversion or prepayment (which shall be: (x) a Business Day in the case of each borrowing or prepayment of Prime Rate Loans, and (y) a Eurodollar Business Day in the case of each borrowing or prepayment of Eurodollar Loans and each conversion of or into a Eurodollar Loan). Each such notice of the duration of an Interest Period shall specify the Loans to which such Interest Period is to relate. The Agent shall notify the Lenders of the content of each such Borrowing Notice promptly after its receipt thereof. Any telephonic notice given under this Section 2.2 shall be promptly (and in any event, within one (1) Business Day) confirmed in writing delivered to the Agent, provided that the Lenders and the Agent shall be fully entitled to rely on any telephonic notice believed by the Agent to have been given by an authorized person on behalf of the Borrower.

(b) Requests for Eurodollar Rate Loans. The Borrower may request a Loan in the form of a Eurodollar Loan only if compliance with Section 2.5 (with the payments provided for therein being applied in accordance with subsection 2.5(f)) would not result in any portion of the principal amount of such Eurodollar Loan being paid prior to the last day of the Interest Period applicable thereto. No Lender shall have more than seven (7) Eurodollar Loans outstanding at any one time.

Section 2.3. Disbursement of Loan Proceeds. Not later than 1:00 p.m., Boston time, on the date specified for each borrowing hereunder, each Lender shall transfer to the Agent, by wire transfer or otherwise, but in any event in immediately available funds, the amount of the Loan to be made by it on such date, and the Agent, upon its receipt thereof, shall disburse such sum to the Borrower by depositing the amount thereof in an account of the Borrower designated by the Borrower maintained with the Agent.

Section 2.4. Notes.

(a) Revolving Credit Notes. The Revolving Credit Loans made by each Lender shall be evidenced by a single promissory note of the Borrower substantially in the form of Exhibit A-1 annexed hereto (each, a "Revolving Credit Note" and, collectively, the

"Revolving Credit Notes"). Each Revolving Credit Note shall be dated the Effective Date, shall be payable to the order of such Lender in a principal amount equal to such Lender's Revolving Credit Commitment as of the effectiveness of this Agreement, and shall otherwise be duly completed; provided, however, that if the WPOR Term Loans A are not made on or prior to September 13, 1996, the Borrower shall promptly thereafter execute and deliver to the Lenders, in substitution for the existing Revolving Credit Notes held by the Lenders, new Revolving Credit Notes reflecting each Lender's increased Revolving Credit Commitment. The Revolving Credit Notes shall be payable as provided in Section 2.5.

(b) Term Loan A Notes. The Term Loans A made by each Lender shall be evidenced by a single promissory note of the Borrower substantially in the form of Exhibit A-2 annexed hereto (each, a "Term Loan A Note" and , collectively, the "Term oan A Notes"). Each Term Loan A Note shall be dated the Effective Date, shall be payable to the order of such Lender in a principal amount equal to such Lender's Term Loan A Commitment as of the effectiveness of this Agreement, and shall otherwise be duly completed. The Term Loan A Notes shall be payable as provided in Section 2.5.

(c) Term Loan B Notes. The Term Loan B made by each Lender shall be evidenced by a single promissory note of the Borrower substantially in the form of Exhibit A-3 annexed hereto (each, a "Term Loan B Note" and, collectively, the "Term Loan B Notes"). Each Term Loan B Note shall be dated the Conversion Date, shall be payable to the order of such Lender in a principal amount equal to the Term Loan B made by such Lender, and shall otherwise be duly completed. The Term Loan B Notes shall be payable as provided in Section 2.5.

(d) Notations on Notes. Each Lender may enter on a schedule attached to each of its Notes a notation with respect to each Loan evidenced thereby of: (A) the date and principal amount thereof, (B) each payment and prepayment of principal thereof, (C) whether such Loan is a Prime Rate Loan or a Eurodollar Loan, and (D) the Interest Period for such Loan, if applicable. The failure of any Lender to make a notation on the schedule to any of its Notes as aforesaid shall not limit or otherwise affect the obligation of the Borrower to repay the Loans in accordance with their respective terms as set forth herein.

Section 2.5. Mandatory Principal Payments.

(a) Scheduled Repayments of Term Loans A. The Borrower shall pay to the Agent, for the accounts of the Lenders, principal of the Term Loans A in consecutive quarterly installments payable on the last day of each March, June, September and December (each such date a "Term Loan A Payment Date"), commencing on September 30, 1997. The aggregate principal amount of the Term Loans A due on each Term Loan A Payment Date shall be the amount obtained by (i) multiplying (A) the aggregate principal amount of the Term Loans A on September 17 1996 by (B) the percentage set forth below opposite the period during which such Term Loan A Payment Date falls and (ii) dividing the result of clause (i) above by the number of Term Loan A Payment Dates in such period:

Period -----	Reduction Percentage -----
09/30/97 - 12/31/97	2.5%
01/01/98 - 12/31/98	15.0%
01/01/99 - 12/31/99	15.0%
01/01/00 - 12/31/00	17.5%
01/01/01 - 12/31/01	20.0%
01/01/02 - 12/31/02	20.0%
03/31/03	5.0%
06/30/03	Term Loan A Matures

The Term Loans A shall in any event mature on the Maturity Date. All principal of, interest on and other amounts payable in respect of the Term Loans A will, if not sooner paid, become and be absolutely due and payable on the Maturity Date.

(b) Scheduled Repayments of Term Loans B. The Borrower shall pay to the Agent, for the accounts of the Lenders, principal of Term Loan B in consecutive quarterly installments payable on the last day of each March, June, September and December (each such date a "Term Loan B Payment Date"), commencing on June 30, 1998. The aggregate principal amount of the Term Loan B due on each Term Loan B Payment Date shall be the amount obtained by (i) multiplying (A) the original aggregate principal amount of Term Loan B on the Conversion Date (before giving effect to the payments of principal of Term Loan B due on the Conversion Date) by (B) the percentage set forth below opposite the period during which such Term Loan B Payment Date falls and (ii) dividing the result of clause (i) above by the number of Term Loan B Payment Dates in such period:

Period -----	Reduction Percentage -----
06/30/98 - 12/31/98	15.0%
01/01/99 - 12/31/99	20.0%
01/01/00 - 12/31/00	20.0%
01/01/01 - 12/31/01	20.0%
01/01/02 - 12/31/02	20.0%
03/31/03	2.5%
06/30/03	Term Loan B Matures

The Term Loans B shall in any event mature on the Maturity Date. All principal of, interest on and other amounts payable in respect of the Term Loans B will, if not sooner paid, become and be absolutely due and payable on the Maturity Date.

(c) Mandatory Payments from Excess Cash Flow. On March 30 of each year, commencing March 30, 1997, the Borrower shall prepay Loans in an aggregate principal amount equal to (i) if a Specified Default is continuing on such date 100% of Excess Cash Flow for the fiscal year of the Borrower most recently ended and (ii) if no Specified Default is continuing on such date and if the Total Funded Debt Leverage Ratio of the Borrower and its Subsidiaries at the end of the fiscal year of the Borrower most recently ended is equal to or greater than 4.00:1.00, 40% of Excess Cash Flow for such fiscal year (each such payment being referred to herein as an "Excess Cash Flow Payment"). Excess Cash Flow

Payments shall be applied as provided in Subsection 2.5(f). No Excess Cash Flow Payment shall be required to be made pursuant to this paragraph (c) on March 30 of any year in the event that (a) no Specified Default is continuing on such date and (b) the Total Funded Debt Leverage Ratio of the Borrower and its Subsidiaries at the end of the fiscal year of the Borrower most recently ended was less than 4.00:1.00.

(d) Mandatory Payments in Connection with Prepayment Events.

(i) The Borrower shall, not later than the Business Day next following each day any Net Proceeds are received by any Borrower Affiliated Company, pay to the Agent the amount of such Net Proceeds (each such payment to the Agent being referred to herein as a "Net Proceeds Payment" and the date of each such payment being referred to herein as a "Net Proceeds Payment Date"). Each Net Proceeds Payment shall be applied as provided in Subsection 2.5(f).

(ii) Notwithstanding the foregoing, at the option of the Borrower and so long as no Default or Event of Default is continuing or would result therefrom, the Borrower may, to the extent that it reasonably expects to use Net Proceeds to finance Permitted Acquisitions within nine months after the applicable Net Proceeds Payment Date, elect not to repay the Loans with such Net Proceeds; provided that such Permitted Acquisitions shall be consummated (A) within nine months after the applicable Net Proceeds Payment Date or (B) in the event the Borrower reasonably expects to use such Net Proceeds to finance a Permitted Acquisition that will be consummated before the expiration of an additional six month period and a Borrower Affiliated Company has, prior to the expiration of the initial nine month period, entered into a binding written agreement to make such Permitted Acquisition, the earlier to occur of (1) the date which is the last day of such additional six month period and (2) the date on which such written agreement is terminated or is abandoned by any party thereto or on which it becomes apparent that the Permitted Acquisition will not be consummated within such additional six month period. In the event the Borrower elects not to prepay the Loans with Net Proceeds, the Borrower shall promptly deliver a certificate to the Agent setting forth the amount of Net Proceeds the Borrower reasonably expects to use to finance Permitted Acquisitions during the subsequent nine month period. On the date which is nine months after the applicable Net Proceeds Payment Date the Borrower shall (1) deliver a certificate to the Agent setting forth the amount and use of Net Proceeds actually used during such period and, if applicable, the amount of Net Proceeds the Borrower reasonably expects to use to finance Permitted Acquisitions during the additional six month period in accordance with this paragraph (ii), and (2) deliver to the Agent for application in accordance with paragraph (i) above any Net Proceeds not previously used or not reasonably expected to be used during the additional six month period. On the date which is fifteen months after the applicable Net Proceeds Payment Date, the Borrower shall (1) deliver a certificate to the Agent setting forth the amount and use of Net Proceeds actually used during such period and (2) deliver to the Agent for application in accordance with paragraph (i) above any Net Proceeds not previously used. The Agent shall promptly forward to the Lenders all certificates received by the Agent from the Borrower pursuant to this paragraph (ii).

(e) Mandatory Payments if Revolving Credit Outstandings Exceed Maximum Revolving Credit Commitments. Upon any reduction in the maximum aggregate amount of the Revolving Credit Commitments, the Borrower agrees immediately to repay principal of Revolving Credit Loans in such amount as may be necessary so that the Revolving Credit Outstandings do not exceed the maximum aggregate amount of the Revolving Credit Commitments, as so reduced.

(f) Application of Payments.

(i) All Excess Cash Flow Payments and all Net Proceeds Payments (A) shall be applied first to Term Loans A and then (after all principal of the Term Loans A has been paid in full), (1) if prior to the Conversion Date, to principal of the Revolving Credit Loans and, (2) if on or after the Conversion Date, to principal of Term Loans B and then (after all principal of Term Loans B has been paid in full) to principal of the Revolving Credit Loans, (B) applied to principal of the Term Loans shall be applied to scheduled installments of the appropriate Term Loan in the inverse order of maturity, and (C) applied to Revolving Credit Loans shall immediately, automatically and permanently reduce the aggregate Revolving Credit Commitments by the amount of such payment.

(ii) Except as set forth in subparagraph (i) above and Sections 2.20, 2.21 and 2.23, all payments and repayments made pursuant to the terms hereof shall be applied (A) first to all (if any) amounts (except principal, interest and Fees) due and payable under this Agreement at such time, (B) then to payment of all Fees due and payable at such time, (C) then to interest due and payable at such time, (D) then to accrued interest and then to principal of Prime Rate Loans, (E) then to principal of Eurodollar Loans and (F) finally, to all other Obligations.

Section 2.6. Voluntary Reduction or Termination of Revolving Credit Commitments; Voluntary Payments.

(a) Voluntary Reduction or Termination of Revolving Credit Commitments. The Borrower shall be entitled to terminate or reduce the Revolving Credit Commitments from time to time subject to the terms and conditions set forth herein, including the terms of Section 2.5(e), provided that (i) the Borrower must give notice of such termination or reduction to the Lenders as provided in Section 2.2 and (ii) any partial reduction of the Revolving Credit Commitments shall be in an integral multiple of One Million Dollars (\$1,000,000). Any such termination or reduction shall be permanent and irrevocable. Any such reduction shall not diminish the amount of any other reduction in the Revolving Credit Commitments required by the other provisions of this Agreement.

(b) Voluntary Prepayments. The Borrower shall be entitled to prepay the Revolving Credit Loans or the Term Loans from time to time (in accordance with Section 2.11), in whole or in part, without premium or penalty, provided, that the Borrower must give notice of such payment to the Agent as provided in Section 2.2. Optional prepayments of Revolving Credit Loans may, subject to the terms and conditions hereof, including the borrowing limitation imposed by the Revolving Credit Commitments, be reborrowed

hereunder until the Maturity Date, provided, however, that (i) Eurodollar Loans may be repaid only on the last day of an Interest Period for such Loans, and (ii) all repayments of Loans or any portion thereof shall be made together with payment of all interest accrued on the amount repaid through the date of such repayment. Any such repayment shall not diminish the amount of any other principal payments on the Revolving Credit Loans or the Term Loans required by other provisions of this Agreement. All prepayments of Term Loans pursuant to this paragraph (b) shall be applied to scheduled installments of the appropriate Term Loan in inverse order of maturity.

Section 2.7. Interest.

(a) Prime Rate Loans. Each Prime Rate Loan shall bear interest at the Prime Rate plus the Applicable Margin for Prime Rate Loans then in effect.

(b) Eurodollar Loans. Each Eurodollar Loan shall bear interest at the Eurodollar Rate applicable to such Loan and the Interest Period therefor, plus the Applicable Margin for Eurodollar Loans in effect on the first day of such Interest Period.

(c) Default Rate. Notwithstanding the foregoing, during the continuance of a Specified Default, the Borrower shall pay interest at the applicable Default Rate on the principal of the Loans and (to the extent permitted by law) interest and all other amounts payable hereunder or under any of the other Loan Documents.

(d) Payment of Interest. Except as provided in the next sentence, accrued interest on each Loan shall be payable: (i) in the case of each Prime Rate Loan, quarterly in arrears on the Quarterly Dates, and (ii) in the case of each Eurodollar Loan, on the last day of the Interest Period for such Loan (and, if such Interest Period exceeds three months' duration, quarterly, on the Quarterly Dates), and (iii) subject to Section 2.5(d), in the case of any Loan, (A) upon any payment or prepayment thereof or the conversion thereof into a Loan of another type (but only on the principal so paid, prepaid or converted) and (B) on the Maturity Date, and (iv) in the case of the Revolving Credit Loans, on the Conversion Date and the date of termination of the Revolving Credit Commitments. Interest which is payable at the Default Rate shall be payable from time to time on demand of the Agent or any Lender. Promptly after the establishment of any interest rate provided for herein or any change therein, the Agent will notify the Lenders and the Borrower thereof, provided that the failure of the Agent to so notify the Borrower or the Lenders shall not affect the obligations of the Borrower hereunder or under any of the Notes in any respect.

Section 2.8. Fees.

(a) The Borrower shall pay to the Agent, for the accounts of the Lenders, commitment fees ("Revolving Credit Commitment Fees") in an amount equal to the product of (i) the daily average amount of the Available Revolving Credit Commitments during the applicable calendar quarter and (ii) the annual rate set forth in the table below based upon the Total Funded Debt Leverage Ratio for the Reference Period ending immediately prior to such calendar quarter. The Revolving Credit Commitment Fees shall be payable (i) quarterly in arrears on the Quarterly Dates, (ii) on the Conversion Date, and (iii) on the date the Revolving Credit Commitment terminates.

Total Funded Debt Leverage Ratio -----	Annual Rate -----
Greater than or equal to 4.0:1.0	0.375%
Less than 4.0:1.0	0.250%

(b) Fees. The Borrower shall pay to the Agent certain fees as provided in the Fee Letter.

Section 2.9. Use of Proceeds of Loans. The Borrower hereby covenants, warrants and represents as follows:

(a) The proceeds of the WPOR Term Loans A shall be used by the Borrower solely to finance the WPOR Acquisition.

(b) All proceeds of Revolving Credit Loans shall be used by the Borrower solely (i) to finance (A) Permitted Acquisitions, (B) on-going working capital needs of the Borrower and its Subsidiaries and (C) transaction costs incurred by the Borrower and its Subsidiaries in connection with the Transaction and (ii) to repurchase shares of Class A Common Stock of the Borrower in accordance with the terms and conditions of paragraph (c) of Section 9.5.

(c) All proceeds of Term Loans B shall be used solely to repay principal of Revolving Credit Loans outstanding on the Conversion Date; and

(d) No part of the proceeds of any Loan will be used (directly or indirectly) (i) to purchase or carry, or to extend credit to any Person or Persons for the purpose of purchasing or carrying (A) any margin security or margin stock (within the meaning of Regulations U and X of the Board of Governors of the Federal Reserve System) or (B) any other stock of any class in the capital of the Borrower, or (ii) otherwise in any manner which would be in violation of such Regulations U or X.

Section 2.10. Computations. Interest on Eurodollar Loans and each Fee (other than the Agency Fee) shall be computed on the basis of a year of 360 days and actual days elapsed (including the first day but excluding the last) during the period for which payable. Interest on Prime Rate Loans shall be computed on the basis of a year of 365 or 366 days (as the case may be), and actual days elapsed (including the first day but excluding the last) during the period for which payable.

Section 2.11. Minimum Amounts of Borrowings, Conversions and Prepayments. Except for borrowings of Revolving Credit Loans which exhaust the full remaining amount of the Revolving Credit Commitments, the borrowing of Term Loans A, the borrowing of Term Loans B on the Conversion Date, conversions or prepayments of all Loans of a particular type, or conversions made pursuant to Sections 2.19, 2.20(c) or 2.22, each borrowing, each conversion of Loans of one type into Loans of another type and each

prepayment of principal of Loans hereunder shall be in an amount equal to an integral multiple of \$100,000, in the case of Prime Rate Loans, and an integral multiple of \$1,000,000, in the case of Eurodollar Loans (prepayments of different types of Loans at the same time to be deemed separate borrowings, conversions or prepayments for purposes of the foregoing, one for each type).

Section 2.12. Time and Method of Payments. All payments of principal, interest, Fees and other amounts (including indemnities) payable by any Principal Company hereunder shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to the Agent at its office at its Principal Office on the date on which such payment shall become due; provided, however, that any payment not received by the Agent by 1:00 p.m., Boston time, on the date made shall be deemed received on the next Business Day; provided, however, that no Default shall be deemed to have occurred under Section 11.1 if payment is received after 1:00 p.m., Boston time, but prior to 5:00 p.m., Boston time, on the date on which such payment shall become due. The Agent or any Lender for whose account any such payment is to be made may, but shall not be obligated to, debit the amount of any such payment which is not made by such time to any ordinary deposit account of the Borrower with the Agent or such Lender, as the case may be. Each payment received by the Agent hereunder for the account of a Lender shall be paid promptly to such Lender, in like funds, for the account of such Lender's Applicable Lending Office for the Loan in respect of which such payment is made. If any payment or principal or interest becomes due on a day other than a Business Day, such payment may be made on the next succeeding Business Day, and such extension shall be included in computing interest in connection with such payment. All payments hereunder and under the Notes shall be made without set-off or counterclaim and in such amounts as may be necessary in order that all such payments shall not be less than the amounts otherwise specified to be paid under this Agreement and the Notes after withholding for or on account of (i) any present or future taxes, levies, imposts, duties or other similar charges of whatever nature imposed by any government or any political subdivision or taxing authority thereof, other than any tax (except those referred to in clause (ii) below) on or measured by the net income of the Lender to which any such payment is due pursuant to applicable federal, state and local income tax laws, and (ii) deduction of amounts equal to the taxes on or measured by the net income of such Lender payable by such Lender with respect to the amount by which the payments required to be made under this sentence exceed the amounts otherwise specified to be paid in this Agreement and the Notes. Upon payment in full of any Note and, in the case of any Revolving Credit Note, the termination of the Lender's Revolving Credit Commitment, the Lender holding such Note shall mark the Note "Paid" and return it to the Borrower.

Section 2.13. Lending Offices. The Loans of each type made by each Lender shall be made and maintained at such Lender's Applicable Lending Office for Loans of such type.

Section 2.14. Several Obligations. The failure of any Lender to make any Loan to be made by it on the date specified therefor shall not relieve the other Lenders of their respective obligations to make their Loans on such date, but no Lender shall be responsible for the failure of any other Lender to make Loans to be made by such other Lender.

Section 2.15. Security.

(a) Collateral. In order to secure the payment and performance of all the Obligations, it is the intention and understanding of each of the parties hereto that the following Collateral has been or will be made available to the Collateral Trustee on or prior to the Effective Date:

(i) The Borrower shall grant to the Collateral Trustee, pursuant to the Borrower Stock Pledge Agreement, a first-priority security interest in and to all of the Capital Stock of Saga of New England, Saga Broadcast, Saga Quad States, and any other Subsidiary of the Borrower whose Capital Stock is in the name of and directly owned by the Borrower;

(ii) Saga Broadcast shall grant to the Collateral Trustee, pursuant to the Saga Broadcast Stock Pledge Agreement, a first-priority security interest in and to all of the Capital Stock of the Subsidiaries of Saga Broadcast;

(iii) Saga of Iowa shall grant to the Collateral Trustee, pursuant to the Saga of Iowa Stock Pledge Agreement, a first-priority security interest in and to all of the Capital Stock of the Subsidiaries of Saga of Iowa;

(iv) The Borrower shall grant to the Collateral Trustee, pursuant to the Borrower Security Agreement, a first-priority security interest (subject to Liens permitted by Section 9.2) in and to all of its Assets of every description (other than those Assets set forth on Schedule 4.4(a));

(v) The Borrower Subsidiaries shall grant to the Collateral Trustee, pursuant to the terms of the Borrower Subsidiary Security Agreement (to the maximum extent permitted by applicable law), a first priority security interest (subject to Liens permitted by Section 9.2) in and to all of their Assets of every description (other than those Assets set forth on Schedule 4.4(a));

(vi) The Principal Companies shall grant to the Collateral Trustee, pursuant to the terms of the Intellectual Property Security Agreements, a first-priority security interest (subject to Liens permitted by Section 9.2) in and to all of their intellectual property of every description;

(vii) The Principal Companies shall grant to the Collateral Trustee, a Lien on such interests in real property, and all improvements now or hereafter located thereon, as are specified in the Mortgages; and

(viii) The due payment and performance in full of the Obligations shall be guaranteed to the Lenders by each of the Borrower Subsidiaries, upon the terms and subject to the conditions contained in Article VI hereof.

(b) Additional Collateral. It is also the intention and understanding of the parties hereto that the Collateral Trustee shall be granted additional Collateral from time to time pursuant to Sections 8.12 and 8.15 to secure the payment and performance of all

the Obligations. The Principal Companies shall execute and deliver such other agreements, instruments and documents as the Agent or the Collateral Trustee (with the consent of the Agent) reasonably requests in order to effect the purposes of the Security Documents and the other Loan Documents.

(c) Description of Collateral. Reference is hereby made to the Loan Documents for a complete statement of the terms and provisions relating to, and for a complete description of, the Collateral.

Section 2.16. Pro Rata Treatment Among Lenders. Except as otherwise provided herein: (i) each borrowing of Revolving Credit Loans and Term Loans will be made from the Lenders pro rata according to their respective Commitments, as applicable; (ii) each payment of each Revolving Credit Commitment Fee and Letter of Credit Fee (other than the Issuing Bank Fee) shall be made for the account of the Lenders pro rata according to their respective Percentages; (iii) each partial reduction of the Revolving Credit Commitments shall be applied to the Revolving Credit Commitments of the Lenders pro rata according to each Lender's respective Revolving Credit Commitment; (iv) each conversion of Loans of a particular type under Section 2.19 (other than conversions provided for by Section 2.22 or 2.23) will be made pro rata among the Lenders holding Loans of such type according to the respective principal amounts of such Loans held by such Lenders; (v) each payment and prepayment of principal of or interest on Loans of a particular type will be made to the Agent for the account of the Lenders holding Loans of such type pro rata in accordance with the respective unpaid principal amounts of such Loans held by such Lenders; (vi) each purchase by the Lenders of a participation in each Letter of Credit issued by the Issuing Bank under Article III hereof will be made by the Lenders pro rata according to each Lender's respective Revolving Credit Commitment; and (vii) Interest Periods for Loans of a particular type shall be allocated among the Lenders holding Loans of such type pro rata according to the respective principal amounts of such Loans held by such Lenders.

Section 2.17. Non-Receipt of Funds by Agent. Unless the Agent shall have been notified by a Lender or the Borrower (the "Payor") prior to the date on which such Lender is to make payment to the Agent of the proceeds of a Loan to be made by it hereunder or any Principal Company is to make a payment to the Agent for the account of one or more of the Lenders, as the case may be (each such payment being herein called a "Mandatory Payment"), which notice shall be effective upon receipt, that the Payor does not intend to make the Mandatory Payment to the Agent, the Agent may assume that the Mandatory Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient on such date and, if the Payor has not in fact made the Mandatory Payment to the Agent, the recipient of such payment shall, on demand, repay to the Agent the amount made available to it together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to the Federal Funds Rate for such day (when the recipient is a Lender) or equal to the rate of interest applicable to such Loan (when the recipient is the Borrower).

Section 2.18. Sharing of Payments and Set-Off Among Lenders. The Borrower hereby agrees that, in addition to (and without limitation of) any right of set-off, banker's lien or counterclaim a Lender may otherwise have, each Lender shall be entitled, at its option, to offset balances held by it at any of its offices against any principal of or interest on any of its Loans hereunder, or any Fee payable to it, which is not paid when due (regardless of whether such balances held by such Lender are then due to the Borrower), in which case it shall promptly notify the Borrower and the Agent thereof, provided that its failure to give such notice shall not affect the validity thereof. If a Lender shall effect payment of any principal of or interest on any of its Loans hereunder or any Fee payable to it, through the exercise of any right of set-off, banker's lien, counterclaim or similar right, it shall promptly purchase at par from the other Lenders participations in the corresponding Obligations held by the other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment pro rata in accordance with the unpaid principal and interest on the Obligations held by each of them. To such end all the Lenders shall make appropriate adjustments among themselves (by the resale of participations sold or otherwise) if such payment is rescinded or must otherwise be restored. The Borrower agrees that any Lender so purchasing a participation in the Loans held by the other Lenders may exercise all rights of set-off, banker's lien, counterclaim or similar rights with respect to such participation as fully as if such Lender were a direct holder of Obligations in the amount of such participation. Nothing contained herein shall require any Lender to exercise any such right or shall affect the right of any Lender to exercise and retain the benefits of exercising any such right with respect to any other indebtedness or obligation of the Borrower.

Section 2.19. Conversion of Loans. The Borrower shall have the right to convert Revolving Credit Loans of one type into Revolving Credit Loans of another type or Term Loans of one type into Term Loans of another type (i.e., either Eurodollar or Prime Rate Loans) from time to time, provided that: (i) the Borrower shall give the Agent notice of each such conversion as provided in Section 2.2; (ii) Eurodollar Loans may be converted only on the last day of an Interest Period for such Loans; (iii) except as required by Sections 2.20 or 2.23, no Prime Rate Loan may be converted into a Eurodollar Loan if on the proposed date of conversion a Default or an Event of Default exists; and (iv) if on the proposed date of any continuation of any Eurodollar Rate Loan a Default or Event of Default is continuing, such Eurodollar Rate Loan shall be converted into a Prime Rate Loan. The Agent shall notify the Lenders of the effectiveness of such conversion, and the new interest rate to which the converted Loans are subject, as soon as practicable after the conversion.

Section 2.20. Additional Costs; Capital Requirements.

(a) In the event that any existing or future law or regulation, guideline or interpretation thereof, by any Governmental Authority charged with the administration thereof, or compliance by any Lender or any Affiliate of any Lender with any request or directive (whether or not having the force of law) of any such Authority shall impose, modify or deem applicable or result in the application of, any capital maintenance, capital ratio or similar requirement against any Lender's Loans or Commitments hereunder, and the result of any such event is to impose upon any Lender or any Affiliate of any Lender or

increase any capital requirement applicable as a result of the making or maintenance of such Lender's Loans or its Commitments or the obligation of the Borrower hereunder with respect to such Commitments (which imposition of capital requirements may be determined by such Lender's reasonable allocation of the aggregate of such capital increases or impositions), then such Lender may make demand on the Borrower and within 30 days after demand made by such Lender (a copy of which demand shall be delivered to the Agent), the Borrower shall immediately pay to such Lender from time to time as specified by such Lender additional amounts which shall be sufficient to compensate such Lender for such imposition of or increase in capital requirements together with interest on each such amount from the date such payment becomes due until payment in full thereof at the Default Rate, provided, however, that if such Lender does not make demand on the Borrower within 90 days after becoming aware of such imposition or increase in capital requirements, then such Lender may make demand only for such additional amounts which shall be sufficient to compensate such Lender for such imposition or increase in capital requirements for periods not preceding the day 90 days prior than the date on which demand is made. A certificate setting forth in reasonable detail the amount necessary to compensate such Lender as a result of an imposition of or increase in capital requirements submitted by such Lender to the Borrower shall be conclusive, absent manifest error, as to the amount thereof.

(b) In the event that any Regulatory Change shall: (i) change the basis of taxation of any amounts payable to any Lender under this Agreement or the Notes in respect of any Loans including, without limitation, Eurodollar Loans (other than taxes imposed on the overall net income of such Lender); or (ii) impose or modify any reserve, FDIC premium or assessment, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with or other liabilities of, such Lender (including any of such Loans or any deposits referred to in the definition of "Eurodollar Base Rate" in Article I hereof); or (iii) impose any other conditions affecting this Agreement in respect of Loans, including, without limitation, Eurodollar Loans (or any of such extensions of credit, assets, deposits or liabilities); and the result of any event referred to in clause (i), (ii) or (iii) above shall be to increase such Lender's costs of making or maintaining any Loans, including, without limitation, Eurodollar Loans, or its Commitments, or to reduce any amount receivable by such Lender hereunder in respect of any of its Eurodollar Loans, or its Commitments (such increases in costs and reductions in amounts receivable are hereinafter referred to as "Additional Costs") in each case, only to the extent that such Additional Costs are not included in the Eurodollar Base Rate applicable to such Eurodollar Loans, then such Lender may make demand on the Borrower and within 30 days after demand made by such Lender (a copy of which demand shall be delivered to the Agent), the Borrower shall pay to such Lender from time to time as specified by such Lender, additional amounts which shall be sufficient to compensate such Lender for such increased cost or reduction in amounts receivable by such Lender from the date of such change, together with interest on each such amount from the date such payment becomes due until payment in full thereof at the Default Rate, provided, however, that if such Lender does not make demand on the Borrower within 90 days after becoming aware of such Regulatory Change, then such Lender may make demand only for such additional amounts as shall be sufficient to compensate such Lender for increased costs or reductions in amounts receivable by such Lender for periods not preceding the day 90 days prior to such demand.

(c) Without limiting the effect of the foregoing provisions of this Section 2.20, in the event that, by reason of any Regulatory Change, any Lender either: (i) incurs Additional Costs based on or measured by the excess above a specified level of the amount of a category of deposits or other liabilities of such Lender which includes deposits by reference to which the interest rate on Eurodollar Loans is determined as provided in this Agreement or a category of extensions of credit or other assets of such Lender which includes Eurodollar Loans, or (ii) becomes subject to restrictions on the amount of such a category of liabilities or assets which it may hold, then, if such Lender so elects by notice to the Borrower (with a copy to the Agent), the obligation of such Lender to make, and to convert Loans of any other type into, Loans of such type hereunder shall be suspended until the date such Regulatory Change ceases to be in effect (and all Loans of such type then outstanding shall be converted into Prime Rate Loans or into Eurodollar Loans of another duration, as the case may be, in accordance with Sections 2.19 and 2.23).

(d) Determinations by any Lender for purposes of this Section 2.20 of the effect of any Regulatory Change on its costs of making or maintaining Loans or on amounts receivable by it in respect of Loans, and of the additional amounts required to compensate such Lender in respect of any Additional Costs, shall be set forth in writing in reasonable detail and shall be conclusive, absent manifest error. Each Lender shall allocate any cost increases required by this Section 2.20 among its customers in good faith and on an equitable basis.

(e) If any Lender makes demand pursuant to paragraphs (a) or (b) of this Section 2.20, so long as no Event of Default shall have occurred and be continuing and the Borrower has obtained from another Lender or another bank or financial institution acceptable to the Agent a commitment to become a Lender for all purposes under this Agreement and to assume all obligations of the Lender to be replaced, the Borrower may require the Lender making such demand to assign all of its rights and obligations under this Agreement, its Note and the other Loan Documents to such other Lender or other bank or financial institution pursuant to the provisions of Section 13.11(b); provided that, prior to or concurrently with such replacement (i) the Borrower has paid to the Lender making demand all principal, interest, fees and other amounts owed to such Lender through such date of replacement, (ii) the Borrower has paid to the Agent the registration and processing fee required to be paid by Section 13.11(d), and (iii) all of the requirements for such assignment contained in Section 13.11(b), including the receipt by the Agent of an executed Assignment and Acceptance Agreement and other supporting documents, have been fulfilled.

Section 2.21. Limitation of Types of Loans. Anything herein to the contrary notwithstanding, if, on or prior to the determination of an interest rate for any Eurodollar Loans for any Interest Period therefor, the Required Lenders determine (which determination shall be conclusive absent manifest error):

(a) by reason of any event affecting the money markets in the United States of America or the Eurodollar interbank market, quotations of interest rates for the relevant deposits are not being provided in the relevant amounts or for the relevant maturities for purposes of determining the rate of interest for such Loans under this Agreement; or

(b) the rates of interest referred to in the definition of "Eurodollar Base Rate" in Article I hereof upon the basis of which the rate of interest on any Eurodollar Loans for such period is determined do not accurately reflect the cost to the Lenders of making or maintaining such Loans for such period;

then the Agent shall give the Borrower and each Lender prompt notice thereof (and shall thereafter give the Borrower and each Lender prompt notice of the cessation, if any, of such condition), and so long as such condition remains in effect, the Lenders shall be under no obligation to make Loans of such type or to convert Loans of any other type into Loans of such type and the Borrower shall, on the last day(s) of the then current Interest Period(s) for the outstanding Loans of the affected type either prepay such Loans in accordance with Section 2.6 or convert such Loans into Loans of another type in accordance with Section 2.19.

Section 2.22. Illegality. Notwithstanding any other provision in this Agreement, in the event that it becomes unlawful for any Lender or its Applicable Lending Office to: (i) honor its obligation to make Eurodollar Loans hereunder, or (ii) maintain Eurodollar Loans hereunder, then such Lender shall promptly notify the Borrower thereof (with a copy to the Agent), describing such illegality in reasonable detail (and shall thereafter promptly notify the Borrower and the Agent of the cessation, if any, of such illegality), and such Lender's obligation to make Eurodollar Loans and to convert other types of Loans into Eurodollar Loans hereunder shall, upon written notice given by such Lender to the Borrower, be suspended until such time as such Lender may again make and maintain Eurodollar Loans and such Lender's outstanding Eurodollar Loans shall be converted into Prime Rate Loans (as shall be designated in a notice from the Borrower to the Agent pursuant to Section 2.2) in accordance with Sections 2.19 and 2.23.

Section 2.23. Certain Conversions Pursuant to Sections 2.20 and 2.22. If the Loans of any Lender or a particular type (Loans of such type are hereinafter referred to as "Affected Loans" and such type is hereinafter referred to as the "Affected Type") are to be converted pursuant to Section 2.20 or 2.22, such Lender's Affected Loans shall be converted into Prime Rate Loans (the "New Type Loans") on the last day(s) of the then current Interest Period(s) for the Affected Loans (or, in the case of a conversion required by Section 2.20(c) or Section 2.22 on such earlier date as such Lender may specify to the Borrower with a copy to the Agent) and, until such Lender gives notice as provided below that the circumstances specified in Section 2.20 or 2.22 which gave rise to such conversion no longer exist:

(a) to the extent that such Lender's Affected Loans have been so converted, all payments and prepayments of principal which would otherwise be applied to such Affected Loans shall be applied instead to its New Type Loans;

(b) all Loans which would otherwise be made by such Lender as Loans of the Affected Type shall be made instead as New Type Loans and all Loans of such Lender which would otherwise be converted into Loans of the Affected Type shall be converted instead into (or shall remain as) New Type Loans; and

(c) if Loans of any of the Lenders other than such Lender which are the same type as the Affected Type are subsequently converted into Loans of another type (which type is other than New Type Loans), then such Lender's New Type Loans shall be automatically converted on the conversion date into Loans of such other type to the extent necessary so that, after giving effect thereto, all Loans held by such Lender and the Lenders whose Loans are so converted are held pro rata (as to principal amounts, types and, to the extent applicable, Interest Periods) in accordance with their respective Revolving Credit Commitments.

Section 2.24. Indemnification. The Borrower shall pay to the Agent for the account of each Lender, upon the request of such Lender through the Agent, such amount or amounts as shall compensate such Lender for any loss (including loss of profit), cost or expense incurred by such Lender (as reasonably determined by such Lender) as a result of:

(a) any payment or prepayment or conversion of a Eurodollar Loan held by such Lender on a date other than the last day of an Interest Period for such Eurodollar Loan; or

(b) any failure by the Borrower to borrow, prepay or convert a Eurodollar Loan on the date for such borrowing, prepayment or conversion specified in the relevant notice under Section 2.2,

such compensation to include, without limitation, an amount equal to: (i) any loss or expense suffered by such Lender during the period from the date of receipt of such early payment or prepayment or the date of such conversion or failure to borrow or convert to the last day of such Interest Period if the rate of interest obtainable by such Lender upon the redeployment of an amount of funds equal to such Lender's pro rata share of such payment, prepayment or conversion or failure to borrow or convert is less than the rate of interest applicable to such Eurodollar Loan for such Interest Period, or (ii) any loss or expense suffered by such Lender in liquidating Eurodollar deposits prior to maturity which correspond to such Lender's pro rata share of such payment, prepayment, conversion, failure to borrow or failure to convert. The determination by each such Lender or the amount of any such loss or expense, when set forth in a written notice to the Borrower, containing such Lender's calculation thereof in reasonable detail, shall be presumed correct, in the absence of manifest error.

Section 2.25. Waiver of Claims. The Principal Companies hereby waive any and all claims, counterclaims, defenses and similar rights with respect to the Existing Loans which any of the Principal Companies have or may have as of the effectiveness of this Agreement based on all information available to the Principal Companies at such time.

Section 2.26. Reallocation of Existing Loans.

(a) Pursuant to the Lender Assignment Agreements, immediately prior to the effectiveness hereof, each Existing Lender which (i) is not a Lender hereunder or (ii) is a Lender hereunder but whose aggregate principal amount of Existing Loans (before giving effect to the Lender Assignment Agreements) was greater than its initial principal amount of Initial Term Loans A (as set forth on Schedule 1 hereto), sold and assigned to the Agent, and the Agent purchased and assumed from such Existing Lender, all or a portion (as the

case may be) of the rights and obligations of such Existing Lender under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement), including: (i) the Commitments (as defined in the Existing Credit Agreement) of such Existing Lender immediately prior to the effectiveness hereof, (ii) such Existing Lender's interests in the outstanding Credit Extensions (as defined in the Existing Credit Agreement) immediately prior to the effectiveness hereof and (iii) such Existing Lender's interests in all unpaid interest, if any, with respect to Loans (as defined in the Existing Credit Agreement) and other obligations accrued through the effectiveness hereof and payable to such Existing Lender (collectively, the "Assigned Rights").

(b) In order to give effect to the assignment to (i) each New Lender and (ii) each Existing Lender which is a Lender hereunder but whose aggregate principal amount of Existing Loans (before giving effect to any reallocation of Existing Loans pursuant to this Section 2.26) is less than its initial principal amount of Initial Term Loans A (as set forth on Schedule 1 hereto) (the "Increasing Lenders"), all as contemplated hereunder, upon the effectiveness of this Agreement, the Agent shall and does hereby sell and assign to each New Lender and each Increasing Lender, and each New Lender and each Increasing Lender does hereby purchase and assume from the Agent, a portion of the Assigned Rights held by the Agent such that after such sale and assignment, each of the Lenders (including the New Lenders and the Increasing Lenders) shall own a portion of the Existing Loans in a principal amount equal to its initial principal amount of Initial Term Loans A (as set forth on Schedule 1 hereto).

(c) Pursuant to the purchase and sale of the Assigned Rights under this Section 2.26, each New Lender and Increasing Lender shall pay to the Agent, upon the effectiveness of this Agreement, an amount equal to the aggregate outstanding principal amount of the Existing Loans purchased by such New Lender or Increasing Lender under this Section 2.26.

(d) Each of the Principal Companies acknowledges and agrees that all Existing Loans assigned by the Agent to the New Lenders and the Increasing Lenders pursuant to this Section 2.26 shall be entitled to all the benefits of this Agreement and the other Loan Documents.

(e) The Agent (i) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Existing Credit Agreement or any of the other documents or instruments furnished pursuant thereto or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Existing Credit Agreement or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the Assigned Interests being assigned by it hereunder, that such interests are free and clear of any adverse claim, and that the Agent has the requisite corporate power and authority and all consents necessary to execute, deliver and perform such assignment; and (ii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower Affiliated Company or the performance or observance by the Borrower or any other Person of any of their obligations under the Existing Credit Agreement or any other instrument or document furnished pursuant thereto.

(f) Each Lender purchasing Existing Loans pursuant to this Section 2.26 represents and warrants that it has the requisite corporate power and authority and all consents necessary to execute, deliver and perform such purchase and acknowledges and agrees that such purchase is without recourse to the Agent, except to the extent that the Agent breaches its representations and warranties made pursuant to paragraph (e) above.

(g) Each Lender purchasing Assigned Rights pursuant to this Section 2.26 (i) appoints and authorizes the Collateral Trustee to take such action as collateral trustee on its behalf and to exercise such powers under the Credit Agreement or any of the other Loan Documents as are delegated to the Collateral Trustee by the terms thereof, together with such powers as are reasonably incidental thereto; (ii) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Collateral Trust Agreement or any of the other Loan Documents are required to be performed by it as a Lender thereunder. Upon the effectiveness of this Agreement (i) each New Lender and each Increasing Lender shall be a party to the Collateral Trust Agreement and the other Loan Documents and, to the extent rights and obligations have been transferred to it pursuant to this Section 2.26, shall have the rights and obligations of a Lender thereunder; (ii) the Agent shall cease to be a party to the Existing Credit Agreement and the Collateral Trust Agreement as a Lender.

ARTICLE III

LETTERS OF CREDIT

Section 3.1. Letter of Credit Commitment. On the terms and subject to the conditions contained in this Agreement, the Issuing Bank shall from time to time from and after the effectiveness hereof until the Maturity Date issue Letters of Credit for the account of the Borrower.

Section 3.2. Issuance of Letters of Credit.

(a) The obligation of the Issuing Bank to issue any Letter of Credit requested by the Borrower is subject to the following conditions (in addition to conditions specified elsewhere in this Agreement):

(i) The Issuing Bank shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (A) the Revolving Credit Outstandings would exceed the aggregate Revolving Credit Commitments or (B) the Letter of Credit Exposure would exceed \$5,000,000.

(ii) The form and terms of each Letter of Credit and any related documentation must be reasonably acceptable to the Issuing Bank.

(iii) Each Letter of Credit by its terms must provide for payment of drawings thereunder in Dollars and must expire on or prior to the earlier to occur of (A) ten days prior to the Maturity Date and (B) the first anniversary of the date of its issuance.

(iv) Each Letter of Credit must be issued to support obligations of one or more Principal Companies incurred in the ordinary course of its or their business or in connection with any Permitted Acquisition.

(v) Each Letter of Credit shall contain a provision permitting the Issuing Bank to terminate such Letter of Credit upon 30 days' prior written notice to the beneficiary thereof and authorizing such beneficiary to draw up to the full undrawn amount of such Letter of Credit during such 30-day period. The Issuing Bank agrees that it will not give any such termination notice except in compliance with Section 11.4.

In determining compliance with clause (i) above, the Issuing Bank shall be entitled to rely on information received by it from the Agent or the Borrower.

(b) Whenever the Borrower desires to have a Letter of Credit issued, the Borrower will furnish to the Agent and the Issuing Bank a written application therefor (each, a "Letter of Credit Application") which shall (i) be received by the Agent and the Issuing Bank not less than three (3) Business Days and not more than ten (10) Business Days prior to the Issue Date of such Letter of Credit and (ii) specify (A) the Issue Date of such Letter of Credit (which must be a Business Day), (B) the expiration date of such Letter of Credit, (C) the name and address of the beneficiary of the Letter of Credit, (D) the amount of such Letter of Credit, and (E) the purpose and proposed form of such Letter of Credit. The Agent shall give each Lender prompt notice of its receipt of each such application and the Issuing Bank shall give the Agent and each Lender prompt notice of the issuance and amount of each Letter of Credit and the expiration date of each Letter of Credit.

Section 3.3. Participation by Lenders.

(a) By the issuance of a Letter of Credit and without any further action on the part of the Issuing Bank or the other Lenders in respect thereof, the Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's Percentage of the face amount of such Letter of Credit, effective upon the issuance of such Letter of Credit; provided, however, that no Lender shall be required to acquire participations in Letters of Credit that would result in its Percentage of all Revolving Credit Outstandings to be greater than its Revolving Credit Commitment. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Agent, for the account of the Issuing Bank, in accordance with Section 3.4 below, such Lender's Percentage of each Letter of Credit Disbursement; provided, however, that no Lender shall be obligated to make any such payment with respect to any wrongful payment or disbursement made under any Letter of Credit as a result of the gross negligence or willful misconduct of the Issuing Bank.

(b) Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to paragraph (a) above in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstances whatsoever, including the occurrence and continuance of an Event of Default or Default hereunder, and that each

such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

Section 3.4. Letter of Credit Disbursements.

(a) If the Agent has not received from the Borrower the payment permitted pursuant to paragraph (b) of this Section 3.4 by 11:00 a.m., Boston time, on the date on which the Issuing Bank has notified the Borrower that payment of a draft presented under any Letter of Credit will be made, as provided in such paragraph (b), the Agent shall promptly notify the Issuing Bank and each other Lender of the Letter of Credit Disbursement and, in the case of each Lender, its Percentage of such Letter of Credit Disbursement. Each Lender shall pay to the Agent, not later than 1:00 p.m., Boston time, on such date (or, if the Issuing Bank shall elect to defer reimbursement from the Lenders hereunder, such later date as the Issuing Bank shall specify by notice to the Agent and the Lenders), such Lender's Percentage of such Letter of Credit Disbursement, which the Agent shall promptly pay to the Issuing Bank. The Agent will promptly remit to each Lender its share of any amounts subsequently received by the Agent from the Borrower in respect of such Letter of Credit Disbursement; provided that amounts so received for the account of any Lender prior to payment by such Lender of amounts required to be paid by it hereunder in respect of any Letter of Credit Disbursement shall be remitted to the Issuing Bank.

(b) If the Issuing Bank shall receive any draft presented under any Letter of Credit, the Issuing Bank shall give notice thereof as provided in paragraph (c) below. If the Issuing Bank shall pay any draft presented under a Letter of Credit, the Borrower may (but shall not be required to) pay to the Agent, for the account of the Issuing Bank, an amount equal to the amount of such draft before noon, Boston time, on the Business Day on which the Issuing Bank shall have notified the Borrower that payment of such draft will be made. The Agent will promptly pay any such amounts received by it to the Issuing Bank. If the Borrower shall not elect to make such payment, the Borrower shall pay to the Agent, on behalf of the Issuing Bank, an amount equal to the Letter of Credit Disbursement made by the Issuing Bank, together with interest thereon at the rate then applicable to Prime Rate Loans pursuant to Section 2.7 from and including the date of such Letter of Credit Disbursement to but excluding the date of payment, on or prior to the date one Business Day following the date of such Letter of Credit Disbursement.

(c) The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit to ascertain that the same appear on their face to be in substantial conformity with the terms and conditions of such Letter of Credit. The Issuing Bank shall as promptly as reasonably practicable give oral notification, confirmed in writing, to the Agent and the Borrower of such demand for payment and the determination by the Issuing Bank as to whether such demand for payment was in accordance with the terms and conditions of such Letter of Credit and whether the Issuing Bank has made or will make a Letter of Credit Disbursement thereunder, provided that the failure to give such notice shall not relieve the Borrower of its obligation to reimburse such Letter of Credit Disbursement, and the Agent shall promptly give each Lender notice thereof.

Section 3.5. Obligation to Repay Letter of Credit Disbursements, etc. The Borrower assumes all risks in connection with the Letters of Credit and the Borrower's obligation to repay Letter of Credit Disbursements shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit;

(ii) the existence of any claim, setoff, defense or other right which the Borrower or any other person may at any time have against the beneficiary under any Letter of Credit, the Agent or the Issuing Bank (other than the defense of payment in accordance with the terms of this Agreement or a defense based on the gross negligence or willful misconduct of the Issuing Bank) or any other Person in connection with this Agreement or any other agreement or transaction;

(iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; provided that payment by the Issuing Bank under such Letter of Credit against presentation of such draft or document shall not have constituted gross negligence or willful misconduct of the Issuing Bank; and

(iv) any other circumstance or event whatsoever, whether or not similar to any of the foregoing; provided that such other circumstance or event shall not have been the result of gross negligence or willful misconduct of the Issuing Bank.

It is understood that in making any payment under a Letter of Credit (A) the Issuing Bank's exclusive reliance as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be insufficient in any respect, if such document on its face appears to be in order, and whether or not any such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever and (B) any noncompliance in any immaterial respect of the documents presented under a Letter of Credit with the terms thereof, shall, in each case, not be deemed willful misconduct or gross negligence of the Issuing Bank. It is further understood that in making any payment under a Letter of Credit, the Issuing Bank's payment of any draft presented under such Letter of Credit, if such document on its face is clearly not in order, shall be deemed willful misconduct or gross negligence of the Issuing Bank.

The Borrower absolutely and unconditionally agrees to hold the Issuing Bank harmless from, and to indemnify the Issuing Bank immediately upon demand by the Issuing Bank at any time and as often as the occasion therefor may require against, any and all claims, demands, suits, actions, damages, losses, costs, expenses and other liabilities whatsoever which shall at any time or times be incurred or sustained by the Issuing Bank on account of, or in relation to, or in any way in connection with, the Letters of Credit except that the Borrower shall not be liable to the Lenders for any claims,

demands, suits, actions, damages, losses, costs, expenses and other liabilities resulting from the gross negligence or willful misconduct of the Issuing Bank.

Section 3.6 Letter of Credit Fees. The Borrower agrees to pay to the Agent (a) for the accounts of the Lenders, a fee in an amount equal to the product of (i) the average undrawn face amount of each Letter of Credit outstanding during all or any part of the applicable calendar quarter multiplied by (ii) an annual rate equal to the Applicable Margin for Eurodollar Rate Loans during such calendar quarter and (b) for the account of the Issuing Bank, a fee (the "Issuing Bank Fee") in an amount equal to the product of (i) the average undrawn face amount of each Letter of Credit outstanding during all or any part of the applicable calendar quarter multiplied by (ii) an annual rate equal to 0.125% (the fees described in clause (a) of this Section 3.6 and the Issuing Bank Fees shall be referred to herein collectively as the "Letter of Credit Fees"). Letter of Credit Fees shall be payable (i) quarterly in arrears on each of the Quarterly Dates and (ii) on the earlier of the Maturity Date and the date the Revolving Credit Commitments terminate.

Section 3.7 Letter of Credit Applications. To the extent that any provision of any Letter of Credit Application is inconsistent with the provisions of this Article III, the provisions of this Article III shall apply.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

The Principal Companies hereby jointly and severally represent and warrant to the Lenders, the Agent and the Issuing Bank as follows:

Section 4.1. Organization, Etc. Each of the Borrower Affiliated Companies (a) is duly organized, validly existing and in good standing under the laws of its state of organization or incorporation, (b) has all corporate power and authority, and all material licenses, permits, franchises, consents and approvals, required to own its Assets and carry on its business as now conducted and as proposed to be conducted, (c) is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the nature of its properties or its business requires such qualification unless the failure to so qualify could not reasonably be expected to have a Material Adverse Effect. Schedule 4.1 accurately and completely lists, as to (i) the Borrower: (A) its state of incorporation, (B) the classes and number of authorized and outstanding shares of its Capital Stock, and the number of shares of its Capital Stock owned by each Management Stockholder and (C) the business in which it is engaged and (ii) each of the other Borrower Affiliated Companies: (A) the state of incorporation of each such corporation, (B) the classes and number of authorized and outstanding shares of Capital Stock of each such corporation, and the owners of such outstanding shares of Capital Stock, and (C) the business in which each such corporation is engaged. All the issued and outstanding shares of Capital Stock of each Borrower Affiliated Company have been duly and validly issued and are fully paid and non-assessable. All the issued and outstanding shares of Capital Stock of each Borrower Affiliated Company (except the Borrower), except for the pledge of such Capital Stock pursuant to the Stock Pledge Agreements, are owned by the Persons identified on

Schedule 4.1, free and clear of any Liens or restrictions on transfer. Except as set forth on Schedule 4.1 and except for the options granted to or to be granted to employees of the Borrower Affiliated Companies under the 1992 Stock Option Plan, there are no outstanding warrants, options, contracts or commitments of any kind entitling any Person to purchase or otherwise acquire any Capital Stock of any Borrower Affiliated Company nor are there outstanding any securities which are convertible into or exchangeable for any Capital Stock of any Borrower Affiliated Company. Except for the obligations of the Borrower, Saga Broadcast and Saga of Iowa under the Stock Pledge Agreements, there are no outstanding commitments, options, warrants, calls or other agreements (whether written or oral) binding on any Borrower Affiliated Company to issue, sell, grant, transfer, assign, mortgage, pledge or otherwise dispose of any Capital Stock of any other Borrower Affiliated Company. Except as described in Schedule 4.1, no shares of any Borrower Affiliated Company are subject to (A) any restrictions on transfer pursuant to any Governing Documents of such Borrower Affiliated Company, or (B) any shareholders agreements, voting trusts, voting agreements, trust agreements, trust deeds, irrevocable proxies or any other similar agreements or instruments (whether written or oral). The Principal Companies shall promptly notify the Agent in writing of any changes which would make any of the representations set forth in this Section 4.1 untrue, inaccurate or incomplete.

Section 4.2. Power; Authority; Consents; No Conflicts. Each of the Borrower Affiliated Companies has the power and corporate authority to execute and deliver the Transaction Documents and to perform the Loan Documents and the Ancillary Documents to which it is a party. The Borrower has the power to borrow and request Letters of Credit hereunder and has taken all necessary action to authorize the borrowings and requests for Letters of Credit hereunder on the terms and conditions of this Agreement. Each of the Borrower Affiliated Companies has taken all necessary action, corporate or otherwise, to authorize the execution and delivery of the Transaction Documents and the performance of the Loan Documents and the Ancillary Documents to which it is a party. The execution and delivery by each Borrower Affiliated Company of each of the Transaction Documents and the performance of each of the Loan Documents and each of the Ancillary Documents to which it is or is to become a party do not and will not (i) contravene or result in a breach of any Requirement of Law, (ii) conflict with or result in a breach of or (with the giving of notice or lapse of time, or both) a default under any Contractual Obligation of any Borrower Affiliated Company, or (iii) result in or require the creation of any Lien on any Assets of any Borrower Affiliated Company, except for Liens created pursuant to the Security Documents. No consent or approval of any Person, no waiver of any Lien or right of distraint or other similar right and no consent, license, certificate of need, approval, authorization or declaration of any Governmental Authority, including the FCC, is or will be required in connection with the Transaction, the execution and delivery by the Borrower Affiliated Companies of the Transaction Documents or the performance of the Loan Documents and the Ancillary Documents, or the validity, enforcement or priority, of the Loan Documents or any Lien created and granted thereunder, except as set forth on Schedule 4.2, each of which either has been duly and validly obtained on or prior to the date hereof and is now in full force and effect, or is designated on Schedule 4.2 as waived by the Required Lenders.

Section 4.3. Due Execution, Validity and Enforceability. Each Transaction Document has been duly executed and delivered by each Borrower Affiliated Company which is a party thereto and each of the Loan Documents and the Ancillary Documents constitutes the legal, valid and binding obligation of such Borrower Affiliated Company, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting generally the enforcement of creditors' rights or by general principles of public policy and except to the extent that the availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

Section 4.4. Priority of Liens; Condition of Assets.

(a) All the Assets owned by each Borrower Affiliated Company are owned by it free and clear of any Lien, except Liens created by the Security Documents, and Liens permitted by Section 9.2. Each of the Borrower Affiliated Companies has granted to the Collateral Trustee a first-priority security interest (to the maximum extent permitted by applicable law) subject only to Liens permitted by Section 9.2 in all of its Assets, other than those Assets described on Schedule 4.4(a) or excluded by the express terms of the Security Documents. The Liens which have been created and granted by the Security Documents, to the extent such Liens may be perfected by filing a financing statement under the Uniform Commercial Code of the applicable jurisdiction, or by recording an assignment with the U.S. Patent and Trademark Office, or by taking possession of securities or instruments, or by recording a mortgage or deed of trust in the real estate records of the applicable jurisdiction, constitute valid perfected first-priority Liens on the Assets covered by the Security Documents, subject to no prior or equal Lien except as permitted by Section 9.2. All Assets of each Borrower Affiliated Company which are reasonably necessary for the operation of its business are in good working condition, ordinary wear and tear excepted, and are able to serve the function for which they are currently being used. Each Borrower Affiliated Company enjoys peaceful and undisturbed possession under all material leases of real and personal property to which it is a party, and all such material leases are valid and subsisting and in full force and effect.

(b) The Borrower Affiliated Companies are not engaged in any business or activities other than (i) holding shares of capital stock of other Borrower Affiliated Companies and (ii) acquiring, owning, operating and disposing of Stations and engaging in Permitted LMA's.

(c) The only material instrument held by any Borrower Affiliated Company as of the effectiveness of this Agreement is the Christian Note.

Section 4.5. Judgments, Actions, Proceedings. Except as set forth on Schedule 4.5 or in the Historical Financials, there are no outstanding judgments, actions or proceedings, including any Environmental Proceeding, pending before any Governmental Authority (including the FCC) with respect to or, to the best of the Principal Companies' knowledge, threatened against or affecting any Borrower Affiliated Company or any Assets of any Borrower Affiliated Company; to the best of the Principal Companies' knowledge, there is no reasonable basis for the institution of any such action or proceeding against any

Borrower Affiliated Company or any Assets of any Borrower Affiliated Company; there are no such actions or proceedings in which any Borrower Affiliated Company is a plaintiff or complainant.

Section 4.6. No Defaults; Compliance with Laws. No Default or Event of Default is continuing. No Borrower Affiliated Company is in default under or has failed to comply with any Requirement of Law or any Contractual Obligation to which it or any of its Assets are bound, except for such defaults or failures which could not reasonably be expected to have a Material Adverse Effect. Each Borrower Affiliated Company has complied and is in compliance in all respects with each of its Governing Documents and in all material respects with the Communications Act.

Section 4.7. Burdensome Documents. Except as set forth on Schedule 4.7, no Borrower Affiliated Company is a party to or bound by, and no Assets of any Borrower Affiliated Company are affected by, any Requirement of Law or any Contractual Obligation which could have a Material Adverse Effect.

Section 4.8. Governing Documents. The Agent has been furnished with true and complete copies of all Governing Documents of each Borrower Affiliated Company.

Section 4.9. Financial Information.

(a) Financial Statements. All balance sheets, all statements of operations and of cash flows, and all other financial statements which have been furnished by or on behalf of any of the Principal Companies to the Agent or any Lender for the purposes of or in connection with this Agreement or any transaction contemplated hereby, including the audited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries at December 31, 1995 and the related audited consolidated and consolidating statements of operations and cash flows for the fiscal year of the Borrower then ended, certified, in the case of the consolidated statements, by Ernst & Young (collectively, together with the notes thereto, the "Historical Financials"), have been prepared in accordance with GAAP consistently applied throughout the periods involved (except as disclosed therein) and present fairly the financial position and the results of operations of the Borrower and its Subsidiaries as at the date thereof and for the periods then ended. None of the Principal Companies has any material contingent liability or liabilities for taxes, long-term leases or unusual forward or long-term commitments which are not reflected in the Historical Financials or in the notes thereto.

(b) Projections. The Projections have been prepared on the basis of the assumptions accompanying them and reflect as of the date thereof the Borrower's good faith projections, after reasonable analysis, of the matters set forth therein, based on such assumptions.

Section 4.10. No Material Changes. Since the Balance Sheet Date, except as disclosed in Public Filings previously delivered to the Lenders:

(a) There has been no change, and no development or event involving a prospective change in the Assets, business, operations, prospects or condition, financial or

otherwise, of any Borrower Affiliated Company, which has had or could reasonably be expected to have a Material Adverse Effect.

(b) No Borrower Affiliated Company has incurred any Indebtedness for Borrowed Money, other than the Obligations, or any material other Indebtedness, except Indebtedness arising in the ordinary course of business.

(c) No Distributions have been declared, paid or made upon any Capital Stock of the Borrower, nor has any Capital Stock of any Borrower Affiliated Company been redeemed, retired, purchased or otherwise acquired for value.

(d) There has been no sale, transfer or other disposition by any Borrower Affiliated Company of any material part of its Assets and no purchase or other acquisition of any Communications System or any other Assets material in relation to the consolidated financial condition of the Borrower and its Subsidiaries.

Section 4.11. Taxes. Each Borrower Affiliated Company has filed all returns for Taxes required to be filed by it and has not failed to pay any Taxes, or interest or penalties relating thereto, on or before the due dates thereof. Except as set forth on Schedule 4.11 or in the Historical Financials or in the Financial Statements or in the notes thereto, or in the Borrower's Public Filings delivered to the Lenders: (i) there are no material liabilities for Taxes of any Borrower Affiliated Company due or to become due and (ii) there are no material claims pending or, to the knowledge of the Borrower, proposed or threatened against any Borrower Affiliated Company for past Taxes, except those, if any, as to which proper reserves are reflected in the Financial Statements.

Section 4.12. Intangible Assets. Each Borrower Affiliated Company possesses all patents, Trademarks, Copyrights and rights with respect to the foregoing necessary to conduct its business as now conducted and as proposed to be conducted, without any known conflict with the patents, Trademarks, Copyrights and rights with respect to the foregoing of any other Person, and each of such patents, Trademarks, Copyrights and rights with respect thereto, together with any pending applications therefor, are listed on Schedule 4.12.

Section 4.13. [INTENTIONALLY DELETED]

Section 4.14. Licenses and Approvals.

(a) Each Borrower Affiliated Company has all requisite power and authority and necessary licenses and permits, including all FCC Licenses, to own and operate the Assets (including Stations) owned or operated by it and to carry on its businesses as now conducted.

(b) Set forth in Schedule 4.14 is a complete list of all FCC Licenses of the Borrower Affiliated Companies. Each such FCC License which is necessary to the operation of the business of any Borrower Affiliated Company is validly issued and in full force and effect or to the extent described in Schedule 4.14, special temporary authority has been sought from the FCC to operate the facilities for which such FCC authority is

required. Each Borrower Affiliated Company has fulfilled and performed all of its obligations in all material respects with respect to each such FCC License. No event has occurred which: (i) has resulted in, or after notice or lapse of time or both would result in, revocation or termination of any FCC License, or (ii) materially and adversely affects or in the future may (so far as the Principal Companies can now reasonably foresee) materially adversely affect any of the rights of any Borrower Affiliated Company thereunder. Except as set forth on Schedule 4.14, no license or franchise, other than the FCC Licenses described in Schedule 4.14, is necessary for the operation of the business (including the Stations) of the Borrower Affiliated Companies as now conducted.

(c) Except as described in Schedule 4.14, no Borrower Affiliated Company is a party to nor does any Principal Company have knowledge of any investigation, notice of violation, order or complaint issued by or before any Governmental Authority, including the FCC, or of any other proceedings (other than proceedings relating to the communications industry generally) which could in any manner threaten or adversely affect the validity or continued effectiveness of the FCC Licenses of any Borrower Affiliated Company. No Principal Company has reason to believe (other than in connection with there being no legal assurance thereof) that any of the FCC Licenses described in Schedule 4.14 will not be renewed in the ordinary course. Each Borrower Affiliated Company has filed all material reports, applications, documents, instruments and information required to be filed by it pursuant to applicable rules and regulations or requests of every regulatory body having jurisdiction over any of its FCC Licenses or the activities of the Borrower Affiliated Companies with respect thereto.

Section 4.15. Environmental Compliance.

(a) No Violations. Except as described on Schedule 4.15(a), no Borrower Affiliated Company or any operator of its Assets is in violation, or alleged violation, of any Environmental Law.

(b) No Notice of Violations. Except as described on Schedule 4.15(b), no Borrower Affiliated Company has received notice from any third party, including without limitation, any Governmental Authority, (i) that any Borrower Affiliated Company has been identified by the EPA as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986); (ii) that any Hazardous Substances which any Borrower Affiliated Company has generated, transported or disposed of has been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that any Borrower Affiliated Company conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint (contingent or otherwise) or legal or administrative proceeding arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of any Hazardous Substances.

(c) No Releases of Hazardous Substances. Except as set forth on Schedule 4.15(c): (i) no Borrower Affiliated Company and no other Person has used any Assets of any Borrower Affiliated Company for the handling, manufacturing, processing, storage or disposal of any Hazardous Substances except in accordance with applicable

Environmental Laws; and, except as set forth in Schedule 4.15(c), no underground tank or other underground storage receptacle for Hazardous Substances is located on such properties; (ii) in the course of any activities conducted by any Borrower Affiliated Company or any other operators of its properties, (A) no Hazardous Substances have been generated or are being used on such properties except in accordance with applicable Environmental Laws and (B) there have been no Releases (i.e. any past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping) or threatened releases of any Hazardous Substances on, upon, into or from the properties of any Borrower Affiliated Company, which releases could have a material adverse effect on the value of such properties or adjacent properties or the environment; (iii) there have been no Releases on, upon, from or into any real property in the vicinity of the real properties of any Borrower Affiliated Company which, through soil or groundwater contamination, may have come to be located on, and which would have a material adverse effect on the value of, the properties of such Borrower Affiliated Company; and (iv) any Hazardous Substances that have been generated by any Borrower Affiliated Company on the properties of such Borrower Affiliated Company have been transported offsite only by carriers having an identification number issued by the EPA (if such was required at the time) and treated or disposed of only by treatment or disposal facilities having valid permits as required under applicable Environmental Laws, which transporters and facilities were at the time of disposal operating in compliance with such permits and applicable Environmental Laws.

(d) No Clean Up Requirements. No property of any Borrower Affiliated Company is or shall be subject to any applicable environmental cleanup responsibility law or environmental restrictive transfer law or regulation by virtue of the financing contemplated hereby.

Section 4.16. Employee Benefit Plans.

(a) In General:

(i) Each Employee Benefit Plan of each of the Borrower Affiliated Companies has been maintained and operated in compliance in all material respects with the provisions of ERISA and, to the extent applicable, the Code, including the provisions thereunder respecting prohibited transactions. Each Borrower Affiliated Company has heretofore delivered to the Agent the most recently completed annual report, Form 5500, with all required attachments, and actuarial statement required to be submitted under 103(d) of ERISA, with respect to each Guaranteed Pension Plan.

(ii) Set forth on Schedule 4.16, as of the Effective Date, is a list of each material pension, retirement or similar plan or obligation of the Borrower Affiliated Companies.

(b) Retiree Welfare Obligations. The Borrower Affiliated Companies are not obliged to provide health or life benefits to employees beyond their termination of employment (other than as mandated by law) under any Employee Benefit Plan which is a welfare plan within the meaning of Section 3(1) of ERISA to an extent that would

materially impair their ability to make timely the payments provided for under this Agreement.

(c) Guaranteed Pension Plans. Each contribution required to be made to a Guaranteed Pension Plan, whether required to be made to avoid the incurrence of an accumulated funding deficiency, the notice or lien provisions of 302(f) of ERISA, or otherwise, has been timely made. No waiver of an accumulated funding deficiency or extension of amortization periods has been received with respect to any Guaranteed Pension Plan. No liability to the PBGC (other than required insurance premiums, all of which have been paid on a timely basis) has been incurred by any of the Borrower Affiliated Companies or any ERISA Affiliate with respect to any Guaranteed Pension Plan, and there has not been any ERISA Reportable Event (other than an event as to which the requirement of 30 days notice has been waived), or any other event or condition, which presents a material risk of termination of any Guaranteed Pension Plan by the PBGC. Based on the latest valuation of each Guaranteed Pension Plan and on the actuarial methods and assumptions employed for that valuation, the aggregate accrued benefits of all such Guaranteed Pension Plans did not exceed the aggregate value of the assets of all such Plans by more than \$100,000 Dollars, disregarding for this purpose the accrued benefits and assets of any Guaranteed Pension Plan with assets in excess of accrued benefits.

(d) Multiemployer Plans. None of the Borrower Affiliated Companies or any ERISA Affiliate has incurred any unpaid material liability (including secondary liability) to any Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan under Section 4201 of ERISA or as a result of a sale of assets described in Section 4204 of ERISA. None of the Borrower Affiliated Companies or any ERISA Affiliate has been notified that any Multiemployer Plan is in reorganization or insolvent under and within the meaning of Section 4241 or Section 4245 of ERISA or that any Multiemployer Plan intends to terminate or has been terminated under Section 4041A of ERISA.

Section 4.17. Labor Disputes; Collective Bargaining Agreements; Employee Grievances. Except as set forth on Schedule 4.17: (a) there are no collective bargaining agreements or other labor contracts covering any Borrower Affiliated Company or any Station; (b) no such collective bargaining agreement or other labor contract will expire prior to the Maturity Date; (c) there is no pending or threatened Material Labor Dispute against or affecting any Borrower Affiliated Company or any Station or its representative employees; and (d) each Borrower Affiliated Company has complied with, is in compliance with and will continue to comply with the provisions of the Fair Labor Standards Act.

Section 4.18. Insurance. Each Borrower Affiliated Company has obtained all property and liability insurance with reputable insurance companies satisfactory to the Agent insuring against such risks and in such amounts as required by Section 8.5. Set forth on Schedule 4.18 is a true, correct and complete list, as of the Effective Date, of all insurance of any nature maintained by each Borrower Affiliated Company (including all material fire, theft, casualty, general liability, workers compensation, business interruption, automobile and other insurance policies insuring the Assets or business operations of each Borrower Affiliated Company), specifying the type of coverage, the amount of coverage, the premium, the insurer and the expiration date of each such policy

(collectively, the "Insurance Policies"). True, correct and complete copies of all of the Insurance Policies have been made available by the Borrower to the Agent. All the Insurance Policies are in full force and effect. All premiums (if any) due on the Insurance Policies or renewals thereof have been paid and there is no default under any of the Insurance Policies. None of the Borrower Affiliated Companies have received any notice or other communication from any issuer of the Insurance Policies canceling or materially amending any of the Insurance Policies, any deductibles or retained amounts thereunder, or the annual or other premiums payable thereunder, and no such cancellation or material amendment is threatened.

Section 4.19. Transactions with Affiliates, Etc. No Borrower Affiliated Company has any Contractual Obligations to any Affiliate, except under the Ancillary Documents, the 1992 Stock Option Plan, the Christian Employment Agreement, and other agreements with employees of such Borrower Affiliated Company in the ordinary course of business and except for Contractual Obligations in respect of Investments permitted by Section 9.4(b). Except for the Christian Note and except for Indebtedness owing to any Borrower Affiliated Company in respect of loans made to employees of such Borrower Affiliated Companies permitted by Section 9.4(b), there is no Indebtedness owing by any Affiliate to any Borrower Affiliated Company.

Section 4.20. Absence of Certain Restrictions. No Borrower Affiliated Company is bound by any Contractual Obligation which, directly or indirectly, prohibits or limits, or has the effect of prohibiting or limiting, its incurrence of Indebtedness, its granting of Liens or its payment of Distributions.

Section 4.21. Ancillary Documents. The Borrower has furnished or caused to be furnished to the Agent true and complete copies of each Ancillary Document. No default by any Borrower Affiliated Company is continuing under any Ancillary Document. The Principal Companies are not aware of any default by any other Person under any Ancillary Document to which such Person and any Borrower Affiliated Company are a party.

Section 4.22. Solvency.

(a) Fair Salable Value of Assets. The fair salable value of the Assets of the Borrower exceeds the amount that will be required to be paid on or in respect of the existing debts and other liabilities (including contingent liabilities) of the Borrower as they mature.

(b) Capital Not Unreasonably Small. The Assets of the Borrower do not constitute unreasonably small capital for the Borrower to carry out its business as now conducted and as proposed to be conducted including the capital needs of the Borrower, taking into account the particular capital requirements of the business conducted by the Borrower, and the projected capital requirements and capital availability thereof.

(c) Incurrence of Debts. The Borrower does not intend to and will not incur debts beyond its ability to pay such debts as they mature taking into account the timing and amounts of cash to be received by the Borrower and of amounts to be payable on or in respect of obligations of the Borrower. The cash flow of the Borrower, after taking

into account all anticipated uses of the cash of the Borrower, will at all times be sufficient to pay all such amounts on or in respect of debt of the Borrower when such amounts are required to be paid.

Section 4.23. Application of Certain Laws and Regulations. No Borrower Affiliated Company is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Borrower Affiliated Company is a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended. No Borrower Affiliated Company is a Person prohibited from acquiring or holding a broadcasting license by the Communications Act, including (i) an alien or representative of an alien, (ii) a corporation organized under the laws of any foreign government, (iii) any corporation of which any officer or director is an alien or of which more than one-fifth of the stock is owned of record or voted by aliens of their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country, and/or (iv) any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country and each Borrower Affiliated Company is in compliance with the Communications Act with regard to alien control or ownership. No Borrower Affiliated Company is subject to any Requirement of Law which regulates the incurring of Indebtedness for Borrowed Money.

Section 4.24. Full Disclosure. To the best knowledge of the Principal Companies, none of the Transaction Documents, the Loan Documents, the Historical Financials, or any other agreement, instrument, document, certificate, statement or letter furnished to the Agent or any Lender by or on behalf of any Principal Company in connection with any of the transactions contemplated by this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein, taken as a whole together with all Public Filings made by the Principal Companies, not misleading in light of the circumstances in which they are made. Other than publicly known matters affecting the communications industry generally and publicly known matters affecting the local economies of the markets in which the Principal Companies operate, there is no fact known to the Principal Companies which has caused or is reasonably likely to cause a Material Adverse Effect, which fact is not set forth in the Transaction Documents, the Loan Documents, the Historical Financial Statements, the Public Filings or any other certificate, opinion or other statement furnished to each Lender.

Section 4.25. Letters of Credit. As of the effectiveness hereof, (i) no Letters of Credit (as defined in the Existing Credit Agreement) are outstanding, (ii) all Letter of Credit Disbursements (as defined in the Existing Credit Agreement) have been repaid and (iii) all Letter of Credit Fees (as defined in the Existing Credit Agreement) have been paid.

ARTICLE V

CONDITIONS TO CREDIT EXTENSIONS

Section 5.1. Conditions to Initial Credit Extensions. The fulfillment (to the reasonable satisfaction of the Agent) of the following conditions precedent shall be required before this Agreement becomes effective and before the Lenders have any obligation to make the initial Credit Extensions:

(a) Transaction Documents and Loan Documents.

(i) Each of the Transaction Documents shall have been duly and properly authorized, executed and delivered by the respective party or parties thereto and each of the Transaction Documents and the Loan Documents shall be in full force and effect as of the effectiveness of this Agreement.

(ii) An executed original of each of the Revolving Credit Notes and the Term Loan A Notes shall have been delivered to the Agent. Executed originals or (as the case may be) executed counterparts of each of the other Transaction Documents shall have been delivered to the Agent. Each of the Transaction Documents (other than this Agreement) executed and delivered to the Agent shall be substantially in the form of the appropriate Exhibit hereto.

(b) Corporate Documents. The Agent shall have received:

(i) a copy of the certificate of incorporation of each Borrower Affiliated Company, certified as of a recent date by the Secretary of State of the state of incorporation of each Borrower Affiliated Company;

(ii) a certificate stating that each Borrower Affiliated Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, signed as of a recent date by the Secretary of State of such state;

(iii) a certificate stating that (A) each Borrower Affiliated Company is qualified to do business under the laws of each state wherein the character of the properties owned or held under lease by any Borrower Affiliated Company or the nature of the Business conducted by it would require that such Borrower Affiliated Company qualify as a foreign corporation and (B) such Borrower Affiliated Company is in good standing under the laws of such state, signed as of a recent date by the Secretary of State of such state; and

(iv) a certificate of a duly authorized officer of each Borrower Affiliated Company dated the Effective Date and certifying (A) that attached thereto is a true and complete copy of the by-laws of each Borrower Affiliated Company as in effect on the Effective Date, (B) that the articles of incorporation of each Borrower Affiliated Company have not been amended since the last amendment referred to in the certificates delivered pursuant to clause (i) above, (C) that attached thereto are

true and correct copies of the records of all corporate action taken by each Principal Company to authorize its execution and delivery of the Transaction Documents and its performance of the Loan Documents (and the borrowings and other transactions contemplated thereby), and that such corporate actions have not been modified, rescinded or amended and are in full force and effect on the Effective Date, and (D) as to the incumbency, the name and a specimen signature of each individual who shall be authorized: (1) to sign, in the name and on behalf of such Principal Company, the Transaction Documents to which such Principal Company is or is to be a party; (2) to give notices and to take other action on its behalf under this Agreement; and (3) to make (in the case of the Borrower) applications for Loans and Letters of Credit.

(c) Representations and Warranties. Each of the representations and warranties made by or on behalf of any of the Principal Companies in any of the Transaction Documents or the other Loan Documents shall have been true and correct in all material respects when made, and shall continue to be true and correct in all material respects as of the effectiveness of this Agreement.

(d) Lien Searches. The Agent shall have received written advice, in form and substance reasonably satisfactory to the Agent, relating to such Lien and judgment searches as the Agent may require and the results of such searches shall be satisfactory to the Agent.

(e) Filings, Registration and Recordings. Any documents (including UCC-1 financing statements or UCC-3 termination statements) required by the Agent or the Agent's Special Counsel to be recorded or filed in order to (i) release any Liens on any Assets of the Principal Companies (other than Liens permitted by Section 9.2) and (ii) create, in favor of the Collateral Trustee, a perfected first-priority Lien on Assets of the Principal Companies (other than those Assets listed on Schedule 4.4(a) or excluded by the express terms of the Security Documents) with respect to which a Lien may be perfected by filing a financing statement under the Uniform Commercial Code of the applicable jurisdiction, or by recording an assignment with the U.S. Patent and Trademark Office, or by recording a mortgage or deed of trust in the real estate records of the applicable jurisdiction, shall have been properly recorded or filed in each office in each jurisdiction required. The Agent shall have received acknowledgment copies of all such recordings and filings (or in lieu thereof, the Agent shall have received other evidence satisfactory to it that all such recordings and filings have been made); and the Agent shall have received evidence that all necessary recording and filing fees and all taxes or other expenses related to such filings have been paid in full. Any other action, including the taking of possession of securities or instruments by the Collateral Trustee, required in order to create in favor of the Collateral Trustee, for the ratable benefit of the Agent and the Lenders, a perfected first-priority Lien on the respective collateral described in any of the Security Documents to the extent such Liens may be perfected by filing a financing statement under the Uniform Commercial Code of the applicable jurisdiction, or by recording an assignment with the U.S. Patent and Trademark Office, or by recording a mortgage or deed of trust in the real estate records of the applicable jurisdiction, or by taking possession of the securities or instruments, shall have been properly taken in order to create such a perfected first-priority Lien, subject only to Liens permitted by Section 9.2.

(f) New Mortgage Amendments. The Agent shall have received evidence, in form and substance satisfactory to it, that each New Mortgage Amendment has been properly recorded or filed (or arrangements for such recording or filing have been made on terms satisfactory to the Agent) in each office in each jurisdiction required in order to amend the Mortgages relating to Material Real Property to provide the Collateral Trustee with a perfected Lien on all real estate owned by the Principal Companies described therein.

(g) Title Insurance Policies. New ALTA mortgagee policies or endorsements to each of the existing ALTA mortgagee policies of title insurance covering all Material Real Property which is the subject of a Mortgage shall have been issued to the Collateral Trustee by a title insurance company or title insurance companies satisfactory to the Agent, with proof of full payment for all fees and premiums for said endorsements. The form and substance of each such endorsement shall be satisfactory to the Agent and each such title insurance policy, as so endorsed, shall contain no Schedule B standard pre-printed exceptions (other than for taxes not yet deemed payable and matters which would be disclosed by a current survey of the property) and shall contain no exceptions to coverage other than for Liens which the Agent reasonably determines are Permitted Liens.

(h) Insurance. The Agent shall have received evidence, in form and substance satisfactory to the Agent, that (i) each Principal Company has obtained the policies of insurance required by the Loan Documents which insurance shall be in form and substance satisfactory to the Agent, and (ii) the Agent shall have been named additional insured with respect to all liability insurance policies to the extent requested by the Agent, and the Collateral Trustee shall have been named loss payee with respect to all casualty insurance policies to the extent requested by the Collateral Trustee and (iii) all other requirements of any Loan Document with respect to insurance shall have been fulfilled.

(i) Fees. The Borrower shall have paid to the Agent all fees required to be paid to the Agent on the Effective Date pursuant to the Fee Letter.

(j) Legal Opinions. The Agent shall have received a written legal opinion, with a counterpart for each Lender, addressed to the Agent and the Lenders, dated the Effective Date, from (i) Edwards & Angell, general counsel to the Principal Companies, and such opinion shall be in form and substance satisfactory to the Agent, and (ii) Smithwick & Belendiuk, P.C., special FCC counsel to the Principal Companies, and such opinion shall be in form and substance satisfactory to the Agent.

(k) Payment of Costs and Expenses. The Borrower shall have reimbursed the Agent for all reasonable out-of-pocket expenses (other than fees and disbursements of the Agent's Special Counsel) incurred by the Agent through the Effective Date in connection with structuring and syndicating the Facilities and preparation, review, negotiation, execution and delivery of the Transaction Documents and review of the Loan Documents. The Borrower shall have paid all amounts required to be paid by it through the Effective Date under the letter agreement (the "Special Counsel Fee Agreement") among the Borrower, the Agent and the Agent's Special Counsel in respect of fees and disbursements of the Agent's Special Counsel.

(l) Delivery of Financial Statements. The Borrower shall have furnished to each of the Lenders the Historical Financials and the Projections.

(m) Real Estate Appraisals not Required. The Agent shall be satisfied that no real estate appraisals are required or necessary as to the market value of any real property of the Principal Companies subject to a Mortgage under 12 U.S.C. 93a and title XI of the Financial Institutions, Reform, Recovery and Enforcement Act of 1989 and the corresponding regulations under 12 C.F.R. 34.41 et. seq. (1990).

(n) Delivery of Consents. The Agent shall have received copies of all consents referred to on Schedule 4.2 (except for those which, as stated on Schedule 4.2, shall not be delivered) including consents of the FCC, if any, required in connection with the transactions contemplated by the Transaction.

(o) Effective Date Certificate. The Agent shall have received the duly executed and completed Effective Date Certificate substantially in the form attached hereto as Exhibit D.

(p) Lender Assignments. Each Existing Lender which (i) is not becoming a Lender hereunder or (ii) is becoming a Lender hereunder but whose aggregate principal amount of Existing Loans (before giving effect to any Lender Assignment Agreements) was greater than its initial principal amount of Initial Term Loan A (as set forth on Schedule 1 hereto) shall have assigned all or a portion (as the case may be) of the Obligations of the Principal Companies to such Existing Lender under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) to the Agent for reallocation to new Lenders pursuant to the Lender Assignment Agreements and each such Existing Lender shall have delivered a fully executed copy of its Lender Assignment Agreement to the Agent and the Borrower shall have acknowledged and executed the same.

(q) Payment of Amounts Under Existing Credit Agreement. The Borrower shall have paid all accrued and unpaid interest on the Existing Loans through the Effective Date, all Fees (as defined in the Existing Credit Agreement) accrued and unpaid through the Effective Date and all other amounts required to be paid by the Principal Companies under the Loan Documents (as defined in the Existing Credit Agreement) through the Effective Date.

Section 5.2. Conditions Precedent to Each Credit Extension. The obligation of each Lender and the Issuing Bank to make any Credit Extension (including the initial Credit Extension) is subject to the satisfaction, as of the date of such Credit Extension, of each of the following conditions precedent:

(a) Required Notices.

(i) In the case of any requested Loan, the Agent shall have timely received from the Borrower an application for such Loan in accordance with Section 2.2 which notice without more shall constitute certification by the Borrower as to

the matters set forth in clause (ii) of paragraph (b) below and paragraphs (c), (d) and (e) below; and

(ii) In the case of any requested Letter of Credit, the Agent and the Issuing Bank shall have timely received from the Borrower a request for such Letter of Credit in accordance with Article III hereof, which notice without more shall constitute certification by the Borrower as to the matters set forth in paragraphs (b), (c), (d) and (e) below.

(b) Legality of Transactions. It shall not be unlawful (i) for the Collateral Trustee, the Agent or the Lenders to perform any of their obligations under any of the Loan Documents or (ii) for any Principal Company to perform any of its obligations under any of the Loan Documents.

(c) Representations and Warranties. Each of the representations and warranties made by the Principal Companies in this Agreement and the other Loan Documents shall be true and correct in all material respects when made and shall, for all purposes, be deemed to be repeated on the date of the application or request for such Credit Extension and on the date of such Credit Extension and shall be true and correct in all material respects on each of such dates, except for changes which are not prohibited hereunder or which have been consented to by the Required Lenders and none of which, either singly or in the aggregate, have had a Material Adverse Effect.

(d) Performance, Etc. Each Principal Company shall have duly and properly performed, complied with and observed in all material respects each of its obligations contained in this Agreement. No Default or Event of Default shall be continuing or shall result from the requested Credit Extension.

(e) WPOR Acquisition. With respect to the WPOR Term Loan A, the WPOR Acquisition shall satisfy the requirements necessary to constitute a "Permitted Acquisition" as defined in Section 1.1.

ARTICLE VI

GUARANTY

Section 6.1. Guaranty of Payment.

(a) Guaranty. The Guarantors hereby absolutely and unconditionally, and jointly and severally, guaranty (for purposes of this Article VI, the "Guaranty") to the Agent, the Issuing Bank and each Lender the due and punctual payment in full of all the Obligations in accordance with their respective terms, whether such Obligations are outstanding on the date of this Agreement or arise or are incurred at any time or times thereafter.

(b) Guaranty of Payment. If any Principal Company shall fail to make any payment of any of its Obligations to the Agent, the Issuing Bank or any Lender when and as the same shall become due and payable, the Guarantors absolutely and unconditionally

promise to make such payment to the Agent, the Issuing Bank or such Lender forthwith upon demand by the Agent, the Issuing Bank or such Lender.

(c) Unlimited Guaranty. Subject to the provisions of Section 6.7, the liability of each Guarantor under this Guaranty shall be unlimited.

(d) Guaranty Absolute. This Guaranty and the obligations of the Guarantors hereunder shall be in addition to and shall not in any way be prejudiced or affected by any other Collateral now or at any time or times hereafter held by the Agent, the Collateral Trustee, the Issuing Bank or any Lender, and every right, remedy, power or privilege given to the Issuing Bank, the Lenders or the Agent under this Guaranty shall be in addition to and not in limitation of any and every other right, remedy, power or privilege vested in the Agent, the Collateral Trustee, the Issuing Bank or any Lender under any other Collateral. No assurance, security or payment of any of the Obligations which is avoided under any enactment relating to bankruptcy or liquidation or insolvency, and no release, settlement or discharge given or made by the Issuing Bank, any Lender or the Agent on the faith of any such assurance, security or payment, shall prejudice or affect the rights of the Issuing Bank, the Lenders and the Agent to recover from the Guarantors to the full extent of this Guaranty as if such assurance, security, payment, release, settlement or discharge (as the case may be) had never been given or made.

(e) Covenant by Guarantors. Without prejudice to any of the obligations of the Guarantors to the Issuing Bank, the Lenders and the Agent under the foregoing paragraphs of this Section 6.1, which obligations are absolute and unconditional, but as a separate undertaking on the part of the Guarantors, the Guarantors hereby absolutely covenant and agree to cause, to the extent it is able, each Principal Company to perform and comply with all of the promises, covenants, agreements and conditions to be performed and complied with by such Principal Company which are contained in any of the Loan Documents, and the Guarantors hereby further agree to take or to cause to be taken, promptly and without any expense to the Agent, the Issuing Bank, or the Lenders, all such measures as may be appropriate and can lawfully be effected by such Guarantors to prevent the occurrence of any Default or Event of Default and to cure or make good promptly any Default or Event of Default which may occur at any time or times.

Section 6.2. Waivers of Notice, Etc. It is the express intention of the Guarantors, the Issuing Bank, the Lenders and the Agent that the obligations of the Guarantors to the Issuing Bank, the Lenders and the Agent under this Guaranty, this Agreement and under any of the other Loan Documents shall not be to any extent or in any way or manner whatsoever satisfied, discharged, impaired or otherwise affected, except by the payment of the Obligations to the Agent, the Issuing Bank and the Lenders, and then only to the extent of such payment. Without limitation of the generality of the foregoing provisions of this Section 6.2, the obligations of the Guarantors to the Issuing Bank, the Lenders and the Agent under this Guaranty shall not be to any extent or in any way or manner whatsoever satisfied, discharged, impaired or otherwise affected by any of the following, whether or not the Guarantors shall have had any notice thereof:

(a) The dissolution, termination of existence, insolvency, business failure, appointment of a receiver for all or any part of the property of, assignment for the benefit

of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by or against, any Guarantor, any Principal Company, the Issuing Bank, the Agent or any Lender;

(b) The absorption, merger or consolidation of, or the effectuation of any other change whatsoever in the name, membership, constitution or place of formation of, any Guarantor, any Principal Company, the Agent, the Issuing Bank or any Lender;

(c) Any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any partial payment thereon, any and all other indulgences whatsoever by the Agent, the Issuing Bank or any Lender in respect of any of the Obligations, the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any person or persons primarily or secondarily liable in respect of any of the Obligations;

(d) Any action or delay in acting or failure to act on the part of the Agent, the Issuing Bank or any Lender under any of the Loan Documents or in respect of any of the Obligations or any of the Collateral or otherwise, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy against any Guarantor or other persons under any of the Loan Documents or provided by statute or at law or in equity;

(e) Any modification or amendment of, or any supplement or addition to, the Obligations, this Agreement, any Note, or any of the other Loan Documents;

(f) Any waiver, consent or other action or acquiescence by the Agent, the Issuing Bank or any Lender at any time or times in respect of any default by any Guarantor or other persons in the performance or observance of or compliance with any term, covenant or condition contained in any of the Loan Documents;

(g) The existence or creation at any time or times on or after the date of this Agreement of any claim, defense, right of set-off or counterclaim of any nature whatsoever of any Guarantor against any Principal Company, the Agent, the Issuing Bank or any Lender, or of any Principal Company against any Guarantor, the Agent, the Issuing Bank or any Lender; or

(h) This Agreement, the Notes, any of the other Loan Documents or any provisions of any thereof shall at any time and for any reason whatsoever cease to be in full force and effect or shall be declared null and void or illegal, invalid, unenforceable or inadmissible in evidence.

Each of the Guarantors hereby absolutely, unconditionally and irrevocably assents to and waives notice of any and all events, conditions, matters and things hereinbefore specified in clauses (a) through (h), inclusive, of the foregoing sentence of this Section 6.2. Each of the Guarantors hereby irrevocably waives presentment, demand, notice, protest, notice of protest, notice of dishonor and all other demands and notices in connection with

the delivery, acceptance, performance, default or enforcement of this Agreement, any Note, any of the other Loan Documents, any of the Obligations or any of the Collateral.

Section 6.3. Election of Remedies. This Guaranty hereby made by the Guarantors is the guaranty of the full and punctual payment and performance by each Principal Company of all the Obligations and not of the collectability only of such Obligations. This Guaranty may be enforced by the Agent, the Issuing Bank or any Lender from time to time as often as the occasion therefor may arise, regardless of the adequacy of any other Collateral, and without any requirement on the part of the Agent, the Issuing Bank or any Lender first to exercise any rights or remedies against any other persons or to exhaust any remedies available to the Agent, the Issuing Bank or any Lender against any other Guarantor or any other persons or to resort to any Collateral in the possession of the Agent, the Issuing Bank, any Lender or the Collateral Trustee or under the control of the Agent, the Issuing Bank, any Lender or the Collateral Trustee or to resort to any other source or means of obtaining payment or enforcing performance of the Obligations or any of them.

Section 6.4. Expenses. The Guarantors hereby, jointly and severally, unconditionally agree to pay to the Agent, on demand at any time by the Agent, any and all reasonable costs and expenses which shall at any time or times be incurred or sustained by the Agent, the Issuing Bank or any Lender in connection with the enforcement by the Agent, the Issuing Bank or any Lender of all or any of the rights, remedies, powers or privileges of the Agent, the Issuing Bank or such Lender under Article VI of this Agreement (including, without limitation, the reasonable fees and disbursements of counsel incurred by the Agent, the Issuing Bank or any Lender in connection therewith).

Section 6.5. Unenforceability of Obligations. It is hereby agreed by each Guarantor as a separate and independent stipulation that, if any other Guarantor shall cease to have any obligation to discharge its Obligations or any of them or if any of the moneys included in the Obligations shall become irrecoverable from any other Guarantor or if any of the Obligations shall become invalid or unenforceable, in whole or in part, against any other Guarantors for any reason whatsoever (legal or otherwise), including, but not limited to, any of the following reasons: (a) any defect in or insufficiency of the powers of any other Guarantors or any irregular or improper exercise thereof, or (b) the operation of any statute of limitations or the operation of any other laws now or hereafter in effect, or (c) the existence of any legal limitation, disability or incapacity affecting or otherwise relating to any other Guarantor, then this Guaranty and the obligations of such Guarantor to the Agent, the Issuing Bank and the Lenders hereunder shall nevertheless be binding on and enforceable against such Guarantors as if the Obligations were, at the time of demand by the Agent, the Issuing Bank or any Lender upon the Guarantors for payment under this Guaranty, fully valid and enforceable against such other Guarantors and as if such Guarantors were, at the time of such demand, the principal debtors in respect of all of the Obligations.

Section 6.6. Subrogation Rights; Subordination of Subrogation Rights. The rights which any Guarantor shall acquire against any Principal Company as a consequence of making any payment to the Agent, the Issuing Bank or any Lender under its Guaranty are, in this Section 6.6, collectively called the "Subrogation Rights." In the event of any

proceeding for the distribution, division or application of all or any part of the assets of any such Principal Company, whether such proceeding be for the liquidation, dissolution or winding up of such Principal Company, a receivership, insolvency or bankruptcy proceeding, an assignment for the benefit of creditors, or a proceeding by or against such Principal Company for relief under any bankruptcy, reorganization or insolvency law, if all of the Obligations have not been paid and satisfied in full in cash at the time, the Agent is hereby irrevocably authorized by such Guarantor at any such proceeding:

(a) To enforce all the Subrogation Rights of such Guarantor, either in the name of the Agent, the Issuing Bank or the Lenders or in the name of such Guarantor, by proof of debt, proof of claim, suit or otherwise;

(b) To collect any assets of such Principal Company distributed or applied by way of dividend or payment on account of such Subrogation Rights, and to apply the same, or the proceeds of any realization thereof, towards the payment of Obligations until all Obligations have been paid and satisfied in full; and

(c) To vote claims arising under or in respect of all such Subrogation Rights.

So long as any Obligations remain unpaid, no Guarantor shall take any action of any kind to enforce any of its Subrogation Rights, and no Guarantor shall receive or accept from any Person or Persons any payments or other distributions in respect of any of its Subrogation Rights. Should any payment on account of any Subrogation Rights be received by any Guarantor, such payment shall be delivered by such Guarantor forthwith to the Agent in the form received by such Guarantor, except for the addition of any endorsement or assignment necessary to effect transfer of all rights therein to the Agent, the Issuing Bank and the Lenders. Until so delivered, each such payment shall be held by such Guarantor in trust for the ratable benefit of the Agent, the Issuing Bank and the Lenders and shall not be commingled with any other funds of any Guarantor.

Section 6.7. Limitation on Obligations. It is the intention and agreement of each of the Guarantors, the Agent, the Issuing Bank and the Lenders that the obligations of each Guarantor under the provisions of this Article VI shall be in, but not in excess of, the maximum amount permitted by applicable law. Accordingly, notwithstanding anything to the contrary contained in this Article VI, the obligations of each Guarantor under this Article VI shall be reduced to that amount which, after giving effect thereto, would not render such Guarantor insolvent or unable to pay its debts and liabilities as they mature or leave such Guarantor with unreasonably small capital or otherwise exceed the maximum amount permitted under any federal or state fraudulent conveyance law applicable to this Article VI. This Section 6.7 is intended solely to preserve the rights of the Agent, the Issuing Bank and the Lenders under this Agreement to the maximum extent permitted by applicable law and no Guarantor nor any other person shall have any right under this Section 6.7 that it would not otherwise have under applicable law.

ARTICLE VII

DELIVERY OF FINANCIAL REPORTS, DOCUMENTS
AND OTHER INFORMATION

The Principal Companies agree with the Agent and each of the Lenders that, until all Commitments have been terminated, all Letters of Credit have been fully drawn or have terminated or expired and all Obligations have been paid in cash in full, the Principal Companies shall deliver to each Lender:

Section 7.1. Annual Financial Statements. Annually, as soon as available, but in any event within ninety (90) days after the last day of each of the Borrower's fiscal years, consolidated and consolidating balance sheets of the Borrower and its Subsidiaries at such last day of such fiscal year, and consolidated and consolidating statements of operations and cash flow for such fiscal year, each prepared in accordance with GAAP consistently applied, in reasonable detail, and, as to the consolidated statements, certified without qualification by Ernst & Young or another firm of independent certified public accountants satisfactory to the Agent, or certified, as to the consolidating statements, by the Chief Financial Officer, as fairly presenting the financial position and the results of operations of the Borrower and its Subsidiaries as at and for the year ending on its date and as having been prepared in accordance with GAAP.

Section 7.2. Quarterly Financial Statements. As soon as available, but in any event within sixty (60) days after the end of each of the Borrower's fiscal quarters, a consolidated and consolidating balance sheet of the Borrower and its Subsidiaries as of the last day of such quarter and consolidated and consolidating statements of operations and cash flow for such quarter, together with comparative consolidated and consolidating figures for the immediately preceding fiscal quarter of the Borrower, all in reasonable detail, each such statement to be certified in a certificate of the Chief Financial Officer as accurately representing the financial position and the results of operations of the Borrower and its Subsidiaries as at its date and for such quarter and for the portion of the fiscal year then ended and as having been prepared in accordance with GAAP consistently applied (subject to year-end audit adjustments).

Section 7.3. Compliance Information. Concurrently with any delivery of financial statements under Sections 7.1 or 7.2, a certificate, in form and substance reasonably satisfactory to the Agent, of the Chief Financial Officer of the Borrower (i) certifying that as of the effective date of the certificate, no Default or Event of Default is continuing or, if a Default or Event of Default is continuing, specifying the nature and the extent thereof and any corrective action taken or proposed to be taken with respect thereto, (ii) setting forth computations in reasonable detail (A) demonstrating compliance with the covenants set forth in Article X and Sections 9.1, 9.3 (with respect to Permitted Sales) and 9.5 and (B) in the case of any certificate delivered with Financial Statements under Section 7.1, calculating Excess Cash Flow for the fiscal year then ended (iii) certifying that the representations and warranties contained in Article IV hereof are true in all material respects and with the same effect as though such representations and warranties were made on the date of such certificate, except for changes which are not prohibited hereunder

or which have been consented to by the Required Lenders and none of which, either singly or in the aggregate, have had a Material Adverse Effect.

Section 7.4. Accountants' Reports. Promptly upon receipt thereof, copies of all management letters and other material reports submitted to any Principal Company by its independent accountants in connection with any annual or interim audit or review of the books of any Borrower Affiliated Company made by such accountants.

Section 7.5. Copies of Documents. Promptly upon their becoming available, copies of any: (i) financial statements, projections, non-routine reports, notices (other than routine correspondence), requests for waivers and proxy statements, in each case, delivered by any Borrower Affiliated Company to any lending institution other than the Lenders; (ii) correspondence or notices received by any Borrower Affiliated Company from any Governmental Authority which regulates the operations of the Principal Companies, including the FCC, relating to an actual or threatened change or development which could be materially adverse to the Borrower Affiliated Companies or any Station, and all applications for renewals of any of the FCC Licenses; (iii) registration statements, prospectuses and any amendments and supplements thereto, and any regular and periodic reports (including, without limitation, reports on Form 10K, Form 10Q or Form 8K), if any, filed by any Borrower Affiliated Company with any securities exchange or with the Securities and Exchange Commission or any Governmental Authority succeeding to any or all of the functions of the said Commission (collectively, the "Public Filings"); (iv) letters of comment or correspondence sent to any Borrower Affiliated Company by any such securities exchange or such Commission in relation to such Borrower Affiliated Company and its affairs; (v) written reports submitted by any Borrower Affiliated Company or by its independent accountants in connection with any annual or interim audit of the books of such Borrower Affiliated Company made by such accountants; (vi) any appraisals received by such Borrower Affiliated Companies with respect to the properties or assets of such Borrower Affiliate Company; and (vii) any report, document, notices or proxy statement sent by any Borrower Affiliated Company to any of its stockholders.

Section 7.6. Annual Budget. Annually, as soon as available but in any event within thirty (30) days after the last day of each of the Borrower's fiscal years, a summary of business plans in the form of consolidated and consolidating (on a station-by-station and market-by-market basis) financial operating projections for the Borrower and its Subsidiaries for the upcoming year, including (a) balance sheets, and (b) statements of operations and cash flows (indicating projected revenues and expenses), each prepared for the upcoming fiscal year on a monthly basis (together with reasonable assumptions and explanations attached thereto), all in form and substance satisfactory to the Required Lenders.

Section 7.7. Additional Information. Such other information regarding the business, affairs and condition of the Borrower and its Subsidiaries as the Agent or the Required Lenders may from time to time reasonably request, including monthly financial statements.

ARTICLE VIII

AFFIRMATIVE COVENANTS

The Principal Companies agree with the Agent and each Lender that, until all Commitments have been terminated, all Letters of Credit have been fully drawn or have terminated or expired and all Obligations have been paid in cash in full, each Principal Company shall and shall cause each of its Subsidiaries to:

Section 8.1. Payment and Performance of Obligations. Pay its Indebtedness and pay and perform its Contractual Obligations promptly and in accordance with their respective terms, including all Taxes, assessments and governmental charges upon its income or profits or in respect of its Assets and all lawful claims for labor, material and supplies or otherwise which, if unpaid, might give rise to a Lien upon its Assets, unless and to the extent that such Indebtedness or Contractual Obligations are being contested in good faith and by appropriate proceedings and that proper and adequate reserves relating thereto are established in accordance with GAAP by the appropriate Borrower Affiliated Companies and then only to the extent that a bond is filed in cases where the filing of a bond is necessary to avoid the creation of a Lien against any of its properties. Nothing in this Section 8.1 shall (i) relieve any Principal Company from its absolute and unconditional obligation to pay and perform all Obligations of such Principal Company promptly and in accordance with their respective terms, or (ii) require any Principal Company to pay or perform any obligations in respect of Subordinated Debt if prohibited by any subordination provisions applicable thereto.

Section 8.2. Conduct of Business. Do, or cause to be done, all things reasonably necessary to (i) preserve and keep in full force and effect its corporate existence and good standing under the laws of its jurisdiction of incorporation or organization, (ii) obtain, maintain, preserve, renew, extend and keep in full force and effect all permits, rights, licenses, franchises, authorizations, patents, Trademarks, Copyrights and privileges necessary for the proper conduct of its business, including FCC Licenses, (iii) conduct and operate its business substantially in the manner in which it is presently conducted and operated, (iv) comply in all material respects with all Requirements of Law, including the Communications Act, (v) comply with all its Governing Documents, (vi) maintain its qualification to do business in each jurisdiction in which the failure to do so would have a Material Adverse Effect, (vii) maintain and preserve all the remainder of its Assets and property, and all improvements thereon, in use or useful in the conduct of its business and keep the same in reasonable repair, working order and condition as the same is now or may hereafter be put (taking into consideration ordinary wear and tear), damage from casualty expressly not excepted, and from time to time make, or cause to be made, all needful and proper repairs, renewals and replacements, betterments, additions and improvements thereto consistent with industry practices, so that the business carried on in connection therewith may be properly and advantageously conducted at all times, such repairs, renewals and replacements, betterments, additions and improvements to be conducted in accordance with the terms of Section 8.5 and no Borrower Affiliated Company shall permit or commit waste on any of its properties, (viii) transact business in such names as such Borrower Affiliated Company has from time to time used in conducting its business, and (ix) maintain its executive offices and principal place of business at the

locations set forth on Schedule 8.2 hereto, or at such other place in the United States of America as the Borrower shall designate upon written notice to the Agent. Notwithstanding anything in this Section 8.1 or elsewhere in the Agreement to the contrary, the Borrower Affiliated Companies will not cause or permit any Station to:

(a) enter into any so called "local market agreements" or any other arrangements with any other Communication System (other than another Station) whereby the parties agree to function cooperatively in terms of programming, advertising, sales, management, consulting or similar services, except for (i) any such agreements or arrangements existing on the date hereof and described in Schedule 8.2(a) or (ii) any Permitted LMA Transactions; or

(b) enter into any so-called "time brokerage agreements" or any other agreements or arrangements under which any Station shall (i) sell broadcast time to any other Communication System (other than another Station) which programs such broadcast time and sells its own commercial advertising announcements during such broadcast time or (ii) purchase broadcast time on any other Communication System (other than another Station) for the purpose of programming such broadcast time and selling its commercial advertisements during such time, except for (i) such agreements or arrangements existing on the date hereof and described on Schedule 8.2(b) hereto or (ii) Permitted LMA Transactions; or

(c) otherwise enter into any oral or written agreement with any other Person (other than one of the Principal Companies) pursuant to which any employee or any Assets owned by any Borrower Affiliated Company would be used by or shared with any other Person (other than one of the Principal Companies).

Section 8.3. Books and Records. Keep proper books of record and account in a manner reasonably satisfactory to the Agent in which full, true and correct entries shall be made in accordance with GAAP and maintain adequate accounts and reserves for all Taxes (including income taxes), all depreciation, depletion, obsolescence and amortization of its properties, all other contingencies, and all other proper reserves. Maintain a fiscal year ending December 31 of each year.

Section 8.4. Inspections and Audits. Permit any officer or employee designated by the Agent or any Lender to visit and inspect any of its properties and to examine and audit its books and discuss the affairs, finances and accounts of any Borrower Affiliated Company with its officers, all at such reasonable times, upon reasonable notice, in a reasonable manner and as often as the Agent or the Required Lenders may reasonably request. The Principal Companies shall pay all reasonable out-of-pocket expenses incurred by any officers or employees of the Agent or any Lender in connection with any such visitation, audits and inspection.

Section 8.5. Insurance.

(a) Maintain insurance covering, without limitation, fire, public liability, property damage, product liability workers' compensation and insurance on all Assets of each Borrower Affiliated Company, all in amounts customary for the industry and under

policies issued by financially sound and reputable insurers satisfactory to the Agent and, with respect to any such insurance policies covering all or any portion of the Collateral, with a lender's loss payable clause in favor of the Collateral Trustee for the benefit of the Lenders, as their interests may appear, and naming the Agent as additional insured. All such policies of insurance shall be endorsed or otherwise amended to include a lender's loss payable endorsement, in form and substance reasonably satisfactory to the Collateral Trustee, which shall provide that, from and after the date, if any, on which the insurance carrier receives written notice from the Collateral Trustee that an Event of Default (a "Default Notice") has occurred, all proceeds otherwise payable to any Borrower Affiliated Company under such policies shall be payable directly to the Collateral Trustee. Such endorsement or an independent instrument furnished to the Collateral Trustee shall provide that the insurance carriers will give the Collateral Trustee at least 30 days' prior written notice before any such policy or policies of insurance shall be altered or canceled and that no act or default of any Borrower Affiliated Company or any other Person shall affect the right of the Collateral Trustee to recover under such policy or policies of insurance in case of loss or damage.

(b) Each of the Borrower Affiliated Companies irrevocably makes, constitutes, and appoints the Collateral Trustee (and all officers, employees, or agents designated by the Collateral Trustee) as such Borrower Affiliated Company's true and lawful attorney (and agent-in-fact) effective upon the giving of a Default Notice and the continuance of an Event of Default for the purpose of making, settling, and adjusting claims under policies of insurance, endorsing the name of such Borrower Affiliated Company on any check, draft, instrument or other item or payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Borrower Affiliated Company at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Collateral Trustee may, without waiving or releasing any obligation or liability of such Borrower Affiliated Company hereunder or any Event of Default, in the Collateral Trustee's sole discretion, obtain and maintain such policies of insurance and pay such premiums and take any other actions with respect thereto as the Collateral Trustee deems advisable. All such sums so disbursed by the Collateral Trustee, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by such Borrower Affiliated Company to the Collateral Trustee and shall be additional Obligations hereunder.

Section 8.6. Notice of Defaults, Litigation; Etc. Deliver to the Agent and the Lenders prompt written notice of the following:

(a) Any Default or Event of Default, specifying the nature and extent thereof and the corrective action proposed to be taken in respect thereto.

(b) The filing or commencement of or written notice of intention to file or commence any action, suit or proceeding, whether at law or at equity or by or before any Governmental Authority, by or against or affecting any Borrower Affiliated Company, that, if determined adversely to such Borrower Affiliated Company, could result in a Default or an Event of Default described in Section 11.1(i) hereof.

(c) Any development that has resulted in, or could reasonably be anticipated to result in, a Material Adverse Effect.

(d) Any termination, amendment, modification or supplement of any Governing Document of any Borrower Affiliated Company or any Ancillary Document or any waiver under any Ancillary Document, and deliver to the Agent copies of any such termination, amendment, modification, supplement, or waiver (to the extent the same is reflected in any writing).

Section 8.7. ERISA Notices.

(a) Promptly notify the Agent in writing of the occurrence of any ERISA Reportable Event, if a notice of such ERISA Reportable Event is required under ERISA to be delivered to the PBGC within thirty (30) days after the occurrence thereof, together with a description of such ERISA Reportable Event and a statement of the action the Principal Companies intends to take with respect thereto, together with a copy of any notice thereof given to the PBGC.

(b) Promptly upon filing the same with the Department of Labor or Internal Revenue Service, furnish to the Agent a copy of the most recent actuarial statement required to be submitted under 103(d) of ERISA and Annual Report, Form 5500, with all required attachments, in respect of each Guaranteed Pension Plan; and

(c) Promptly upon receipt or dispatch, furnish to the Agent any notice, report or demand sent or received in respect of a Guaranteed Pension Plan under 302, 4041, 4042, 4043, 4063, 4065, 4066 and 4068 of ERISA, or in respect of a Multiemployer Plan, under 4041A, 4202, 4219, 4242, or 4245 of ERISA.

Section 8.8. No Termination of Loan Documents, Etc. Take or cause to be taken, promptly and without expense to the Agent or the Lenders, all such action as may be required to prevent, and refrain from taking any action that might cause, the termination, cancellation, amendment, rescission or default of any provision of any of the Loan Documents other than in accordance with the terms thereof.

Section 8.9. Environmental Laws.

(a) Comply with, and use its best efforts to insure compliance by all tenants and subtenants, if any, with, all Environmental Laws and obtain and comply with and maintain, and use its best efforts to insure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, registrations or permits required by any Environmental Laws, except to the extent that the failure to do so could not have a Material Adverse Effect.

(b) Conduct and complete or cause to be conducted and completed all investigations, studies, sampling and testing, and all remedial, removal and other actions required under any Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities respecting Environmental Laws, except to the extent that the same are being contested in good faith by appropriate proceedings and the

pendency of such proceedings could not reasonably be expected to have a Material Adverse Effect or result in a Lien upon any real property of any of the Borrower Affiliated Companies.

(c) Promptly notify the Agent in writing if any Borrower Affiliated Company receives: (i) any notice of any violation or administrative or judicial complaint or order having been filed or about to be filed against any Borrower Affiliated Company alleging violations of any Environmental Law, or (ii) any notice from any Governmental Authority or any other Person alleging that any Borrower Affiliated Company is or may be subject to any Environmental Liability; and promptly upon receipt thereof, provide the Agent with a copy of such notice together with a statement of the action the Principal Companies intend to take with respect thereto.

Section 8.10. Interest Rate Protection. In the case of the Borrower, maintain and pay and perform as and when due and payable or required to be performed Interest Rate Contracts reasonably acceptable to the Agent which fix the interest cost to the Borrower on a notional principal amount of Indebtedness equal to not less than fifty percent (50%) of the aggregate principal amount of the Loans outstanding from time to time until the end of the three year period commencing on the Effective Date. The Agent hereby acknowledges that the Interest Rate Contracts to which the Borrower is a party on the date hereof are acceptable to the Agent.

Section 8.11. Governmental Approvals. Obtain all such approvals or consents from, and take all such other actions with respect to, any Governmental Authority as may be required for the execution, delivery and performance of the Loan Documents and the Ancillary Documents, and duly perform and comply with all of the terms and conditions of all approvals or consents so obtained.

Section 8.12. Collateral for Loans.

(a) Cause all outstanding shares of the Capital Stock of each Subsidiary of the Borrower to be pledged to the Collateral Trustee in accordance with the provisions of the Stock Pledge Agreements and Article IV, at all times from and after the effectiveness of this Agreement.

(b) From time to time, at its own cost and expense, promptly secure or cause to be secured the Obligations by creating or causing to be created in favor of the Collateral Trustee for the benefit of the Lenders perfected security interests (subject only to Liens permitted by the Security Documents) with respect to all inventory, receivables, equipment, accounts, Copyrights, patents, Trademarks, other general intangibles, real property (other than Immaterial Real Property) and other Assets of the Borrower Affiliated Companies, now owned, to the extent the Agent or the Required Lenders shall so request. All such security interests will be created under security agreements, mortgages and other instruments and documents in form and substance satisfactory to the Agent, and the Borrower shall deliver to the Collateral Trustee (with copies to the Agent) all such instruments and documents (including, without limitation, legal opinions, title insurance policies and lien searches) as the Agent or the Required Lenders shall reasonably request to evidence the satisfaction of the obligations created by this Section 8.12. The Borrower

agrees to provide such evidence as the Agent or the Required Lenders shall request as to the perfection and priority of such security interests (subject only to Liens permitted by the Security Documents).

Section 8.13. Dividends. In the case of the Borrower, permit its Subsidiaries to pay cash dividends or make advances or repay advances, and cause its Subsidiaries to pay such cash dividends or make such advances or repay such advances, to the extent required to ensure that the Borrower can pay its monetary Obligations as the same become due.

Section 8.14. Appraisals. If any Lender determines in good faith that it is required, by Applicable Law or by the Comptroller of Currency or any other Government Authority, to obtain appraisals as to the market value of any real property constituting Collateral, obtain such appraisals, at the sole cost and expense of the Principal Companies. Such appraisals shall conform in all respects with the requirements contained in 12 U.S.C. 93a and Title XI of the Financial Institutions, Reform, Recovery and Enforcement Act of 1989 and the corresponding regulations under 12 C.F.R. 34.41 et seq (1990) and shall be consistent with the Comptroller of the Currency's Guidelines for Real Estate Appraisal Policies and Review Procedures (as such Requirements of Law or such policies and procedures may be amended, supplemented, restated, or otherwise modified from time to time).

Section 8.15. Permitted Acquisitions.

(a) In the case of any personal property or fixtures acquired by a Borrower Affiliated Company after the effectiveness hereof in connection with a Permitted Acquisition (i) pledge such personal property or fixtures (to the maximum extent permitted by applicable law) to the Collateral Trustee as security for the payment in full of all the Obligations, pursuant to documentation satisfactory to the Agent (but in any event not materially more restrictive or burdensome than the Security Documents in effect as of the effectiveness hereof), within ten (10) days of such Borrower Affiliated Company acquiring such personal property or fixtures and (ii) perform any filings, recordings or other actions necessary in the reasonable judgment of the Agent to create in favor of the Collateral Trustee a perfected first-priority security interest in all such personal property or fixtures subject only to Liens permitted by Section 9.2 within ten (10) days of such Borrower Affiliated Company acquiring such personal property or fixtures.

(b) In the case of any Material Real Property acquired by a Borrower Affiliated Company after the effectiveness hereof in connection with a Permitted Acquisition, (i) execute and deliver to the Collateral Trustee, within fifteen (15) days after such Borrower Affiliated Company takes or receives possession of such Material Real Property, a mortgage granting to the Collateral Trustee a perfected Lien on such Material Real Property and (ii) deliver to the Collateral Trustee, within thirty (30) days after such Borrower Affiliated Company takes or receives possession of such Material Real Property, ALTA mortgage policies of title insurance covering all such Material Real Property and issued by title insurance companies satisfactory to the Agent, with proof of payment of all fees and premiums of such policy; provided, further that the amount, form and substance of each such mortgage title insurance policy shall be satisfactory to the Agent and each such title insurance policy shall contain no Schedule B standard preprinted exceptions

(other than for taxes not yet due and payable and matters which would be disclosed by a current survey of the property) and shall contain no exceptions for coverage other than for Liens which the Agent reasonably determines are Permitted Liens.

(c) Deliver to the Agent and the Agent's Special Counsel within ten (10) days after the date of any Permitted Acquisition, true, complete and correct copies of each instrument of transfer, officer's certificate, legal opinion and other instrument or agreement executed and delivered by the applicable seller and/or the applicable Borrower Affiliated Company in connection with such Permitted Acquisition.

Section 8.16. Further Assurances. Cooperate with the Agent and the Lenders and take such action and execute such further instruments and documents as the Agent shall reasonably request to further and more perfectly effect the purposes of this Agreement and the other Loan Documents.

ARTICLE IX

NEGATIVE COVENANTS

The Principal Companies agree with the Agent and each of the Lenders that, until all Commitments have been terminated, all Letters of Credit have been fully drawn or have terminated or expired and all Obligations have been paid in cash in full, the Principal Companies shall not and not permit any of their Subsidiaries to:

Section 9.1. Indebtedness. Create, incur, assume or permit to exist any Indebtedness to any Person, except:

(a) the Obligations;

(b) Taxes, assessments and governmental charges, non-interest bearing accounts payable and accrued liabilities, in any case not more than 120 days past due from the original due date thereof (except any such amounts that are not required to be paid in accordance with Section 8.1 or that are described on Schedule 4.11), and non-interest bearing deferred liabilities other than Indebtedness for Borrowed Money (e.g., deferred compensation and deferred taxes), in each case incurred and continuing in the ordinary course of business;

(c) Indebtedness consisting of purchase money debt and Capitalized Lease Obligations in a combined aggregate principal amount not exceeding at any time \$3,000,000;

(d) Subordinated Debt;

(e) Indebtedness of any Principal Company to any other Principal Company;

(f) Indebtedness of the Borrower Affiliated Companies in respect of endorsements of negotiable instruments for collection in the ordinary course of business;

(g) Indebtedness of the Borrower in respect of Guaranties of Indebtedness of any of the Borrower Subsidiaries;

(h) Indebtedness of Saga Broadcast in respect of Guaranties of Indebtedness of any of the Borrower Subsidiaries; and

(i) Indebtedness described on Schedule 9.1(i) annexed hereto.

Section 9.2. Liens. Create, incur, assume or permit to exist any Lien on any of its Assets, now owned or hereafter acquired, except:

(a) Liens created by the Security Documents;

(b) Permitted Liens;

(c) any Lien existing on any Asset prior to the acquisition thereof by any Borrower Affiliated Company; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition; (ii) such Lien does not apply to any other property or Assets of any Borrower Affiliated Company; (iii) such acquisition is permitted by this Agreement, and (iv) all Indebtedness secured by such Lien is permitted by this Agreement;

(d) (i) purchase money mortgages or security interests, conditional sale arrangements and other similar security interests, in real property, improvements thereto, equipment or motor vehicles acquired (or, in the case of improvements, constructed) by any Borrower Affiliated Company (hereinafter referred to individually as a "Purchase Money Security Interest") with proceeds of Indebtedness permitted by Section 9.1(c) and (ii) interests of lessors under Capitalized Leases entered into by any Borrower Affiliated Company and permitted by Section 9.1(c); provided, that with respect to any Purchase Money Security Interest:

(A) the transaction in which any Purchase Money Security Interest is proposed to be created shall not be prohibited by this Agreement;

(B) any Purchase Money Security Interest shall attach only to the Asset acquired (or constructed) and shall not extend to or cover any other Asset of any Borrower Affiliated Company; and

(C) the Indebtedness secured by any Purchase Money Security Interest shall not exceed the lesser of the cost or fair market value of the Asset acquired (or constructed) and shall not be renewed, extended or repaid from the proceeds of any borrowing by any Borrower Affiliated Company.

(e) Liens consisting of deposits made by any Principal Company to secure performance of its obligations in connection with Permitted Acquisitions;

(f) Liens on Assets of the Borrower Affiliated Companies existing on the date hereof and described in Schedule 9.2; provided that such Liens shall secure only those obligations which they secure on the date hereof; and

(g) Liens on amounts held in a post-closing escrow account securing indemnity obligations in connection with a Sale of Assets permitted hereunder.

Section 9.3. Mergers, Consolidations, Sales of Assets.

(a) Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or engage in any Sale of any of its Assets; except that, so long as no Default or Event of Default is continuing or would exist after giving effect thereto, the following shall be permitted:

(i) (A) any merger of any wholly-owned Subsidiary of the Borrower with and into the Borrower or any other wholly-owned Subsidiary of the Borrower or (B) any sale, transfer or other disposition by any wholly-owned Subsidiary of the Borrower of any Assets to the Borrower or any other wholly-owned Subsidiary of the Borrower; provided, that (1) the Agent is satisfied that none of the Collateral Trustee's Liens on the Assets of any Borrower Affiliated Company would become impaired, unperfected or unenforceable in any respect, and (2) the Agent is satisfied that all appropriate consents and approvals of any Governmental Authorities (including the FCC) have been obtained, and copies of all such consents and approvals have been delivered to the Agent;

(ii) any Permitted Sale; and

(iii) any sale of any Assets by any Principal Company; provided, that:

(A) the total consideration (taking appropriate account of any tax benefits associated with any sale in which such Principal Company obtains tax certificates issued by the FCC) payable to or receivable by such Principal Company in connection with such sale (1) is an amount not less than the fair value of the Assets sold and (2) consists of at least 90% cash which is (x) payable at the closing of such sale or (y) held in a post-closing escrow account as security for indemnity obligations;

(B) the aggregate annual Consolidated EBITDA attributable to all Assets sold by the Principal Companies during any Reference Period (determined separately for each sale of Assets based upon Consolidated EBITDA attributable to such Assets for the Reference Period ending most recently prior to the date of sale) shall not exceed ten percent (10%) of the Consolidated EBITDA of the Principal Companies for such Reference Period (determined without regard to any sales of Assets during such Reference Period); and

(C) the aggregate annual Consolidated EBITDA attributable to all Assets sold by the Principal Companies during the period commencing on January 1, 1996 and ending on the last day of any Reference Period (determined separately

for each sale of Assets based upon Consolidated EBITDA attributable to such Assets for the Reference Period ending most recently prior to the date of sale) shall not exceed twenty-five percent (25%) of the Consolidated EBITDA of the Principal Companies for such Reference Period (determined without regard to any sales of Assets during such Reference Period).

(b) Change the corporate structure or organization of the Borrower Affiliated Companies from that set forth in Schedule 9.3, provided, however, that any Principal Company may make a Permitted Acquisition and any Principal Company may form one or more wholly-owned Subsidiaries so long as:

(i) the Principal Companies shall notify the Agent and the Collateral Trustee at least ten (10) days prior to the formation or acquisition of such Subsidiary;

(ii) such new Subsidiary executes and delivers to the Agent and the Lenders (A) an accession agreement, in form and substance satisfactory to the Agent, pursuant to which such Subsidiary (1) becomes a party to this Agreement as a Principal Company and as a Guarantor, becomes a party to the Borrower Subsidiary Security Agreement as a Borrower Subsidiary, becomes a party to the Indemnity, Contribution and Subrogation Agreement as a Borrower Affiliated Company, and becomes a party to any other Loan Document as the Agent may reasonably request, and (2) agrees to perform and observe all of the obligations and covenants (including all obligations and covenants contained in Article VI hereof) of a Principal Company and a Guarantor hereunder, of a Borrower Subsidiary under the Borrower Subsidiary Security Agreement, of a Borrower Affiliated Company under the Indemnity, Contribution and Subrogation Agreement, and of the appropriate party under any other Loan Document to which it becomes a party and (B) a Borrower Subsidiary Trademark Security Agreement, if applicable;

(iii) all of the outstanding shares of capital stock of such new Subsidiary shall be pledged to the Collateral Trustee, for the ratable benefit of the Lenders, pursuant to a stock pledge agreement substantially in the form of the Borrower Stock Pledge Agreement;

(iv) such new Subsidiary shall otherwise grant a security interest in all of its Assets of the type described in the Borrower Subsidiary Security Agreement and the Intellectual Property Security Agreements to the Collateral Trustee as security for all the Obligations and shall make all filings, recordings and take such other actions (including the filing of financing statements and the filing of security agreements in the United States Patent and Trademark Office) required by the Agent or the Collateral Trustee in order to create, in favor of the Collateral Trustee, a perfected first-priority Lien on all of such Assets of the new Subsidiary (other than Assets of the type listed on Schedule 4.4(a)) and all of the capital stock of such new Subsidiary; and

(v) such new Subsidiary shall grant a security interest in and mortgage on its owned Material Real Property pursuant to a mortgage on such Assets in form

and substance satisfactory to the Agent and the Collateral Trustee, which mortgage shall be filed of record promptly after such new Subsidiary is formed and ALTA mortgagee policies of title insurance covering such Material Real Property and issued by title insurance companies satisfactory to the Agent, with proof of payment of all fees and premiums of such policy; provided, further that the amount, form and substance of each such mortgage title insurance policy shall be satisfactory to the Agent and each such title insurance policy shall contain no Schedule D preprinted exceptions (other than for taxes not yet due and payable and matters which would be disclosed by a current survey of the property) and shall contain no exceptions for coverage other than for Liens which the Agent reasonably determines are permitted liens.

Section 9.4. Investments. Make or suffer to exist or to remain outstanding any Investment, except:

(a) Investments in:

(i) marketable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within 90 days from the date of acquisition thereof;

(ii) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States or any state thereof maturing within 90 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from Standard & Poor's Corporation or from Moody's Investors Service, Inc.;

(iii) certificates of deposit, banker's acceptances and time deposits maturing within 90 days from the date of acquisition thereof issued or guaranteed by or placed with, and demand deposit accounts or money market deposit accounts issued or offered by, any commercial bank organized under the laws of the United States of America or any state thereof, but only so long as such commercial bank is a Lender or has a combined capital and surplus and undivided profits of not less than \$500,000,000, or has a credit rating of "A" or better from Standard & Poor's Corporation or from Moody's Investors Service, Inc.;

(iv) marketable direct obligations of any state of the United States or any political subdivision thereof maturing within 90 days from the date of acquisition thereof and having a credit rating of "A" or better from Standard & Poor's Corporation or from Moody's Investors Service, Inc.;

(b) Investments in the form of loans to employees of the Borrower Affiliated Companies (other than Christian), provided that the outstanding principal amount of all such loans to any one employee shall at no time exceed \$100,000 and that the aggregate outstanding principal amount of all such loans shall at no time exceed \$300,000, and no

such loan shall be made if, on the date of the proposed loan, any Default or Event of Default exists or would exist after giving effect to the making of any such loan;

(c) Investments of any Principal Company in any other Principal Company, and Investments of any Principal Company in any newly-formed or newly-acquired Subsidiary of any Principal Company, provided that all requirements of Section 9.3(c) in respect of such Subsidiary have been satisfied;

(d) Permitted Acquisitions;

(e) Investments consisting of loans evidenced by the Christian Note and interest accrued thereon;

(f) Investments in the form of deposits securing performance of any Principal Company's obligations in connection with a Permitted Acquisition;

(g) Investments in the form of promissory notes issued to any Principal Company in a sale of Assets permitted by Section 9.3(a)(iv); and

(h) Investments described in Schedule 9.4 hereto.

Section 9.5. Restricted Payments. Make any Restricted Payments, other than:

(a) payments of cash dividends, making of advances, and repayment of advances, in each case by any Subsidiary of the Borrower to the parent of such Subsidiary;

(b) if no Default or Event of Default is continuing or would exist after giving effect thereto, the Borrower may prepay Indebtedness for Borrowed Money permitted by Section 9.1(c) and secured by Liens permitted by Section 9.2(d) and Capitalized Lease Obligations; and

(c) payments by the Borrower to stockholders of the Borrower in an aggregate amount not to exceed \$20,000,000 (from and after the effectiveness hereof) to repurchase shares of Class A Common Stock of the Borrower; provided that, (i) no Default or Event of Default shall be continuing on the date of the proposed payment or would result from such payment, and (ii) prior to such repurchase, the Borrower shall have demonstrated to the reasonable satisfaction of the Agent (based on, among other things, operating and financial projections and pro forma financial statements delivered to the Agent and certified by the Chief Financial Officer) that, immediately after giving effect to such repurchase (including the making of any Loans and the incurrence of any Indebtedness required to finance such repurchase, all covenants (including all covenants contained in Article X hereof) contained herein (A) would be satisfied on a pro forma basis through the end of and for the Most Recent Reference Period, and (B) will be satisfied on a pro forma basis through the period ending two years after the date of such repurchase; and provided further, that the Borrower shall immediately retire any shares of its Class A Common Stock so repurchased.

Section 9.6. Issuance of Capital Stock. Issue any Capital Stock if (i) such Capital Stock is not Permitted Capital Stock or (ii) the issuance of such Capital Stock, or the exercise or conversion thereof, would result in a Change in Control.

Section 9.7. Sale and Leaseback. Enter into any arrangement, directly or indirectly, with any Person providing for the leasing by any Borrower Affiliated Company of real or personal property which has been or is to be sold or transferred by any Borrower Affiliated Company.

Section 9.8. ERISA Compliance.

(a) Engage in any "prohibited transaction" within the meaning of 406 of ERISA or 4975 of the Code which is not subject to an exemption under 408 of ERISA or 4975(d) of the Code and which could result in a material liability for any Borrower Affiliated Company.

(b) Permit any Guaranteed Pension Plan to incur an "accumulated funding deficiency", as such term is defined in 302 of ERISA, whether or not such deficiency is or may be waived.

(c) Fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of any Principal Company or any of its Subsidiaries pursuant to 302(f) or 4068 of ERISA.

(d) Permit or take any action which would result in the aggregate benefit liabilities (with the meaning of 4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities, by more than \$100,000.

Section 9.9. Amendment or Termination of Documents.

(a) Amend or supplement any Governing Documents of any Borrower Affiliated Company if the effect of such an amendment or supplementation could reasonably be expected to impair the rights or interests of the Lenders under the Loan Documents.

(b) Amend or supplement in any material respect or terminate or cancel any Ancillary Document (other than any Seller Debt Document) if the effect of such an amendment or supplementation could reasonably be expected to impair the rights or interests of the Lenders under the Loan Documents.

(c) Amend, supplement or otherwise modify in any respect any Seller Debt Document if such amendment or supplementation would (i) add any representation, covenant or agreement or event of default or make any representation, covenant or agreement or event of default more restrictive as to any Borrower Affiliated Company, (ii) alter any applicable subordination provisions, (iii) require any additional payment or prepayment of any principal, interest, fee or other amount, (iv) shorten the maturity or

increase the rate or amount or the frequency of payment of any principal, interest, fee or other amount, or (v) grant any Lien to any holder of any obligation under or in respect of any Seller Debt Documents. The Principal Companies will promptly provide to the Agent a copy of any amendment, supplement or modification whether or not such amendment, supplement or modification shall have required the consent of the Required Lenders.

(d) Waive, release, discharge or compromise any material obligations of any parties other than Borrower Affiliated Companies under any Ancillary Documents.

Section 9.10. Restrictive Agreements. Become or remain bound by any Contractual Obligation (other than the Loan Documents) which, directly or indirectly, prohibits or limits, or has the effect of prohibiting or limiting, or imposes materially adverse conditions on, (i) the incurrence of Indebtedness, the granting of Liens or the provision of Guaranties by any Borrower Affiliated Company, or (ii) the making of Distributions by any Subsidiary of the Borrower.

Section 9.11. Transactions with Affiliates. Except as otherwise expressly permitted by this Agreement, directly or indirectly (i) make any Investment in any Affiliate, (ii) sell, lease or otherwise dispose of any Assets or services to, or purchase, lease or otherwise acquire any Assets or services from, any Affiliate, or (iii) directly or indirectly engage in any other transaction with or for the benefit of, or make any payment or distribution to, any Affiliate; provided, that: (i) any employee (or former employee) of the Borrower owning any Common Stock may serve as an employee or director of any Borrower Affiliated Company and receive reasonable compensation for his services in such capacity, (ii) the Principal Companies may perform all their respective obligations under the Ancillary Documents in accordance with the terms thereof, and (iii) so long as no Default or Event of Default is continuing, any Borrower Affiliated Company may enter into any transaction with an Affiliate providing for the rendering or receipt of services or the purchase, sale or lease of assets in the ordinary course of business if the monetary or business consideration arising therefrom would be substantially as advantageous to such Borrower Affiliated Company as the monetary or business consideration which would obtain in a comparable arm's length transaction with a Person not an Affiliate, and such transaction is accurately reflected on the books of such Borrower Affiliated Company.

Section 9.12. Limitation on Operation of Saga Real Estate. Permit Saga Real Estate to conduct or engage in any business or operations of any kind, except the ownership (but not the operation) and other activities necessarily related to such ownership, of the transmitter site at 2900 S.E. 22d Street, Des Moines, Iowa.

ARTICLE X

FINANCIAL COVENANTS

The Principal Companies agree with the Agent and each Lender that, until all Commitments have been terminated, all Letters of Credit have been fully drawn or have terminated or expired and all Obligations have been paid in cash in full, the Principal Companies will not cause or permit:

Section 10.1. Maximum Total Funded Debt Leverage Ratio. The Total Funded Debt Leverage Ratio (as defined below) for any Reference Period ending during any period identified in the table below to be greater than the ratio specified below opposite such period:

Period -----	Maximum Total Funded Debt Leverage Ratio -----
Effective Date - 12/30/97	5.00:1
12/31/97 - 12/30/98	4.50:1
12/31/98 - 12/30/99	4.00:1
12/31/99 - Thereafter	3.50:1

As used in this Section 10.1, "Total Funded Debt Leverage Ratio" means, in relation to any Reference Period, the ratio of (i) Consolidated Total Funded Debt at the end of such Reference Period to (ii) Consolidated EBITDA for such Reference Period.

Section 10.2. Pro Forma Fixed Charges Coverage Ratio. The Pro Forma Fixed Charges Coverage Ratio (as defined below) for the Reference Period ending December 31, 1995 and any Reference Period ending thereafter (but excluding Reference Periods ending after June 30, 2003) to be less than 1.05:1. As used in this Section 10.2, "Pro Forma Fixed Charges Coverage Ratio" means, in relation to any Reference Period described in the previous sentence, the ratio of (i) Consolidated EBITDA for such Reference Period to (ii) Pro Forma Fixed Charges for the Reference Period commencing on the day following the last day of such Reference Period.

Section 10.3. Minimum Interest Coverage Ratio. The Interest Coverage Ratio (as defined below), for any Reference Period ending during any period identified in the table below to be less than the ratio specified below opposite such period:

Period -----	Minimum Interest Coverage Ratio -----
Effective Date - 3/30/98	2.00:1
03/31/98 - Thereafter	2.50:1

As used in this Section 10.3, "Interest Coverage Ratio" means, in relation to any Reference Period described in the previous sentence, the ratio of (i) Consolidated Net Operating Cash Flow for such Reference Period to (ii) Consolidated Total Interest Expense for such Reference Period.

Section 10.4. General Provisions Relating to Financial Terms and Covenants. In the event the Borrower or any of its Subsidiaries acquires or disposes of any Communications System or other business, the following adjustments shall be made:

(a) Consolidated EBITDA and Consolidated Net Operating Cash Flow. In determining Consolidated EBITDA or Consolidated Net Operating Cash Flow for any

period, there shall be (i) included in such Consolidated EBITDA or such Consolidated Net Operating Cash Flow (as the case may be) all EBITDA or Net Operating Cash Flow (as the case may be) attributable to any Communications System or other business acquired by the Borrower or any of its Subsidiaries during such period as if such Communications System or other business were acquired on the day before the first day of such period and (ii) excluded from such Consolidated EBITDA or such Consolidated Net Operating Cash Flow (as the case may be) all EBITDA or Net Operating Cash Flow (as the case may be) attributable to any Communications System or other business disposed of by the Borrower or any of its Subsidiaries during such period as if such Communications System or other business were disposed of on the day before the first day of such period. For purposes hereof, the EBITDA or Net Operating Cash Flow (as the case may be) attributable to any such acquired or disposed Communications System or other business prior to the date of acquisition or disposition thereof shall be determined in a manner consistent with the method for determining Consolidated EBITDA or Consolidated Net Operating Cash Flow (as the case may be), but on a non-consolidated basis (subject to any adjustments made pursuant to paragraph (c) below).

(b) Consolidated Total Interest Expense. In determining Consolidated Total Interest Expense for any period, there shall be (i) included all Consolidated Total Interest Expense attributable to Indebtedness incurred or assumed by the Borrower or any of its Subsidiaries during such period in connection with any Permitted Acquisition as if such Indebtedness was incurred or assumed on the day before the first day of such period and (ii) excluded all Consolidated Total Interest Expense attributable to that portion of the principal amount of the Loans prepaid during such period with Net Proceeds pursuant to Section 2.5(d) as if such portion of the principal amount of the Loans was prepaid on the day before the first day of such period.

(c) Additional Adjustments. For purposes of this Section 10.4, the EBITDA and the Net Operating Cash Flow attributable to any Communications System or other business acquired or disposed of by the Borrower or any of its Subsidiaries during any period may be adjusted to more accurately reflect the financial condition and results of operations of the acquired Communications System or other business after giving effect to the acquisition as mutually determined and agreed to by the Borrower and the Required Lenders. The Borrower and the Required Lenders shall each use good faith efforts to mutually determine and agree to any such adjustments. It is understood and agreed, however, that the Required Lenders shall have no liability for failing to agree to any such adjustments. In the case of an Acquisition by the Borrower or any of its Subsidiaries, such adjustments may reflect any cost savings (but not revenue enhancements) that would have been achieved if such business had been owned by the Borrower or one of its Subsidiaries for the entire relevant period including adjustments for excess owner's compensation, excess rent paid to related parties, directors' fees paid to related parties and workmen's compensation and other insurance expense in excess of that which would have been incurred under policies of the Borrower and its Subsidiaries existing at the time of such Acquisition.

ARTICLE XI

EVENTS OF DEFAULT; ACCELERATION

Section 11.1. Events of Default. The occurrence of any one or more of the following events or conditions shall constitute an "Event of Default":

(a) the Borrower shall fail to make any payment or mandatory prepayment of principal on any Note or to reimburse the Issuing Bank for any Letter of Credit Disbursement when and as the same becomes due and payable; or

(b) the Borrower shall fail to pay any interest on any Loan or Letter of Credit Disbursement or any Fee or any other amount (other than an amount referred to in paragraph (a) above) when and as the same shall become due and payable, and such default shall continue unremedied for three (3) Business Days; or

(c) any Principal Company shall fail to perform or observe any of its agreements contained in Section 8.15, Articles IX or X hereof; or

(d) any Principal Company shall fail to perform or observe any of its agreements in any of the Loan Documents (other than those specified in paragraphs (a), (b) or (c) above) and such failure shall remain unremedied upon the earlier to occur of thirty (30) days after any executive officer of the Borrower shall know thereof and thirty (30) days after notice thereof shall have been given to the Borrower by the Agent; or

(e) (i) any Borrower Affiliated Company shall fail to pay any principal, interest or other amounts due in respect of any Indebtedness for Borrowed Money (other than Subordinated Debt) and the aggregate amount not paid when due, together with other such amounts not paid when due by any Borrower Affiliated Companies, exceeds \$1,000,000; or (ii) Indebtedness for Borrowed Money (including Subordinated Debt) of any Borrower Affiliated Company is accelerated or otherwise becomes due and payable prior to its stated maturity and the aggregate amount accelerated or otherwise due and payable, together with other such amounts of any Borrower Affiliated Companies accelerated or otherwise due and payable, exceeds \$1,000,000; or (iii) any holder or holders (or any agent or trustee for any such holder or holders) of Indebtedness for Borrowed Money of any Borrower Affiliated Company take any legal proceeding against any Borrower Affiliated Company to collect such Indebtedness or to seek possession of any portion of the Collateral by any means or to enforce any provision of any agreement or instrument evidencing or governing such Indebtedness for Borrowed Money and such Indebtedness, together with other such Indebtedness of any Borrower Affiliated Companies with respect to which such legal proceedings have been taken, exceeds \$1,000,000; or

(f) any representation or warranty made or deemed made by or on behalf of any Principal Company in or in connection with any Loan Document or in any report, certificate, financial statement or other instrument furnished in connection with or pursuant to any Loan Document shall prove to have been false or misleading in any material respect when made or deemed made; or

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of any Borrower Affiliated Company or of a substantial part of the property or Assets of any Borrower Affiliated Company under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower Affiliated Company or for a substantial part of the property or assets of any Borrower Affiliated Company or (iii) the winding-up or liquidation of any Borrower Affiliated Company; and such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered; or

(h) any Borrower Affiliated Company shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Borrower Affiliated Company or for a substantial part of the property or Assets of any Borrower Affiliated Company, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing; or

(i) one or more judgments for the payment of money shall be rendered against any Borrower Affiliated Company which, together with other such judgments against any Borrower Affiliated Companies, exceed \$1,000,000, and the same shall remain undischarged, unsatisfied or unstayed or a bond sufficient to cover such judgment shall not have been provided by the Borrower for a period of 30 consecutive days, or any action shall be legally taken by a judgment creditor to levy upon Assets or properties of any Borrower Affiliated Company to enforce any such judgment; or

(j) any Borrower Affiliated Company or any ERISA Affiliate incurs any liability to the PBGC or a Guaranteed Pension Plan pursuant to Title IV of ERISA in an aggregate amount which, together with other such liabilities of any other Borrower Affiliated Companies, exceeds \$1,000,000; any Borrower Affiliated Company shall fail to make required contributions, in accordance with applicable provisions of ERISA, to each of the Plans; any Borrower Affiliated Company or any ERISA Affiliate is assessed withdrawal liability pursuant to Title IV of ERISA by a Multiemployer Plan in an aggregate amount which, together with other such assessed withdrawal liabilities of any Borrower Affiliated Companies, exceeds \$1,000,000; or any of the following occurs with respect to a Guaranteed Pension Plan: (i) an ERISA Reportable Event, provided the Required Lenders determine in their reasonable discretion that such event reasonably could be expected to result in liability of any Borrower Affiliated Company to the PBGC or the Plan in an aggregate amount, together with other such liabilities of any Borrower Affiliated Companies, exceeds \$1,000,000 and such event or events in the circumstances occurring reasonably could constitute grounds for the termination of such Plan by the PBGC or for the appointment by

the appropriate United States District Court of a trustee to administer such Plan; (ii) the appointment by a United States District Court of a trustee to administer such Plan; or (iii) the institution by the PBGC of proceedings to terminate such Plan; or

(k) any of the Liens granted to the Collateral Trustee for the ratable benefit of the Agent and the Lenders under the Security Documents on any substantial and material portion of the Collateral shall fail to be valid, perfected Liens, subject to no prior or equal Lien, except as permitted by Section 9.2 or shall become otherwise impaired or unenforceable in any material respect; or

(l) the loss, revocation or failure to file for renewal of any FCC License; the commencement of proceedings by the FCC to suspend, revoke, terminate or substantially and adversely modify any FCC License, which proceedings are resolved unfavorably to the applicable Borrower Affiliated Company and which resolution shall be Final; or the designation of an application for renewal of any such FCC License for an evidentiary hearing upon issues related to the basic qualifications of the applicable Borrower Affiliated Company to be an FCC licensee which hearing is resolved unfavorably to such Borrower Affiliated Company and which resolution shall be Final, which FCC License is now held or hereafter acquired by such Borrower Affiliated Company and is necessary for the continued operation of such Borrower Affiliated Company's business in the same manner as is being conducted at the time of such loss, revocation, failure to renew, commencement of proceedings or designation for hearing; or

(m) there shall have occurred a Change in Control; or

(n) any Governmental Authority shall (i) enter a judgment, order or decree requiring any Borrower Affiliated Company to divest itself of all or any substantial part of its property or Assets, or (ii) take any action of any kind whatever for the dissolution of any Borrower Affiliated Company or for the suspension of any material operations of any Borrower Affiliated Company; or

(o) (i) a judgment creditor of any Principal Company shall obtain possession of any substantial and material portion of the Collateral by any means, including, without limitation, levy, distraint, replevin or self-help; or (ii) any substantial portion of the Collateral shall be taken by eminent domain or condemnation; or (iii) a material provision of any of the Loan Documents shall cease for any reason to be in full force and effect other than pursuant to the terms of the Loan Documents or as a result of a waiver or amendment by the Lenders or the Required Lenders, as applicable, or any party thereto shall purport to disavow its material obligations thereunder or shall declare that it does not have any further obligation thereunder or shall contest the validity or enforceability thereof.

Section 11.2. Termination of Commitments; Acceleration of Obligations. If any one or more Events of Default shall at any time occur (other than an Event of Default described in Sections 11.1(g) or 11.1(h)):

(a) the Agent, at the request of the Required Lenders, shall, by written notice to the Borrower, take any or all of the following actions, at the same or different times: (i)

terminate forthwith all the Commitments or (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Principal Companies accrued hereunder and under any other Loan Document, shall become forthwith due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Principal Companies, anything contained herein or in any other Loan Document to the contrary notwithstanding; and if any one or more Events of Default described in Sections 11.1(g) or 11.1(h) above shall at any time occur, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Principal Companies accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Principal Companies, anything contained herein or in any other Loan Document to the contrary notwithstanding.

(b) Subject to the provisions of Article XII hereof, each of the Lenders, the Agent and the Collateral Trustee may proceed to protect and enforce all or any of its rights, remedies, powers and privileges under this Agreement, the Notes or the other Loan Documents by action at law, suit in equity or other appropriate proceedings, whether for specific performance of any covenant contained in this Agreement, the Notes or any of the other Loan Documents or in aid of the exercise of any power granted to the Agent, the Collateral Trustee or any Lender herein or therein. Neither the Agent, the Lenders nor the Collateral Trustee shall be required to marshal any present or future Collateral or any other present or future security for or guaranties of, all or any of the Obligations or to resort to any such Collateral, securities or guaranties in any particular order.

Section 11.3. No Implied Waivers; Rights Cumulative. No delay on the part of the Collateral Trustee, the Agent, the Issuing Bank or any Lender in exercising any right, remedy, power or privilege under any of the Loan Documents or provided by statute or at law or in equity or otherwise shall impair, prejudice or constitute a waiver of any such right, remedy, power or privilege or be construed as a waiver of any Default or Event of Default or as an acquiescence therein. No right, remedy, power or privilege conferred on or reserved to the Collateral Trustee, the Agent, the Issuing Bank or any Lender under any of the Loan Documents or otherwise is intended to be exclusive of any other right, remedy, power or privilege. Each and every right, remedy, power and privilege conferred on or reserved to the Collateral Trustee, the Agent, the Issuing Bank or any Lender under any of the Loan Documents or otherwise shall be cumulative and in addition to each and every other right, remedy, power or privilege so conferred on or reserved to the Collateral Trustee, the Agent, the Issuing Bank or any Lender and may be exercised at such time or times and in such order and manner as the Collateral Trustee, the Agent, the Issuing Bank or any Lender shall (in its sole and complete discretion) deem expedient.

Section 11.4. Letters of Credit. If any one or more Events of Default shall at any time occur (other than an Event of Default described in Section 11.1(g) or 11.1(h)) the Agent may and, at the request of the Required Lenders, shall, by written notice to the Borrower, take any or all of the following actions, at the same or different times:

(a) declare all obligations of the Borrower under any outstanding Letter of Credit Disbursement, all the unpaid interest accrued thereon and all (if any) other sums payable by the Borrower under Article III of this Agreement, to be immediately due and payable;

(b) send notices to all or any of the beneficiaries of the Letters of Credit advising such beneficiaries of the intention and desire of the Agent, as directed by the Required Lenders, to effect the termination, cancellation and surrender of such Letters of Credit in thirty (30) days, provided, however, that the Agent shall not send any such notice to any beneficiary unless the Agent has requested that the Principal Companies deliver cash collateral to the Agent pursuant to paragraph (c) below and the Principal Companies have failed to deliver such cash collateral to the Agent within ten (10) days of such request; and

(c) require that the Borrower deliver to the Agent, on behalf of the Issuing Bank, cash collateral in an amount equal to the face amount of all Letters of Credit which remain outstanding; and if any one or more Events of Default described in Sections 11.1(g) or 11.1(h) shall occur, then (i) all of the obligations of the Borrower under any outstanding Letter of Credit Disbursement, together with accrued interest thereon and all (if any) other sums payable by the Borrower under Article III of this Agreement, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Principal Companies, anything contained herein or in any other Loan Document to the contrary notwithstanding and (ii) the Agent may take any or all of the actions set forth in clauses (b) and (c) of this Section 11.4.

ARTICLE XII

THE AGENT

Section 12.1. Appointment, Powers and Immunities. Each Lender hereby irrevocably appoints and authorizes the Agent to act as its agent hereunder and under the other Loan Documents (excluding the Security Documents) with such powers as are specifically delegated to the Agent by the terms of this Agreement and such other Loan Documents together with such other powers as are reasonably incidental thereto. The Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents and shall not be a trustee for any Lender. The Agent shall not be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or the other Loan Documents or in any certificate or other documents referred to or provided for in, or received by any of them under, this Agreement or the other Loan Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the other Loan Documents or any other document referred to or provided for herein or therein or for the collectability of the Loans or for the validity, effectiveness or value of any interest or security covered by the Security Documents or for the value of any Collateral or for the validity or effectiveness of any assignment, mortgage, pledge, security agreement, financing statement, document or instrument, or for the filing, recording, re-filing, continuing or re-recording of any thereof or for any failure by the Borrower or any of the

other Borrower Affiliated Companies to perform any of its obligations hereunder or under the other Loan Documents. The Agent may employ agents and attorneys-in-fact and shall not be answerable, except as to money or securities received by it or its authorized agents, for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither the Agent nor any of its directors, officers, employees or agents shall be liable or responsible for any action taken or omitted to be taken by it or them hereunder, or the other Loan Documents or in connection herewith or therewith, except for its or their own gross negligence or willful misconduct.

Section 12.2. Reliance by Agent. The Agent shall be entitled to rely upon any certification, notice or other communication (including any thereof by telephone, telex, telegram or cable) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the Agent. As to any matters not expressly provided for by this Agreement or the other Loan Documents, the Agent shall in all cases be fully protected in acting, or in refraining from acting hereunder or under the other Loan Documents in accordance with instructions signed by the Required Lenders, and such instructions of the Required Lenders and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders.

Section 12.3. Events of Default. The Agent shall not be deemed to have knowledge of the occurrence of a Default (other than the non-payment of principal, interest or fees on Loans) unless the Agent has received notice from a Lender or the Borrower specifying such Default and stating that such notice is a "Notice of Default". In the event that the Agent receives such a notice of the occurrence of a Default, the Agent shall give prompt notice thereof to the Lenders (and shall give each Lender notice of each such non-payment). The Agent shall (subject to Section 12.7) take such action with respect to such Default as shall be directed by either all of the Lenders or the Required Lenders, as provided in Section 13.4.

Section 12.4. Rights as a Lender. The Agent and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to and generally engage in any kind of banking, trust or other business with the Borrower Affiliated Companies or their Affiliates, as if it were not acting as the Agent, and the Agent may accept fees and other consideration from the Principal Companies or their Affiliates, for services in connection with this Agreement or any of the other Loan Documents or otherwise without having to account for the same to the Lenders.

Section 12.5. Indemnification. The Lenders shall indemnify the Agent (to the extent not reimbursed by the Principal Companies under Sections 13.1 and 13.2), ratably in accordance with the aggregate principal amount of the outstanding Loans made by the Lenders (or, if no Loans are at the time outstanding, ratably in accordance with their respective Commitments), for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements or any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement or any of the other Loan Documents or any other documents contemplated by or referred to herein or therein or the transactions contemplated by or referred to herein or therein or the transactions contemplated hereby

and thereby (including, without limitation, the costs and expenses which the Principal Companies are obligated to pay under Sections 13.1 and 13.2, but excluding, unless a Default has occurred and is continuing, normal administrative costs and expenses incident to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof, or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of the party to be indemnified.

Section 12.6. Non-Reliance on Agent and Other Lenders. Each Lender agrees that it has, independently and without reliance on the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own credit analysis of the Borrower Affiliated Companies and decision to enter into this Agreement and that it will, independently and without reliance upon the 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 analysis and decisions in taking or not taking action under this Agreement or the other Loan Documents. The Agent shall not be required to keep itself informed as to the performance or observance by the Borrower Affiliated Companies of this Agreement or the other Loan Documents or any other document referred to or provided for herein or therein or to inspect the properties or books of the Borrower Affiliated Companies. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent hereunder or the other Loan Documents, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of the Borrower Affiliated Companies, which may come into the possession of the Agent or any of its Affiliates.

Section 12.7. Failure to Act. Except for action expressly required of the Agent hereunder, the Agent shall in all cases be fully justified in failing or refusing to act hereunder or thereunder unless it shall be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action.

Section 12.8. Resignation or Removal of Agent. Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by giving not less than thirty (30) days' prior written notice thereof to the Lenders and the Principal Companies and the Agent may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, after consultation with the Principal Companies, appoint a successor Agent which shall be one of the Lenders. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article XII shall continue

in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

Section 12.9. Sharing of Collateral and Payments.

(a) Prior to any acceleration of the Obligations:

(i) in the event that any Lender shall obtain payment in respect of a Note or a Letter of Credit Disbursement, or interest thereon, whether voluntarily or involuntarily, and whether through the exercise of a right of banker's lien, set-off or counterclaim against any Borrower Affiliated Company or otherwise, in a greater proportion than any such payment obtained by any other Lender in respect of the corresponding Note held by it or the share of any Letter of Credit Disbursement owed to it, then the Lender so receiving such greater proportionate payment shall (A) purchase for cash from the other Lender or Lenders such portion or each such other Lender's or Lenders' Loan or (B) reimburse for cash to the Lender or Lenders such portion of each such Lender's or Lenders' share of the Letter of Credit Disbursement, as shall be necessary to cause such Lender receiving the proportionate overpayment to share the excess payment with each Lender; and

(ii) in the event that any Lender shall obtain payment in respect of any Interest Rate Contract to which such Lender is a party, whether voluntarily or involuntarily, and whether through the exercise of a right of banker's lien, set-off or counterclaim against any Borrower Affiliated Company or otherwise, such Lender shall be permitted to retain the full amount of such payment and shall not be required to share such payment with any other Lender.

(b) Upon or following any acceleration of the Obligations, in the event that any Lender shall obtain payment in respect of a Note or Letter of Credit Disbursement, or interest thereon, or in respect of an Interest Rate Contract to which such Lender is a party, or receive any Collateral or proceeds thereof with respect to any Note, Letter of Credit Disbursement or any Interest Rate Contract to which it is a party, whether voluntarily or involuntarily, and whether from the Agent or the Collateral Trustee or through the exercise of a right of banker's lien, set-off or counterclaim against any of the Borrower Affiliated Companies, in a greater proportion than any such payment obtained by any other Lender in respect of the aggregate amount of the corresponding Note held by such Lender, the share of any Letter of Credit Disbursement owed to it and any Interest Rate Contract to which such Lender is a party, then the Lender so receiving such greater proportionate payment or such greater proportionate amount of Collateral, shall purchase for cash from the other Lender or Lenders such portion or each such other Lender's or Lenders' Loan, or shall reimburse for cash to each Lender or Lenders such portion of each such Lender's or Lenders' share of the Letter of Credit Disbursement, or shall provide the other Lenders with the benefits of any such Collateral as shall be necessary to cause such Lender receiving the proportionate overpayment to share the excess payment or benefits of such Collateral ratably with each Lender. For the purposes of this subsection 12.9(b), payments in respect of Notes or Letter of Credit Disbursements received by each Lender and receipt of Collateral by each Lender shall be in the same proportion as the proportion of: (A) the sum of: (x) the Obligations owing to such Lender in respect of the Note held by

such Lender, plus (y) the Obligations owing to such Lender in respect of Interest Rate Contracts to which such Lender is party, if any, plus (z) the Obligations owing to such Lender in respect of its share of any Letter of Credit Disbursement, if any, to (B) the sum of: (x) the Obligations owing to all of the Lenders in respect of all of the Notes, plus (y) the Obligations owing to all of the Lenders in respect of all Interest Rate Contracts to which any Lender is a party, plus (z) the Obligations owing to all of the Lenders in respect of all Letters of Credit Disbursements outstanding; provided, however, that, with respect to subsections 12.9(a)(i) and (b) above, if all or any portion of such excess payment or benefits is thereafter recovered from the Lender which received the proportionate overpayment, such purchase of Loans, reimbursement of Letter of Credit Disbursements or payment of benefits, as the case may be, shall be rescinded, and the purchase price, reimbursements and benefits returned, to the extent of such recovery, but without interest.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1. Fees and Expenses; Indemnity. The Principal Companies will promptly pay all reasonable costs of the Agent (except for fees of the Agent's Special Counsel incurred by Agent through the Effective Date) in structuring and syndicating the Facilities and in preparing, reviewing, negotiating, executing and delivering the Loan Documents and all reasonable costs and expenses of the issue of the Notes and all reasonable costs and expenses in reviewing the Ancillary Documents and of the Borrower's and the other Borrower Affiliated Companies' performance of and compliance with all agreements and conditions contained herein on its part to be performed or complied with (including, without limitation, all costs of filing or recording any assignments, mortgages, financing statements and other documents), and the reasonable fees and expenses and disbursements of counsel to the Agent in connection with the administration, interpretation and enforcement of this Agreement, the other Loan Documents and all other agreements, instruments and documents relating to this transaction, the consummation of the transactions contemplated by all such documents, the preservation of all rights of the Lenders and the Agent, the negotiation, preparation, execution and delivery of any amendment, modification or supplement of or to, or any consent or waiver under, any such document (or any such instrument which is proposed but not executed and delivered) and with any claim or action threatened, made or brought against any of the Lenders or the Agent arising out of or relating to any extent to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Subject to the Special Counsel Fee Agreement, the Borrower shall promptly pay all reasonable fees and disbursements of the Agent's Special Counsel incurred by the Agent through the Effective Date in connection with the preparation, execution and delivery of the Loan Documents, the review of the Ancillary Documents and the consummation of the transactions contemplated by all such documents. In addition, the Principal Companies will promptly pay all reasonable costs and expenses (including, without limitation, reasonable fees and disbursements of counsel) suffered or incurred by the Agent, each Lender and the Collateral Trustee in connection with its enforcement of the payment of the Notes held by it or any other sum due to it under this Agreement or any of the other Loan Documents or any of its other rights hereunder or thereunder. In addition to the foregoing, the Principal Companies shall

indemnify each Lender and the Agent and each of their respective directors, officers, employees, attorneys and agents against, and hold each of them harmless from, any loss, liabilities, damages, claims, costs and expenses (including reasonable attorneys' fees and disbursements) suffered or incurred by any of them arising out of, resulting from or in any manner connected with, the execution, delivery and performance of each of the Loan Documents, the Loans, the Letters of Credit and any and all transactions related to or consummated in connection with the Loans or the Letters of Credit. The indemnity set forth in the immediately preceding sentence shall include any losses, liabilities, damages, claims, costs and expenses suffered or incurred by any Lender or the Agent or any of their respective directors, officers, employees, attorneys or agents arising out of or related to any Environmental Matter, Environmental Liability or Environmental Proceeding, or in investigating, preparing for, defending against, or providing evidence, producing documents or taking any other action in respect of any 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 any Borrower Affiliated Company and any of its affiliates in any document or schedule filed with the Securities and Exchange Commission or any other governmental body; (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 acts, practices or omission or alleged acts, practices or omissions of any Borrower Affiliated Company or any of its agents related to the making of any acquisition, purchase of shares or assets pursuant thereto, financing of such purchases or the consummation of any other transactions contemplated by any such acquisitions which are alleged to be in violation of any federal securities law or of any other statute, regulation or other law of any jurisdiction applicable to the making of any such acquisition, the purchase of shares or assets pursuant thereto, the financing of such purchases or the consummation of the other transactions contemplated by any such acquisition; or (iv) any withdrawals, termination or cancellation of any such proposed acquisition for any reason whatsoever. The indemnity set forth herein shall be in addition to any other obligations or liabilities of the Principal Companies to the Agent and the Lenders hereunder or at common law or otherwise. The provisions of this Section 13.1 shall survive the payment of the Notes and the termination of this Agreement.

Section 13.2. Taxes. If, under any law in effect on the date of the closing of any Loan hereunder, or under any retroactive provision of any law subsequently enacted, it shall be determined that any Federal, state or local tax (other than taxes based on the net income of the Lenders or the Agent) is payable in respect of the issuance of any Note, or in connection with the filing or recording of any assignments, mortgages, financing statements, or other documents (whether measured by the amount of Indebtedness secured or otherwise) as contemplated by this Agreement, then the Principal Companies will pay any such tax and all interest and penalties, if any, and will indemnify the Lenders and the Agent against and save each of them harmless from any loss or damage resulting from or arising out of the nonpayment or delay in payment of any such tax. If any such tax or taxes shall be assessed or levied against any Lender or any other holder of a Note, such Lender, or such other holder, as the case may be, may notify the Principal Companies and make immediate payment thereof, together with interest or penalties in connection

therewith, and shall thereupon be entitled to and shall receive immediate reimbursement therefor from the Principal Companies. Notwithstanding any other provision contained in this Agreement, the covenants and agreements of the Principal Companies in this Section 13.2 shall survive payment of the Notes and the termination of this Agreement.

Section 13.3. Survival of Agreements and Representations; Construction. All agreements, representations and warranties made herein shall survive the delivery of this Agreement and the Notes. The headings used in this Agreement and the table of contents are for convenience only and shall not be deemed to constitute a part hereof. All uses herein of the masculine gender or of singular or plural terms shall be deemed to include uses of the feminine or neuter gender, or plural or singular terms, as the context may require.

Section 13.4. Modifications, Consents and Waivers; Entire Agreement. No modification or amendment of any provision of this Agreement, any Notes, the Security Documents, or any of the other Loan Documents shall be effective unless it shall be in writing and signed by the Principal Companies party to the relevant Loan Document. No modification, amendment or waiver of or with respect to any provision of this Agreement, any Notes, the Security Documents, or any of the other Loan Documents nor consent to any departure by any Principal Company from any of the terms or conditions thereof, shall in any event be effective unless it shall be in writing and signed or consented to in writing by the Required Lenders. Notwithstanding the foregoing, any modification or amendment of, or waiver or consent with respect to (a) any reduction in the principal of, or contract rate of interest on (other than the reduction of the Default Rate to the rate that would otherwise be applicable), any Note; (b) any postponement of the date fixed for any payment of principal (other than Excess Cash Flow Payments and Net Proceeds Payments) of or interest on any Note or for any payment of Fees scheduled to be made hereunder for the accounts of the Lenders; (c) any reduction in the amount of any payment of principal (other than Excess Cash Flow Payments and Net Proceeds Payments) or interest on any Note or of any payment of Fees scheduled to be made hereunder for the accounts of the Lenders; (d) any increase in the Commitments; (e) any change in the definition of "Required Lenders", "Conversion Date", or "Maturity Date", or any change in the Percentage of any Lender except pursuant to an Assignment in accordance with the terms hereof; (f) any release of Collateral (unless either: (i) such release is in connection with the Sale of such Collateral and either such Sale is permitted by this Agreement or substantially all of the Net Proceeds from such Sale are used to pay the Obligations or pledged to the Agent as Cash Collateral or (ii) such release is not in connection with such Sale of such Collateral and the fair market value of the Collateral to be released when added to the aggregate fair market value of all Collateral previously released by the Collateral Trustee other than in connection with a Sale of such Collateral is less than \$2,000,000); (g) any release of any Guarantor (unless such release is in connection with the Sale of all of the capital stock of such Guarantor and either such Sale is permitted by this Agreement or substantially all of the Net Proceeds from such Sale are used to pay the Obligations or pledged to the Agent as Cash Collateral); (h) any assignment or delegation of the rights and obligations of the Principal Companies under this Agreement; and (i) this Section 13.4, shall be in writing and signed or consented to in writing by the Agent and all of the Lenders. Any such waiver or consent shall be

effective only in the specific instance and for the purpose for which given. No consent to or demand on any of the Principal Companies in any case shall, of itself, entitle it to any other or further notice or demand in similar or other circumstances. This Agreement, the other Loan Documents, the Special Counsel Fee Agreement and the Fee Letter embody the entire agreement and understanding among the Lenders, the Agent and the Principal Companies and supersede all prior agreements and understandings relating to the subject matter hereof.

Notwithstanding the foregoing, Schedules 4.1, 4.12, 4.14, 8.2 and 9.3 to the Credit Agreement, Schedule III to the Collateral Trust Agreement, Schedules 3.01(a)(ii), 3.01(a)(iii), 3.01(b)(iii), 3.01(b)(iv), 3.01(c) and 3.04(a) to the Borrower Security Agreement, Schedules 3.01(a)(ii), 3.01(a)(iii), 3.01(b)(iii), 3.01(b)(iv), 3.01(c) and 3.04(a) to the Borrower Subsidiary Security Agreement and Schedule I to the Borrower Stock Pledge Agreement may be supplemented or amended and restated by the Borrower in connection with any Permitted Acquisition, to the extent that such supplement or amendment and restatement reflects changes that are permitted by the Credit Agreement and the other Loan Documents. Such supplement or amendment and restatement shall become effective upon the Borrower's delivery of the same to the Agent, together with a certificate of an authorized officer of the Borrower that such supplement or amendment and restatement reflects changes that are permitted by the Credit Agreement and the other Loan Documents. The Agent shall promptly distribute to each Lender a copy of any such supplement or amendment and restatement, together with the certificate of the authorized officer of the Borrower referred to above.

Section 13.5. Remedies Cumulative. Each and every right granted to the Agent, the Issuing Bank and the Lenders hereunder or under any other document delivered hereunder or in connection herewith, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of the Agent, the Issuing Bank or any Lender or the holder of any Note to exercise, and no delay in exercising, any right shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or future exercise thereof or the exercise of any other right. The due payment and performance of the Obligations shall be without regard to any counterclaim, right of offset and any other claim whatsoever which any of the Principal Companies may have against any Lender, the Issuing Bank or the Agent and without regard to any other obligation of any nature whatsoever which any Lender, the Issuing Bank or the Agent may have against any Principal Company, and no such counterclaim or offset shall be asserted by any Principal Company in any action, suit or proceeding instituted by any Lender, the Issuing Bank or the Agent for payment or performance of the Obligations.

Section 13.6. Further Assurances. At any time and from time to time, upon the request of the Agent, the Principal Companies shall execute, deliver and acknowledge or cause to be executed, delivered and acknowledged, such further documents and instruments and do such other acts and things as the Agent may reasonably request in order to fully effect the purposes of this Agreement, the other Loan Documents and any other agreements, instruments and documents delivered pursuant hereto or in connection with the Loans, including, without limitation, the execution and delivery to the Agent of Mortgages in form and substance satisfactory to the Agent covering all Material Real Property or interests therein acquired by the Borrower, and all leases of Material Real

Property entered into by the Borrower as tenant or lessee, after the date of this Agreement, as provided in Subsection 8.15(b).

Section 13.7. Notices. All notices, requests, reports and other communications pursuant to this Agreement shall be in writing, either by letter (delivered by hand or commercial messenger service or sent by certified mail, return receipt requested, except for routine reports delivered in compliance with Article 5 hereof which may be sent by ordinary first-class mail) or telegram or telecopy, addressed as follows:

(a) If to the Principal Companies:

c/o Saga Communications, Inc.
73 Kercheval Avenue
Grosse Pointe Farms, Michigan 48236
Attention: Mr. Edward K. Christian
Telecopier No.: (313) 886-7150

with a copy to:

Mr. Norman L. McKee at the address set forth above; and

a copy to:

Edwards & Angell
101 Federal Street
Boston, Massachusetts 02110
Attention: Stephen O. Meredith, Esq.
Telecopier No.: (617) 439-4170

(b) If to any Lender:

To its address set forth below its name on the signature pages hereof, with a copy to the Agent; and

(c) If to the Agent:

The First National Bank of Boston
100 Federal Street
Media & Communications (01-21-05)
Boston, Massachusetts 02110
Attention: Mr. Mark S. Denomme
Telecopier No.: (617) 434-3401

with a copy (other than in the case of Borrowing Notices and Reports and other documents delivered in compliance with Article 5 hereof) to:

Bingham, Dana & Gould
150 Federal Street
Boston, Massachusetts 02110
Attention: Frederick F. Eisenbiegler, Esq.
Telecopier No.: (617) 951-8736

Any notice, request or communication hereunder shall be deemed to have been given on the day on which it is telecopied to such party at the telecopier number specified above or delivered by hand or such commercial messenger service to such party at its address specified above, or, if sent by mail, on the third Business Day after the day deposited in the mail, postage prepaid, or in the case of telegraphic notice, when delivered to the telegraph company, addressed as aforesaid. Any party may change the person, address or telecopier number to whom or which notices are to be given hereunder, by notice duly given hereunder; provided, however, that any such notice shall be deemed to have been given hereunder only when actually received by the party to which it is addressed.

Section 13.8. Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 13.9. Severability. The provisions of this Agreement are severable, and if any clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision in this Agreement in any jurisdiction. Each of the covenants, agreements and conditions contained in this Agreement is independent, and compliance by the Principal Companies with any of them shall not excuse noncompliance by the Principal Companies with any other. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 13.10. Binding Effect; No Assignment or Delegation by Borrower. This Agreement shall be binding upon and inure to the benefit of the Principal Companies and their successors and to the benefit of the Lenders and the Agent and their respective successors and assigns. The rights and obligations of the Principal Companies under this Agreement shall not be assigned or delegated without the prior written consent of the Agent and the Lenders, and any purported assignment or delegation without such consent shall be void.

Section 13.11. Assignments and Participations by Lenders.

(a) Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender, or any other interest of such Lender hereunder and

under the other Loan Documents; provided, however, that the sum of such selling Lender's (i) Available Revolving Credit Commitment, if any, (ii) Revolving Credit Outstandings, if any, and (iii) outstanding Term Loans being sold shall in no event be less than \$5,000,000 and shall be an integral multiple of \$1,000,000 in excess thereof. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Note for all purposes under this Agreement and the other Loan Documents, the Borrower and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents and such Lender shall retain the sole right to enforce the Obligations of the Principal Companies to such Lender and to approve any amendment, modification or waiver of any provision of this Agreement. It is understood that nothing in the prior sentence or elsewhere in this Section 13.11 shall prohibit a Lender from agreeing with any Participant that such Lender will not take any action which would require approval of all of the Lenders under Section 13.4 without the consent of such Participant and each Lender hereby agrees that it will not agree with any Participant that it will not take any action without such Participant's consent except such actions as would require approval of all Lenders under Section 13.4. The Borrower agrees that if amounts outstanding under this Agreement or the Notes are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement or any Note to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or any Note, provided that such Participant shall only be entitled to such right of setoff if it shall have agreed in the agreement pursuant to which it shall have acquired its participating interest to purchase at par from the other Lenders participations in the Credit Extensions held by the other Lenders in such amounts, and make such other adjustments from time to time as shall be equitable, to the end that all the Lenders shall share the benefit of such payment pro rata in accordance with the unpaid principal and interest on the Credit Extensions held by each of them as provided in Section 2.18. The Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.20, 2.24, and 13.2 with respect to its participation in the Commitments and the Credit Extensions outstanding from time to time and all amounts to which any Participant is entitled thereunder shall be paid by the Borrower directly to the Lender; provided, that no Participant shall be entitled to receive any greater amount pursuant to such Sections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(b) Any Lender (any such Lender being referred to herein as an "Assigning Lender") may, in the ordinary course of its business and in accordance with applicable law, at any time sell to any other Lender or any Affiliate of such Assigning Lender and, with the consent of the Borrower (except during the continuance of an Event of Default) and the Agent (neither of which consents shall be unreasonably withheld), to one or more additional banks or other financial institutions (a "Purchasing Lender") all or any part of its rights and obligations under this Agreement and the Notes. Any such assignment (an "Assignment") shall be made pursuant to an Assignment and Acceptance Agreement,

substantially in the form of Exhibit E attached hereto (an "Assignment and Acceptance Agreement"), executed by such Purchasing Lender, such Assigning Lender (and, in the case of a Purchasing Lender that is not then a Lender or an Affiliate of the Assigning Lender, by the Borrower and the Agent) and delivered to the Agent for its acceptance and recording in the Register; provided, however, that (i) the sum of such Assigning Lender's (A) Available Revolving Credit Commitment, if any, (B) Revolving Credit Outstandings, if any, and (C) outstanding Term Loans being assigned pursuant to such Assignment (determined as of the date of the Assignment with respect to such Assignment) shall in no event be less than \$5,000,000 and shall be an integral multiple of \$1,000,000 (or, if less, the entire remaining amount of the Assigning Lender's Commitments and Credit Extensions), (ii) each such Assignment shall be of a constant, and not a varying, percentage of all of the Assigning Lender's rights and obligations under this Agreement, and (iii) any Assignment by any Assigning Lender of all or any part of its Commitments or Credit Extensions shall be made ratably among such Lender's Revolving Credit Commitment, Term Loan A Commitment, Term Loan B Commitment, Revolving Credit Outstandings and outstanding Term Loans, in accordance with the respective amounts of such Commitments and Credit Extensions, immediately prior to such Assignment. From and after the effective date specified in each Assignment and Acceptance Agreement, which effective date must be at least five (5) Business Days after the execution and delivery of such Assignment and Acceptance Agreement to the Agent and (if required) the acceptance of such Assignment and Acceptance Agreement by the Borrower and the Agent (the "Transfer Effective Date"): (x) the Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance Agreement, have the rights and obligations of a Lender hereunder with respect to the Commitments and Credit Extensions as set forth therein, and (y) the Assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance Agreement, be released from its obligations under this Agreement to the extent that such obligations have been assumed by the Purchasing Lender (and, in the case of an Assignment and Acceptance Agreement covering all or the remaining portion of an Assigning Lender's Commitments and Credit Extensions, such Assigning Lender shall cease to be a party hereto). Each Assignment and Acceptance Agreement duly executed and delivered in accordance with the foregoing provisions of this paragraph (b) shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender as a Lender hereunder and the resulting adjustment of Percentages and amounts of affected Commitments arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such Assigning Lender under this Agreement and the Notes. Within five (5) Business Days after the Transfer Effective Date determined pursuant to such Assignment and Acceptance Agreement and this paragraph (b), the Borrower, at its own expense, shall execute and deliver to the Agent in exchange for the surrender of the Note or Notes of the Assigning Lender to the Agent a new Note or Notes to the order of such Purchasing Lender in an amount equal to the Revolving Credit Commitment or outstanding Term Loans B, as the case may be, and the outstanding Term Loans A assumed by the Purchasing Lender pursuant to such Assignment and Acceptance Agreement and, if the Assigning Lender has retained a Revolving Credit Commitment or outstanding Term Loans B, as the case may be, or outstanding Term Loans A hereunder, a new Note or Notes to the order of the Assigning Lender in an amount equal to the Revolving Credit Commitment or outstanding Term Loans B, as the case may be, and outstanding Term Loans A retained by it hereunder. Such new Notes shall be dated the Transfer Effective Date (or such other date

as may be agreed to by the Borrower, the Agent, the Assigning Lender and the Purchasing Lender) and shall otherwise be in the form of the Notes replaced thereby. The Notes surrendered by the Assigning Lender shall be returned by the Agent to the Borrower marked "canceled."

(c) The Agent shall maintain at its address a copy of each Assignment and Acceptance Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Commitments of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Commitments and Loans recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance Agreement executed by an Assigning Lender and Purchasing Lender (and, in the case of a Purchasing Lender that is not then a Lender or an Affiliate of the Assigning Lender, by the Borrower and the Agent) together with payment by the Purchasing Lender to the Agent for the account of the Agent of a registration and processing fee of \$2,500, the Agent shall (i) promptly accept such Assignment and Acceptance Agreement, (ii) on the Transfer Effective Date determined pursuant thereto and paragraph (b) of this Section 13.11, record the information contained therein in the Register and (iii) give notice of such acceptance and recordation to each of the Lenders and the Borrower.

(e) By executing and delivering an Assignment and Acceptance Agreement, the Assigning Lender thereunder and the Purchasing Lender thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance Agreement, such Assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any of the other Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any of the Principal Companies or the performance or observance by any of the Principal Companies of any of their obligations under this Agreement, any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (iii) such Purchasing Lender confirms that it has received a copy of this Agreement, together with copies of such financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance Agreement; (iv) such Purchasing Lender will, independently and without reliance upon the Agent, such Assigning Lender 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 decisions in taking or not taking action under this Agreement; (v) such Purchasing Lender appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement or any of the other Loan Documents as are delegated to the Agent by the terms hereof, together

with such powers as are reasonably incidental thereto; (vi) such Purchasing Lender agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement or any of the other Loan Documents are required to be performed by it as a Lender; and (vii) such Purchasing Lender (A) consents in all respects to the provisions of the Collateral Trust Agreement, (B) agrees to be bound by the terms of the Collateral Trust Agreement and (C) authorizes the Collateral Trustee as Collateral Trustee to act on its behalf under the Collateral Trust Agreement and to exercise such powers under the Collateral Trust Agreement as are delegated to the Collateral Trustee by the terms thereof, together with such powers as are reasonably incidental thereto.

(f) The Principal Companies authorize each Lender to disclose to any Participant or Purchasing Lender (each, a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the Principal Companies which has been delivered to such Lender by or on behalf of the Principal Companies or the Agent pursuant to this Agreement or the other Loan Documents or which has been delivered to such Lender by or on behalf of the Principal Companies or the Agent in connection with such Lender's credit evaluation of the Principal Companies and its Affiliates prior to becoming a party to this Agreement; provided, that, prior to any such disclosure, the Transferee or prospective Transferee shall agree to be bound by the provisions of Section 13.14.

(g) If any interest in this Agreement or any Note is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any state thereof, the Assigning Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, (i) to represent to the Assigning Lender (for the benefit of the Assigning Lender, the Agent and the Borrower) that under applicable law and treaties no taxes will be required to be withheld by the Agent, the Borrower or the Assigning Lender with respect to any payments to be made to such Transferee in respect of the Credit Extensions, (ii) to furnish to the Assigning Lender (and, in the case of any Purchasing Lender registered in the Register, the Agent and the Borrower) either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 or U.S. Internal Revenue Service Form W-8 (wherein such Transferee claims entitlement to complete exemption from U.S. federal withholding tax on all interest payments hereunder) and (iii) to agree (for the benefit of the Assigning Lender, the Agent and the Borrower) to provide the Assigning Lender (and, in the case of any Purchasing Lender registered in the Register, the Agent and the Borrower) a new Form 4224 or Form 1001 upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such Transferee, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

(h) Nothing herein shall prohibit any Lender from pledging or assigning any Note to any Federal Reserve Bank in accordance with applicable law.

(i) Notwithstanding anything in this Section 13.11 or elsewhere in this Agreement to the contrary, no Principal Company shall be obligated to reimburse any Lender, any Purchasing Lender, any Participant or the Agent for any costs or expenses

incurred by any of them in connection with any Lender's sale of any participating interest or any Assignment hereunder.

Section 13.12. FCC Approval. Notwithstanding anything to the contrary contained in this Agreement or in the other Loan Documents, neither the Agent nor any of the Lenders will take any action pursuant to this Agreement or any of the other Loan Documents, which would constitute or result in a change in control of, or assignment of any FCC License of, any Borrower Affiliated Company requiring the prior approval of the FCC without first obtaining such prior approval of the FCC. After the occurrence of an Event of Default, each Principal Company shall take or cause to be taken any action which the Agent or the Collateral Trustee may reasonably request in order to obtain from the FCC such approval as may be necessary to enable the Agent or the Collateral Trustee to exercise and enjoy the full rights and benefits granted by this Agreement or any of the other Loan Documents, including, at the Principal Companies' cost and expense, the use of the Principal Companies' best efforts to assist in obtaining such approval for any action or transaction contemplated by this Agreement or any of the other Loan Documents for which such approval is required by law, including 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 the consent to the assignment or transfer of control necessary or appropriate under the FCC's rules and approval of any of the transactions contemplated by this Agreement or any of the other Loan Documents.

Section 13.13. Usury Provision. It is not the intention of any parties to this Agreement to make an agreement in violation of the laws of any applicable jurisdiction relating to usury. Regardless of any provision of this Agreement, the Lenders shall never be entitled to receive, collect or apply, as interest on the Loans, any amount in excess of the maximum amount permitted by applicable law. If the Lenders ever receive, collect or apply, as interest, any such excess, such amount which would be excessive interest shall be deemed a partial repayment of principal and treated hereunder as such; and if principal is paid in full, any remaining excess shall be paid to the Borrower. In determining whether or not the interest paid or payable under any specific contingency exceeds the maximum amount permitted by applicable law, the Lenders shall, to the extent permitted under applicable laws, and solely for purposes of making such determination, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effect thereof, and (iii) amortize, prorate, allocate and spread in equal parts the total amount of interest throughout the entire contemplated term of this Agreement so that the interest rate is uniform throughout the entire term of this Agreement; provided, however, that if the Loans are paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the maximum amount permitted by applicable law, the Lenders shall refund to the Borrower the amount of such excess or credit the amount of such excess against the total principal amount of the Loans owing, and, in such event, the Lenders shall not be subject to any penalties provided by any laws for contracting for, charging or receiving interest in excess of the maximum amount permitted by applicable law. This Section 13.13 shall control every other provision of all agreements pertaining to the transactions contemplated by or contained in this Agreement.

Section 13.14. Certain Lien Releases. Upon the occurrence of any Permitted Sale or any other sale of Assets by any Principal Company permitted by Section 9.3(a)(iii), the Collateral Trustee's Liens on the Assets sold shall be automatically released. Notwithstanding the foregoing, the Collateral Trustee's Liens on the proceeds of any Assets sold shall continue in full force and effect. The Lenders hereby authorize the Collateral Trustee to execute and deliver such documents and to take such actions as may be appropriate to give effect to the foregoing.

Section 13.15. Confidentiality. The Agent and each Lender shall hold all (i) projections and financial statements which have not been delivered to the public, and (ii) all other non-public information which the Agent or such Lender has been informed is non-public or the Agent or such Lender believes is confidential and has been obtained pursuant to this Agreement, in accordance with the Agent's or such Lender's customary procedures for handling confidential information of such nature and in accordance with safe and sound banking practices, provided that in any event it is understood and agreed that the Agent and each Lender may make disclosure to its examiners, affiliates, outside auditors, counsel, and other professional advisors in connection with this Agreement or any other Loan Documents or as reasonably required by any bona fide prospective transferee or actual transferee in connection with the contemplated transfer of any Commitment, Loan, Letter of Credit or Note or any participation therein (provided that such transferee agrees to keep such information confidential) or as required or requested by any Governmental Authority or representative thereof or pursuant to legal process; provided, further, that in no event shall any Lender be obligated or required to return any materials furnished by the Borrower.

Section 13.16. Governing Law; Consent to Jurisdiction; Waiver of Trial by Jury.

(a) THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ALL OTHER DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED IN CONNECTION HERewith AND THEREWITH, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS (WITHOUT REFERENCE TO CONFLICTS OR CHOICE OF LAW).

(b) THE PRINCIPAL COMPANIES IRREVOCABLY CONSENT THAT ANY LEGAL ACTION OR PROCEEDING AGAINST ANY OF THEM UNDER, ARISING OUT OF OR IN ANY MANNER RELATING TO THIS AGREEMENT, AND EACH OTHER LOAN DOCUMENT MAY BE BROUGHT IN ANY COURT OF THE COMMONWEALTH OF MASSACHUSETTS OR IN THE UNITED STATES DISTRICT COURT FOR MASSACHUSETTS. THE PRINCIPAL COMPANIES, BY THE EXECUTION AND DELIVERY OF THIS AGREEMENT, EXPRESSLY AND IRREVOCABLY ASSENT AND SUBMIT TO THE PERSONAL JURISDICTION OF ANY OF SUCH COURTS IN ANY SUCH ACTION OR PROCEEDING. THE PRINCIPAL COMPANIES FURTHER IRREVOCABLY CONSENT TO THE SERVICE OF ANY COMPLAINT, SUMMONS, NOTICE OR OTHER PROCESS RELATING TO ANY SUCH ACTION OR PROCEEDING BY DELIVERY THEREOF TO IT BY HAND OR BY MAIL IN THE MANNER PROVIDED FOR IN SECTION 13.7. THE PRINCIPAL COMPANIES HEREBY EXPRESSLY AND IRREVOCABLY WAIVE ANY CLAIM OR DEFENSE IN ANY SUCH ACTION OR PROCEEDING BASED ON ANY ALLEGED LACK OF PERSONAL JURISDICTION,

IMPROPER VENUE OR FORUM NON CONVENIENS OR ANY SIMILAR BASIS. THE PRINCIPAL COMPANIES SHALL NOT BE ENTITLED IN ANY SUCH ACTION OR PROCEEDING TO ASSERT ANY DEFENSE GIVEN OR ALLOWED UNDER THE LAWS OF ANY STATE OTHER THAN THE COMMONWEALTH OF MASSACHUSETTS UNLESS SUCH DEFENSE IS ALSO GIVEN OR ALLOWED BY THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS. NOTHING IN THIS SECTION 13.15 SHALL AFFECT OR IMPAIR IN ANY MANNER OR TO ANY EXTENT THE RIGHT OF ANY LENDER TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE PRINCIPAL COMPANIES IN ANY JURISDICTION OR TO SERVE PROCESS IN ANY MANNER PERMITTED BY LAW.

(c) EACH OF THE PRINCIPAL COMPANIES WAIVES TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF, THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, OR ANY INSTRUMENT OR DOCUMENT DELIVERED PURSUANT TO THIS AGREEMENT, OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF.

Section 13.17. Integration of Schedules and Exhibits. Annexed to this Agreement are the Schedules and Exhibits. Such Schedules and Exhibits are an integral part of this Agreement and are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

PRINCIPAL COMPANIES:

SAGA COMMUNICATIONS, INC.
SAGA BROADCASTING CORP.
FRANKLIN COMMUNICATIONS, INC.
LAKEFRONT COMMUNICATIONS, INC.
SAGA COMMUNICATIONS OF
ILLINOIS, INC.
SAGA COMMUNICATIONS OF IOWA, INC.
SAGA COMMUNICATIONS OF IOWA REAL
ESTATE, INC.
TIDEWATER COMMUNICATIONS, INC.
SAGA COMMUNICATIONS OF NEW ENGLAND,
INC.
SAGA QUAD STATES COMMUNICATIONS, INC.

/s/ Norman L. McKee

By: _____
Norman L. McKee, Chief Financial Officer

LENDERS:

THE FIRST NATIONAL BANK OF BOSTON

/s/ Mark S. Denomme

By: _____
Mark S. Denomme, Vice President

Lending Office for all Loans:

The First National Bank of Boston
100 Federal Street
Boston, MA 02110

Address for Notices:

The First National Bank of Boston
100 Federal Street
Media & Communications (01-21-05)
Boston, Massachusetts 02110
Attention: Mr. Mark S. Denomme
Telecopier: (617) 434-3401

THE BANK OF NEW YORK

/s/ Jerome Kapelus

By: _____
Title:

Lending Office for all Loans:

The Bank of New York
One Wall Street
New York, New York 10286

Address for Notices:

The Bank of New York
One Wall Street
New York, New York 10286
Attention: Mr. Jerome Kapelus
Telecopier: (212) 635-8593

MELLON BANK, N.A.

/s/ Michael Hrycenko
By: _____
Title:

Lending Office for all Loans:

Mellon Bank, N.A.
One Mellon Center
Pittsburgh, PA 15258-0001

Address for Notices:

Mellon Bank, N.A.
One Mellon Center, Room 4440
Pittsburgh, PA 15258-0001
Attention: Mr. Michael Hrycenko
Telecopier: (412) 234-6375

UNION BANK OF CALIFORNIA, N.A.

/s/ John Lee
By: _____
Title:

Lending Office for all Loans:

Union Bank of California, N.A.
400 California Street
San Francisco, CA 94104

Address for Notices:

Union Bank of California, N.A.
400 California Street
San Francisco, CA 94104
Attention: Mr. John Lee
Telecopier: (415) 765-3146

FLEET BANK, N.A.

/s/ Adam Bester

By: _____

Title:

Lending Office for all Loans:

Fleet Bank, N.A.
175 Water Street
New York, New York 10038

Address for Notices:

Fleet Bank, N.A.
175 Water Street, 28th Floor
New York, New York 10038
Attention: Mr. Adam Bester
Telecopier: (212) 602-2663

AGENT:

THE FIRST NATIONAL BANK OF BOSTON

/s/ Mark S. Denomme

By: _____

Title:

Address for Notices:

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110
Attention: Mr. Mark S. Denomme
Media & Communications (01-21-05)
Telecopier: (617) 434-3401

CO-AGENT

THE BANK OF NEW YORK

/s/ Jerome Kapelus

By: _____

Title:

Address for Notices:

The Bank of New York
One Wall Street
New York, New York 10286
Attention: Mr. Jerome Kapelus
Telecopier: (212) 635-8595

For purposes of Section 13.14 only:

COLLATERAL TRUSTEE:

THE FIRST NATIONAL BANK
OF BOSTON

/s/ Mark S. Denomme

By: _____

Mark S. Denomme, Vice President

SAGA [LOGO]

COMMUNICATIONS, INC.

73 KERCHEVAL AVENUE
GROSSE POINTE FARMS, MI 48236
(313) 886-7070
FAX (313) 886-7150

SAGA CLOSES ON ACQUISITIONS OF FOUR RADIO STATIONS AND
A \$110 MILLION CREDIT FACILITY

CONTACT:
Norm McKee
(313)-886-7070

Grosse Pointe Farms, MI - June 24, 1996 -- Saga Communications, Inc. (AMEX-SGA) today announced that it had closed on its acquisition of radio stations WNAX AM/FM in Yankton, South Dakota for approximately \$7 million and WPOR AM/FM in Portland, Maine for approximately \$10 million.

In addition to the closing of these acquisitions, the Company signed a new \$110 million credit facility. The credit facility was provided by a bank group led by The First National Bank of Boston as agent and The Bank of New York as co-agent, and includes Fleet Bank, N.A.; Mellon Bank, N.A.; and Union Bank of California, N.A.. Approximately \$44 million was used to pay off existing debt, and the balance of the facility, approximately \$66 million, is available to finance future acquisitions.

Saga Communications, Inc. is a broadcasting company which, upon closing a pending acquisition of four radio stations serving the Springfield, Illinois market, will own and operate 32 radio stations and a television station, serving 11 markets throughout the midwest, New England, and along the eastern seaboard.